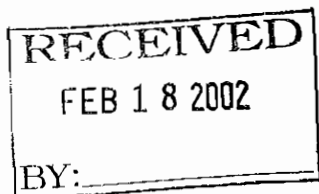


Leader.



927 Eastwood Drive  
Columbus  
Westerville, Ohio 43081  
USA

www.leader.com

614 890.1986 VOICE  
614 864.7922 FAX



## Proprietary & Confidentiality Agreement

In connection with your interest in business relationships between you, **Battelle Memorial Institute, Commercial Business Operations** ("RECIPIENT" or you) and Leader Technologies LLC, a.k.a. Leader Technologies, Ltd., an Ohio limited liability company ("Leader"), Leader will be furnishing you with certain information which is either non-public, confidential or proprietary in nature. All information ascertained by or furnished to you, your directors, officers, employees, agents or representatives, including without limitation attorneys, accountants, consultants and financial advisors (collectively, "representatives"), by Leader or its representatives, and all analyses, compilations, data, studies or other documents prepared by you or your representatives containing or based in whole or in part on any such furnished information or reflecting your review of, or interest in, Leader is hereinafter referred to as the "Information". In consideration of your being furnished with the Information you agree that:

1. The Information will be kept confidential and will not, without the prior written consent of Leader be disclosed by you or your representatives, in any manner whatsoever, in whole or in part, and will not be used by you or your representatives directly or indirectly for any purpose other than evaluating the business relationship referred to above. Moreover, you agree to transmit the Information only to those representatives who need to know the Information for the purpose of evaluating the business relationship referred to above, who are informed by you of the confidential nature of the Information and who are bound by the terms of this Agreement by virtue of the terms of their Employment Agreement. You will be responsible for any breach of this Agreement by your representatives. You also agree to abide by applicable law with respect to disclosure of personnel records and the right to privacy.
2. Neither party hereto nor its representatives will, without the prior written consent of the other party, disclose to any other person the fact that the Information has been made available, that discussions or negotiations are taking place concerning a possible business relationship involving Leader or any of the terms, conditions or other facts with respect to any such possible business relationship, including the status thereof, except as required by law or by the rules of any recognized stock exchange and then, if circumstances permit, only with prior written notice as soon as possible to such other party. If circumstances make it impossible to give such prior written notice, then any disclosure made shall be no more extensive than is necessary to meet the minimum requirement imposed on the party making such disclosure.
3. The Information, and all copies thereof, except for that portion of the Information which consists of analyses, compilations, data, studies or other documents prepared by you or your representatives will remain the absolute property of Leader and will be returned without retaining any copies thereof to Leader immediately upon Leader's request. That portion of the Information which consists of analyses, compilations, data, studies or other documents prepared by you will be immediately destroyed at the request of Leader and such destruction will be confirmed to Leader in writing.

4. This Agreement shall be inoperative as to such portions of the Information which (i) are or become generally available to the public other than as a result of an unauthorized disclosure by you or your representatives; (ii) become available to you on a non-confidential basis from any source excluding Leader or its representatives, which source has represented to you (and which you have no reason to disbelieve after due inquiry) is entitled to disclose it; or (iii) was known to you on a non-confidential basis prior to its disclosure to you by Leader or one of its representatives; or (iv) are independently developed by you as shown by written records.
5. You understand that Leader has endeavored to include in the Information those materials which are believed to be reliable and relevant for the purpose of your evaluation, but you acknowledge that neither Leader nor any of its representatives makes any representation or warranty as to the accuracy or completeness of the Information. You agree that neither Leader nor any of its representatives shall have any liability to you or to any of your representatives as a result of the use of the Information by you or your representatives, it being understood that only those particular representations and warranties which may be made in any definitive agreements, when, as and if executed, and subject to such limitations and restrictions as may be specified in such definitive agreements, shall have any legal effect.
6. In the event that you or anyone to whom you transmit the Information pursuant to this Agreement are requested or become legally compelled (by oral questions, interrogatories, request for information or documents, subpoena, civil investigative demand or similar process) to disclose any of the Information, you will provide Leader with prompt written notice so that Leader may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of the Agreement. In the event that such protective order or other remedy is not obtained, or that Leader waives compliance with the provisions of this Agreement, you will furnish only that portion of the Information which is legally required.
7. It is further understood and agreed that you will not directly contact employees of Leader in connection with the Information or a potential business relationship involving Leader without prior authorization of Michael T. McKibben, Senior Manager of Leader. You further agree that if you meet with management as a part of any due diligence visit, then you will not solicit for employment any of Leader's executives or key employees for a period of three years from the date of that visit. The foregoing shall not restrict in any way the right to solicit generally in the media for required personnel, nor does it restrict employees of either party from pursuing on their own initiative employment opportunities with the other party.
8. It is further understood and agreed that no failure or delay by Leader in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise of any right, power or privilege hereunder.
9. The restrictions imposed hereby shall continue for a period of five years from the date on which you last receive or prepare, as the case may be, any Information.

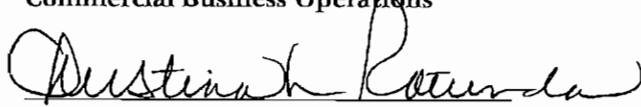
Leader



10. This Agreement shall be governed and construed in accordance with the laws of the State of Ohio applicable to agreements made and to be performed within such State.

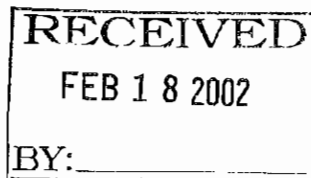
Please return a signed copy of this Proprietary & Confidentiality Agreement to Leader, c/o Michael T. McKibben, Chairman, CEO & Senior Manager, Spectrum Commerce Center, 921 Eastwind Drive, Westerville, Ohio 43081.

**Christina L. Rotunda, Director  
Commercial Contract Services  
Battelle Memorial Institute,  
Commercial Business Operations**

  
Signature

2/18/02  
Date

Leader.



Leader.

931 Eastwind Drive  
Suite 118  
Westerville, Ohio 43081  
USA

614 890.1986 VOICE  
614 864.7922 FAX



Wednesday, April 17, 2002

**Mr. James Brennan**  
Vice President, Commercialization  
Battelle Memorial Institute  
505 King Avenue  
Columbus, Ohio 43201-2693  
[brennanj@battelle.org](mailto:brennanj@battelle.org)  
(614) 424-7865 VOICE  
**(614) 424-3737 FAX**

Dear Jim:

We very much enjoyed the meeting last week and look forward to hearing from you on areas of mutual opportunity. Our platform pilots are going very well.

In reviewing the Proprietary & Confidentiality Agreement it came to my attention that the signatory was not an officer (VP or above) of Battelle. Would you kindly countersign the enclosed copy of the agreement and fax back a confirmation copy?

Yours truly,

Michael T. McKibben  
Chairman & CEO

Enclosures:

- 2-18-02 Proprietary & Confidentiality Agreement for Battelle Memorial Institute, signed by Christian L. Rotunda for Benjamin S. Maiden, James M. Brennan et al.

Cc:

- Professor James P. Chandler

Leader.

921 Eastwind Drive  
Suite 118  
Westerville, Ohio 43081  
USA

614 890.1986 VOICE  
614 864.7922 FAX



# Fax

To: Mr. James Brennan From: Mr. Michael McKibben  
 Fax: 424-3737 Pages: 5  
 Phone: \_\_\_\_\_ Date: 4-17-02  
 Re: Agreement CC: \_\_\_\_\_

- Urgent     For Review     Please Comment     As Requested     Please Reply     For Your Use

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Leader.

921 Eastwind Drive  
Suite 118  
Westerville, Ohio 43081  
USA

614 890.1986 VOICE  
614 864.7922 FAX



# Fax

To: Professor James P. Chandler From: Milne McKibben  
 Fax: 202-296-4098 Pages: 6  
 Phone: Date: 4-17-02  
 Re: Battelle Agreement cc:

- Urgent     For Review     Please Comment     As Requested     Please Reply     For Your Use

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TRANSMISSION VERIFICATION REPORT

TIME : 04/17/2002 17:04

DATE, TIME	04/17 17:02
FAX NO./NAME	4243737
DURATION	00:01:33
PAGE(S)	05
RESULT	OK
MODE	STANDARD ECM

- confirmation of fax to Mr. Brennan

www.leader.com

Leader.

4375 Battelle Drive  
Columbus, OH 43224  
614 424 3585  
www.leader.com614 800.1986 VOICE  
614 864 7922 FAX

## Proprietary & Confidentiality Agreement

In connection with your interest in business relationships between you, **Battelle Memorial Institute, Commercial Business Operations** ("RECIPIENT" or you) and Leader Technologies LLC, a.k.a. Leader Technologies, Ltd., an Ohio limited liability company ("Leader"), Leader will be furnishing you with certain information which is either non-public, confidential or proprietary in nature. All information ascertained by or furnished to you, your directors, officers, employees, agents or representatives, including without limitation attorneys, accountants, consultants and financial advisors (collectively, "representatives"), by Leader or its representatives, and all analyses, compilations, data, studies or other documents prepared by you or your representatives containing or based in whole or in part on any such furnished information or reflecting your review of, or interest in, Leader is hereinafter referred to as the "Information". In consideration of your being furnished with the Information you agree that:

1. The Information will be kept confidential and will not, without the prior written consent of Leader be disclosed by you or your representatives, in any manner whatsoever, in whole or in part, and will not be used by you or your representatives directly or indirectly for any purpose other than evaluating the business relationship referred to above. Moreover, you agree to transmit the Information only to those representatives who need to know the Information for the purpose of evaluating the business relationship referred to above, who are informed by you of the confidential nature of the Information and who are bound by the terms of this Agreement by virtue of the terms of their Employment Agreement. You will be responsible for any breach of this Agreement by your representatives. You also agree to abide by applicable law with respect to disclosure of personnel records and the right to privacy.
2. Neither party hereto nor its representatives will, without the prior written consent of the other party, disclose to any other person the fact that the Information has been made available, that discussions or negotiations are taking place concerning a possible business relationship involving Leader or any of the terms, conditions or other facts with respect to any such possible business relationship, including the status thereof, except as required by law or by the rules of any recognized stock exchange and then, if circumstances permit, only with prior written notice as soon as possible to such other party. If circumstances make it impossible to give such prior written notice, then any disclosure made shall be no more extensive than is necessary to meet the minimum requirement imposed on the party making such disclosure.
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BATTELLE MEMORIAL INSTITUTE, COMMERCIAL BUSINESS OPERATIONS  
Proprietary & Confidentiality Agreement, page 2 of 4

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5. You understand that Leader has endeavored to include in the Information those materials which are believed to be reliable and relevant for the purpose of your evaluation, but you acknowledge that neither Leader nor any of its representatives makes any representation or warranty as to the accuracy or completeness of the Information. You agree that neither Leader nor any of its representatives shall have any liability to you or to any of your representatives as a result of the use of the Information by you or your representatives, it being understood that only those particular representations and warranties which may be made in any definitive agreements, when, as and if executed, and subject to such limitations and restrictions as may be specified in such definitive agreements, shall have any legal effect.
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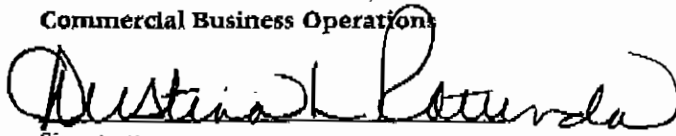
Leader.

BATTELLE MEMORIAL INSTITUTE, COMMERCIAL BUSINESS OPERATIONS  
Proprietary & Confidentiality Agreement, page 3 of 4

10. This Agreement shall be governed and construed in accordance with the laws of the State of Ohio applicable to agreements made and to be performed within such State.

Please return a signed copy of this Proprietary & Confidentiality Agreement to Leader, c/o Michael T. McKibben, Chairman, CEO & Senior Manager, Spectrum Commerce Center, 921 Eastwind Drive, Westerville, Ohio 43081.

**Christina L. Rotunda, Director  
Commercial Contract Services  
Battelle Memorial Institute,  
Commercial Business Operations**

  
Signature

2/18/02  
Date

Leader.

Proprietary & Confidential



505 King Avenue  
Columbus, OH 43201

**Date:** February 18, 2002

# *Fax*

**To: Michael T. McKibben**

**Fax No: 614/864-7922**

**Phone No:**

**Company: Chairman & CEO,**

**Leader Technologies**

**From: Christina L. Rotunda**

**Director, Commercial Contract Services**

**Fax No: 614/424-3585**

**Phone No:**

**Total Pages: 4 (Including Lead Sheet)**

**Comments:** As outlined in my email of this morning

Leader.

921 Eastwind Drive  
Suite 118  
Westerville, Ohio 43081  
USA

614 890.1986 VOICE  
614 864.7922 FAX



# Fax

To: Kelley Clements From: Mike McKibben  
 Fax: 202-296-4098 Pages: 8  
 Phone: — Date: 4-16-02  
 Re: — CC: —

- Urgent     For Review     Please Comment     As Requested     Please Reply     For Your Use

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TRANSMISSION VERIFICATION REPORT

TIME : 04/16/2002 16:17

DATE, TIME	04/16 16:14
FAX NO./NAME	12022964098
DURATION	00:02:37
PAGE(S)	08
RESULT	OK
MODE	STANDARD ECM



Corporate Business Development  
505 King Avenue  
Columbus, OH 43201

Date: April 23, 2002

# Fax

To: Mike McKibben

From: Paula Kirk for Jim Brennan

Fax No: 864-7922

Fax No: 424-4874

Phone No: 890-1986

Phone No: 424-7158

Company:

Total Pages: 4 (Including Lead Sheet)

**Comments:**

Attached is the signed NDA from Battelle.

- is she an authorized officer  
of the company? I am not  
than our counsel says that  
we really need a VP of sales  
and not a manager. I think  
she is an authorized officer  
of the company. For commercial  
end of Battelle  
authorized individual rep.  
that has done all the work on CRIS and NDA

J. BIZENWAN

www.leadert.com

Leader.

777 Battelle Drive  
 Columbus, Ohio 43260  
 614 424 3737  
 614 424 3737

614 890.7986 VOICE  
 614 864.7922 FAX



## Proprietary & Confidentiality Agreement

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BATTELLE MEMORIAL INSTITUTE, COMMERCIAL BUSINESS OPERATIONS  
Proprietary & Confidentiality Agreement, page 2 of 4

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Leader.

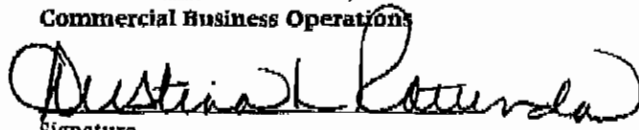


BATTELLE MEMORIAL INSTITUTE, COMMERCIAL BUSINESS OPERATIONS  
Proprietary & Confidentiality Agreement, page 3 of 4

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**Christina L. Rotunda, Director  
Commercial Contract Services  
Battelle Memorial Institute,  
Commercial Business Operations**

  
Signature

2/18/02  
Date

Leader.

Proprietary & Confidential

## Carrie D. McKibben

---

**From:** Carrie D. McKibben [cmckibben@leader.com]  
**Sent:** Tuesday, April 23, 2002 1:46 PM  
**To:** mmckibben@leader.com  
**Subject:** NDA

FYI

Tuesday April 23rd, 2002 1:40pm

I spoke with Paula Kirk (Jim Brennan's assistant at Battelle) to confirm that Christina L. Rotunda was authorized to sign for Battelle and to bind the organization. I said that our counsel thought that we really needed a VP or above. Paula said that Christina is an authorized contractual representative who handles and signs all CDA's and NDA's for the commercial end of Battelle. I said thank you and that I thought that would be fine and that I would let Mr. McKibben know.

-Carrie



4-24-02

Carrie D. McKibben

Leader.

921 Eastwind Drive  
Suite 118  
Westerville, Ohio 43081  
USA

614 890.1986 VOICE  
614 864.7922 FAX



# Fax

To: Dr. Benjamin Maiden From: Michael T. McKibben  
 Fax: (614) 458-4822 Pages: 16 pages total  
 Phone: (614) 424-6424 Date: June 7, 2002  
 Re: Proprietary Information CC: Jim Brennan  
Prof. James Chandler

- Urgent     For Review     Please Comment     As Requested     Please Reply     For Your Use

---

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TRANSMISSION VERIFICATION REPORT

TIME : 06/07/2002 08:25

DATE, TIME	06/07 08:20
FAX NO./NAME	4584822
DURATION	00:05:01
PAGE(S)	16
RESULT	OK
MODE	STANDARD ECM

Dr. Benjamin Maiden, Bettelle  
Fax Confirmation  
6/7/02 M.T. McKel

Leader.

921 Eastwind Drive  
Suite 118  
Westerville, Ohio 43081  
USA

614 890.1986 VOICE  
614 864.7922 FAX



# Fax

To: Mr. James Brennan From: Michael T. McKibben  
*Bethelle*  
Fax: (614) 458-7865 Pages: 16 pages total  
Phone: (614) 424-6424 Date: June 7, 2002  
Re: Proprietary Information CC: Dr. Benjamin Maiden  
Prof. James P. Chandler

- Urgent     For Review     Please Comment     As Requested     Please Reply     For Your Use

---

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## TRANSMISSION VERIFICATION REPORT

TIME : 06/07/2002 08:33

DATE, TIME	06/07 08:28
FAX NO./NAME	4587865
DURATION	00:05:00
PAGE(S)	16
RESULT	OK
MODE	STANDARD ECM

Mr. James Brennan, Battelle  
Fax Confirmation  
6/7/02 M.T. McKel

Leader.

921 Eastwind Drive  
Suite 118  
Westerville, Ohio 43081  
USA

614 890.1986 VOICE  
614 864.7922 FAX



# Fax

To: *Professor James P. Chandler* From: *Michael T. McKibben*

---

Fax: *(202) 296-4098* Pages: *20 pages total*

---

Phone: *(202) 296-8484* Date: *June 7, 2002*

---

Re: *Battelle Letter/Notice* CC: *Dr. Benjamin Maiden, Battelle  
Mr. James Brennani, Battelle*

- Urgent     For Review     Please Comment     As Requested     Please Reply     For Your Use

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Leader.

921 Eastwind Drive  
Suite 118  
Westerville, Ohio 43081  
USA

614 890.1986 VOICE  
614 864.7922 FAX



Friday, June 07, 2002

**Dr. Benjamin Maiden**  
Senior Vice President

**Mr. James M. Brennan**  
Vice President

**Battelle Memorial Institute**  
505 King Avenue  
Columbus, Ohio 43201-2693

Dear Ben & Jim:

I am in receipt of your letter dated May 23, 2002. We are, to say the least, perplexed by the abrupt change in interest given the intensity of interest that Jim Brennan, David Gower and others expressed just last week in having Leader provide a full, written competitive analysis of Leader products before they were willing to reconvene the meeting that had been postponed. In good faith, we went to considerable expense in procuring the services of Professor James P. Chandler and his staff to help work through the IP protection problems that your request posed to Leader.

Should your priorities change and you wish to take a fresh look at the potential synergies between Leader and Battelle, please don't hesitate to contact me.

To the best of my records, the following people were made privy to Leader trade secrets:

1. **Carl F. Kohrt**, President & CEO
2. **Benjamin G. Maiden**, SVP & General Manager Chemical Sector
3. **Mark W. Kontos**, CFO
4. **Greg L. Frank**, EVP, Government Market Sectors
5. **Jerome R. Bahlmann**, Corporate & General Counsel and Administrative Services
6. **James M. Brennan**, VP of Commercialization
7. **Frank J. Cox**, VP, Business Development, Defense Systems/Army Market Sectors
8. **David J. Gower**, VP, Information Technology Platform
9. **Paula Kirk**, Assistant to James Brennan
10. **Lynn Davison**, Director, Information Management
11. **David Petrozzi**, his position was never disclosed to us

The Proprietary & Confidentiality Agreement signed by Battelle on February 18, 2002, Battelle committed to return all information, and all copies thereof, provided by Leader. We request that that information be returned.



Further, with regard to analyses, compilations, data, studies or other documents, including individual notes, made by Battelle personnel, Battelle committed to immediately destroy all such items at our request and to confirm in writing that all such items have been destroyed. We request that all such items as mentioned in section number 3 of the Proprietary & Confidentiality Agreement now be immediately destroyed and that such destruction be confirmed to Leader in writing.

Further, assertions were made by Battelle personnel and relayed to me by Mr. Brennan that Leader's technology represented nothing new, novel and unique. Leader cannot tolerate such posturing and strongly asserts all its rights and privileges for trade secrets and intellectual property protection under the law from anyone who might attempt to act on such uninformed assertions.

Finally, it has come to our attention that a national laboratory with whom we are working has received a post-cutoff date request to license the proprietary and confidential camera technology that we have disclosed to you. We hope this inquiry is not from Battelle or one of its affiliates or agents.

Speaking as a long time Ohio entrepreneur and business advocate, it is unfortunate that we could not have found a way to work together given that we live in the same great city. Our collaboration could have been spectacular. We will just have to look outside Ohio for such collaboration, unfortunately.

I wish you all the best.

Yours truly,



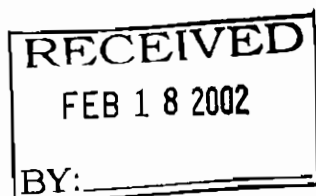
Michael T. McKibben  
Chairman & CEO

cc. Professor James P. Chandler

Enclosures:

1. Proprietary & Confidentiality Agreement, 2/18/02
2. April 17, 2002 letter to James Brennan requesting confirmation from a VP-level officer of the Proprietary & Confidentiality Agreement
3. April 23, 2002 confirmation from Jim Brennan's assistant, Paula Kirk, confirming Christina Rotunda's authorization to bind the Battelle enterprise.
4. April 30, 2002 Email from Jim Brennan confirming that "... we have signed an NDA."
5. May 10, 2002 Email from Jim Brennan indicating no obstacles to the postponed 5<sup>th</sup> meeting regarding the request to disclose competitive information.
6. February 25, 2002 Email from Jim Brennan confirming Battelle's interest in Leader and its technologies and the potential for working together.

Leader.



www.leader.com

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614 864 7922 FAX



## Proprietary & Confidentiality Agreement

In connection with your interest in business relationships between you, **Battelle Memorial Institute, Commercial Business Operations** ("RECIPIENT" or you) and Leader Technologies LLC, a.k.a. Leader Technologies, Ltd., an Ohio limited liability company ("Leader"), Leader will be furnishing you with certain information which is either non-public, confidential or proprietary in nature. All information ascertained by or furnished to you, your directors, officers, employees, agents or representatives, including without limitation attorneys, accountants, consultants and financial advisors (collectively, "representatives"), by Leader or its representatives, and all analyses, compilations, data, studies or other documents prepared by you or your representatives containing or based in whole or in part on any such furnished information or reflecting your review of, or interest in, Leader is hereinafter referred to as the "Information". In consideration of your being furnished with the Information you agree that:

1. The Information will be kept confidential and will not, without the prior written consent of Leader be disclosed by you or your representatives, in any manner whatsoever, in whole or in part, and will not be used by you or your representatives directly or indirectly for any purpose other than evaluating the business relationship referred to above. Moreover, you agree to transmit the Information only to those representatives who need to know the Information for the purpose of evaluating the business relationship referred to above, who are informed by you of the confidential nature of the Information and who are bound by the terms of this Agreement by virtue of the terms of their Employment Agreement. You will be responsible for any breach of this Agreement by your representatives. You also agree to abide by applicable law with respect to disclosure of personnel records and the right to privacy.
2. Neither party hereto nor its representatives will, without the prior written consent of the other party, disclose to any other person the fact that the Information has been made available, that discussions or negotiations are taking place concerning a possible business relationship involving Leader or any of the terms, conditions or other facts with respect to any such possible business relationship, including the status thereof, except as required by law or by the rules of any recognized stock exchange and then, if circumstances permit, only with prior written notice as soon as possible to such other party. If circumstances make it impossible to give such prior written notice, then any disclosure made shall be no more extensive than is necessary to meet the minimum requirement imposed on the party making such disclosure.
3. The Information, and all copies thereof, except for that portion of the Information which consists of analyses, compilations, data, studies or other documents prepared by you or your representatives will remain the absolute property of Leader and will be returned without retaining any copies thereof to Leader immediately upon Leader's request. That portion of the Information which consists of analyses, compilations, data, studies or other documents prepared by you will be immediately destroyed at the request of Leader and such destruction will be confirmed to Leader in writing.

4. This Agreement shall be inoperative as to such portions of the Information which (i) are or become generally available to the public other than as a result of an unauthorized disclosure by you or your representatives; (ii) become available to you on a non-confidential basis from any source excluding Leader or its representatives, which source has represented to you (and which you have no reason to disbelieve after due inquiry) is entitled to disclose it; or (iii) was known to you on a non-confidential basis prior to its disclosure to you by Leader or one of its representatives; or (iv) are independently developed by you as shown by written records.
5. You understand that Leader has endeavored to include in the Information those materials which are believed to be reliable and relevant for the purpose of your evaluation, but you acknowledge that neither Leader nor any of its representatives makes any representation or warranty as to the accuracy or completeness of the Information. You agree that neither Leader nor any of its representatives shall have any liability to you or to any of your representatives as a result of the use of the Information by you or your representatives, it being understood that only those particular representations and warranties which may be made in any definitive agreements, when, as and if executed, and subject to such limitations and restrictions as may be specified in such definitive agreements, shall have any legal effect.
6. In the event that you or anyone to whom you transmit the Information pursuant to this Agreement are requested or become legally compelled (by oral questions, interrogatories, request for information or documents, subpoena, civil investigative demand or similar process) to disclose any of the Information, you will provide Leader with prompt written notice so that Leader may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of the Agreement. In the event that such protective order or other remedy is not obtained, or that Leader waives compliance with the provisions of this Agreement, you will furnish only that portion of the Information which is legally required.
7. It is further understood and agreed that you will not directly contact employees of Leader in connection with the Information or a potential business relationship involving Leader without prior authorization of Michael T. McKibben, Senior Manager of Leader. You further agree that if you meet with management as a part of any due diligence visit, then you will not solicit for employment any of Leader's executives or key employees for a period of three years from the date of that visit. The foregoing shall not restrict in any way the right to solicit generally in the media for required personnel, nor does it restrict employees of either party from pursuing on their own initiative employment opportunities with the other party.
8. It is further understood and agreed that no failure or delay by Leader in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise of any right, power or privilege hereunder.
9. The restrictions imposed hereby shall continue for a period of five years from the date on which you last receive or prepare, as the case may be, any Information.

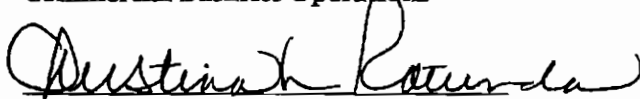
Leader.



10. This Agreement shall be governed and construed in accordance with the laws of the State of Ohio applicable to agreements made and to be performed within such State.

Please return a signed copy of this Proprietary & Confidentiality Agreement to Leader, c/o Michael T. McKibben, Chairman, CEO & Senior Manager, Spectrum Commerce Center, 921 Eastwind Drive, Westerville, Ohio 43081.

**Christina L. Rotunda, Director  
Commercial Contract Services  
Battelle Memorial Institute,  
Commercial Business Operations**

  
Signature

2/18/02  
Date

Leader.

RECEIVED  
FEB 18 2002  
BY: \_\_\_\_\_

Leader.

921 Eastwind Drive  
Suite 118  
Westerville, Ohio 43081  
USA

614 890.1986 VOICE  
614 864.7922 FAX



Wednesday, April 17, 2002

**Mr. James Brennan**  
Vice President, Commercialization  
Battelle Memorial Institute  
505 King Avenue  
Columbus, Ohio 43201-2693  
[brennanj@battelle.org](mailto:brennanj@battelle.org)  
(614) 424-7865 VOICE  
(614) 424-3737 FAX

Dear Jim:

We very much enjoyed the meeting last week and look forward to hearing from you on areas of mutual opportunity. Our platform pilots are going very well.

In reviewing the Proprietary & Confidentiality Agreement it came to my attention that the signatory was not an officer (VP or above) of Battelle. Would you kindly countersign the enclosed copy of the agreement and fax back a confirmation copy?

Yours truly,

Michael T. McKibben  
Chairman & CEO

Enclosures:

- 2-18-02 Proprietary & Confidentiality Agreement for Battelle Memorial Institute, signed by Christian L. Rotunda for Benjamin S. Maiden, James M. Brennan et al.

Cc:

- Professor James P. Chandler

**Carrie D. McKibben**

---

**From:** Carrie D. McKibben [cmckibben@leader.com]  
**Sent:** Tuesday, April 23, 2002 1:46 PM  
**To:** mmckibben@leader.com  
**Subject:** NDA

FYI

Tuesday April 23rd, 2002 1:40pm

I spoke with Paula Kirk (Jim Brennan's assistant at Battelle) to confirm that Christina L. Rotunda was authorized to sign for Battelle and to bind the organization. I said that our counsel thought that we really needed a VP or above. Paula said that Christina is an authorized contractual representative who handles and signs all CDA's and NDA's for the commercial end of Battelle. I said thank you and that I thought that would be fine and that I would let Mr. McKibben know.

-Carrie

*-Carrie D. McKibben*

*4-24-02*

*Carrie D. McKibben*

**Michael T. McKibben**

**From:** Brennan, James M [BrennanJ@BATTELLE.ORG]  
**Sent:** Tuesday, April 30, 2002 5:04 PM  
**To:** 'mmckibben@leader.com'  
**Cc:** Pete Klisares (E-mail)  
**Subject:** FW: Due Diligence Info

Mike

I am sorry for the delay but I am very busy these days with a packed schedule. I have inserted my thoughts related to each of your questions noted below as well as a few summary thoughts.

- DUE DILIGENCE & STRAW MAN PROPOSAL - We clearly appreciate Battelle's need to have its technical professionals perform due diligence on Leader's technology specifically with regard to investing and/or beta contracting. In that spirit, we have already made significant disclosures during the course of four meetings. We would be more comfortable making further technical disclosures after we have heard back from Ben Maiden's efforts and received a Battelle "straw man" proposal. This will help us better focus this next meeting.

I have a meeting with Ben tomorrow but I can tell you now with some certainty based on my last discussion with him that he will not be a position to make any proposal to Leader until he hears back from our technology meeting with you. I believe your best bet is to meet with a few of our technology team members and answer the questions they raised at our last meeting. I am not aware of what "significant disclosures" you made in your other meetings at Battelle. The two meetings I was involved in seemed to be at a very high level and you asked me in the first one to not take any notes.

- PRODUCT DEVELOPMENT - Does Battelle have (or is Battelle contemplating) any potentially competitive product development efforts in Leader's IT technology domains? Is Battelle currently under contract with any clients who are developing potentially competitive product platforms? If yes, how are the IT professionals to whom we are making disclosures on Friday involved? *Significant disclosures at each meeting*

Not that I am aware of.

- SECURITY CAMERAS - Some security camera related technologies under development at Battelle were mentioned at one of our meetings. Are those efforts competitive with or complementary to the Leader Smart Camera(tm) System? *disc*

I have no specific knowledge of your system or any that we may have. I can try to chase this down for you but I have no idea how long it will take. My sense is that the people I have scheduled to meet with you this week may know more about this. *Disclosed at Meeting #3*

- SECURITY DEVICES - What other security devices developed by or in development at Battelle are candidates for integrating with the Leader2Leader(tm) platform? (I didn't receive a return call on the chem-bio detection device for which you had given me the contact.)

I have no idea. Possibly the people I have scheduled to meet with you this week may know more about this.

- BACKGROUND - Can you provide additional background information on Dave Gower, David Petrozzi and Lynn Davison? What are their security classifications? What are their professional histories? Knowing there

6/7/02

specific technical experiences would help also.

*Subject matter experts?*

I do not have access to their background information and security classifications. In addition, I have not met David and Lynn so I do not know their professional histories. I am curious as to why you need to know their security classifications? Has the government identified the Leader technologies as top secret?

- TRADE SECRETS - If we do not go forward, how can we protect Leader's innovations and monitor NDA compliance with so much of Battelle's work being confidential and classified?

Contracts, licenses and NDA's from Battelle go through our Legal group who track compliance. My understanding is that new projects have to file a scope statement, like my project did, so that any potential IP or legal issues are flagged in advance. Our team does not plan to share your information with any other departments or groups at Battelle or any of the National Laboratories.

- LEADERPHONE(tm) - What is the level of interest in implementing LeaderPhone(tm) following my meeting last Monday with with Jerry Bahlmann and his team?

I have no idea since I was not involved in these meetings. You will need to follow up with Jerry and/or discuss this with David and Lynn when we meet since they work for him.

#### SUMMARY:

Overall I am trying to help Leader by facilitating an opportunity for you and your technology team to address a number of issues raised at our last presentation. Without addressing the technology issues I think the Leader2Leader opportunity is not going to proceed. To the best of my knowledge everyone on our end has very honorable intentions and we have signed an NDA.

*VP-level Confirmation MTPA*

I can confirm answers to some of the questions you raise but I do not have the time in the near future, nor do I think it is appropriate for me, to chase down all of them. Given the breadth and confidentiality of some of the work conducted in the past, currently underway or planned I most likely do not have the security level to investigate and pass along to you some of this information. Let me know what you want me to do.

Take care,  
Jim

*As the relationship manager of 4 meetings?  
What is the motive then?*

*MTPA*

-----Original Message-----

**From:** Michael T. McKibben [mailto:mmckibben@leader.com]  
**Sent:** Monday, April 29, 2002 10:38 AM  
**To:** 'Brennan, James M'  
**Cc:** 'Pete Klisares (E-mail)'  
**Subject:** Due Diligence Info

Hi Jim:

First, thanks for the golf. That was enjoyable after such a long time away from the links. I hope we can do it again. I also enjoyed meeting Dale.

Thanks for giving me an overview of the current thinking. Coincidentally, the science article Sunday on Battelle (pdf attached) refers to central station security monitoring of detectors. To what monitoring system is Mr. Hodge

6/7/02



referring? Given that the information in this article is related so closely to our discussions, we'd appreciate some additional information.

- **DUE DILIGENCE & STRAW MAN PROPOSAL** - We clearly appreciate Battelle's need to have its technical professionals perform due diligence on Leader's technology specifically with regard to investing and/or beta contracting. In that spirit, we have already made significant disclosures during the course of four meetings. We would be more comfortable making further technical disclosures after we have heard back from Ben Maiden's efforts and received a Battelle "straw man" proposal. This will help us better focus this next meeting.
- **PRODUCT DEVELOPMENT** - Does Battelle have (or is Battelle contemplating) any potentially competitive product development efforts in Leader's IT technology domains? Is Battelle currently under contract with any clients who are developing potentially competitive product platforms? If yes, how are the IT professionals to whom we are making disclosures on Friday involved?
- **SECURITY CAMERAS** - Some security camera related technologies under development at Battelle were mentioned at one of our meetings. Are those efforts competitive with or complementary to the Leader Smart Camera(tm) System?
- **SECURITY DEVICES** - What other security devices developed by or in development at Battelle are candidates for integrating with the Leader2Leader(tm) platform? (I didn't receive a return call on the chem-bio detection device for which you had given me the contact.)
- **BACKGROUND** - Can you provide additional background information on Dave Gower, David Petrozzi and Lynn Davison? What are their security classifications? What are their professional histories? Knowing their specific technical experiences would help also.
- **TRADE SECRETS** - If we do not go forward, how can we protect Leader's innovations and monitor NDA compliance with so much of Battelle's work being confidential and classified?
- **LEADERPHONE(tm)** - What is the level of interest in implementing LeaderPhone(tm) following my meeting last Monday with Jerry Bahlmann and his team?

I'll be out of the office this afternoon, but hopefully we can chat on these issues at your convenience.

Yours truly,

--Mike

-----  
 Michael T. McKibben  
 Chairman & CEO  
 Leader Technologies LLC  
 Spectrum Commerce Center  
 921 Eastwind Drive, Suite 118  
 Westerville, Ohio 43018  
 (614) 890-1986 Voice  
 (614) 864-7922 Fax  
 mmckibben@leader.com Email  
 www.leader.com WWW

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**Michael T. McKibben**

---

**From:** Brennan, James M [BrennanJ@BATTELLE.ORG]  
**Sent:** Friday, May 10, 2002 10:40 AM  
**To:** 'mmckibben@leader.com'; James P. Chandler (E-mail 3)  
**Cc:** Davison, Lynn; Pete Klisares (E-mail); Gower, David J; Petrozzi, David E; Maiden, Benjamin G; Kelley Clements (E-mail 3)  
**Subject:** Re: Potential Meeting in Cols on May 24  
**Importance:** High

Of the three people I invited to this meeting I have had two conflicts on the May 24 date. One individual said their schedule on Outlook had changed and they were flying out of town in the afternoon while the other said they would be flying back to Columbus during that time frame. I called Kelley Clements (202-296-8484) this am but was not able to reach her so I left a message and thought it best to shoot you an email so you were aware.

At this point I think it is best if Kelley works out the schedule with my assistant Paula Kirk (614-424-7158) to find a mutually agreeable 3 hour window where your team and ours (Brennan, Gower, Davison and Petrozzi) can meet as soon as possible to better understand the technology and how it compares/contrasts to a few other competitors. In trying to set this meeting up I explained your concern on documenting the functions and features comparison we had previously requested and did not get any push back from our team on it.

I will look forward to hearing what Kelley and Paula come up with. If you have any questions please give me a call.

Regards,  
Jim

-----Original Message-----

**From:** Michael T. McKibben [mailto:mmckibben@leader.com]  
**Sent:** Friday, May 10, 2002 8:12 AM  
**To:** 'Davison, Lynn'  
**Cc:** 'Brennan, James M'; James P. Chandler (E-mail 3); Kelley Clements (E-mail 3)  
**Subject:** RE: Response from Jerry Bahlmann

OK Lynn, thanks. I understand we have a date. See you then.

--Mike

-----Original Message-----

**From:** Davison, Lynn [mailto:Davison@BATTELLE.ORG]  
**Sent:** Wednesday, May 08, 2002 12:45 AM  
**To:** 'mmckibben@leader.com'  
**Cc:** Brennan, James M  
**Subject:** Response from Jerry Bahlmann

Mike, I heard from Jim that you were looking for a response from Jerry Bahlmann about the meeting you had with several of us a couple of weeks ago. Since Dave Petrozzi and I were scheduled to come to Leader last Friday with Jim, Jerry was waiting for us to visit before any

6/7/02

answer was given. He was also under the understanding that we didn't owe you a response but would call you if there was anything we wanted to precede on in the near future. At the moment, we are on hold for any of Jerry's areas. We are still wanting to visit with you and ask a few more questions.

Lynn Davison  
Director, Information Management  
Battelle

## Michael T. McKibben

---

**From:** Brennan, James M [BrennanJ@BATTELLE.ORG]  
**Sent:** Monday, February 25, 2002 3:11 PM  
**To:** 'mmckibben@leader.com'  
**Subject:** RE: Demo

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

sounds great. Give me a call when you free up and we will schedule our next meeting

-----Original Message-----

**From:** Michael T. McKibben [mailto:mmckibben@leader.com]  
**Sent:** Sunday, February 24, 2002 11:57 AM  
**To:** 'Brennan, James M'  
**Cc:** pklisares@aol.com; 'Maiden, Benjamin G'; 'Monroe, Philip J (OmniViz)'; Jeff R. Lamb (E-mail)  
**Subject:** RE: Demo

Dear Jim:

It was a pleasure for Jeff, Pete and me to be with you, Ben and Phil on Friday. Thank you for the demonstration of OmniViz. An impressive product. After conferring with Jeff, we agreed that there are a host of possibilities that can both enhance our platform and potentially extend your market reach. We now understand why all the bells were going off when you were here.

We look forward to the next steps you suggested. Perhaps we can touch base the first part of next week to get the follow-up on our calendars.

Yours truly,

--Mike

-----  
Michael T. McKibben  
Chairman & CEO  
Leader Technologies LLC  
Spectrum Commerce Center  
921 Eastwind Drive, Suite 118  
Westerville, Ohio 43018  
(614) 890-1986 Voice  
(614) 864-7922 Fax  
mmckibben@leader.com Email  
www.leader.com WWW

-----Original Message-----

**From:** Brennan, James M [mailto:BrennanJ@BATTELLE.ORG]  
**Sent:** Thursday, February 21, 2002 9:32 AM  
**To:** 'mmckibben@leader.com'  
**Cc:** 'pklisares@aol.com'; Maiden, Benjamin G; Monroe, Philip J (OmniViz)  
**Subject:** Demo  
**Importance:** High

Mike,

Ben and I left our meeting earlier this week impressed with your team, the technologies we discussed and the potential for working together.

As a follow up to our meeting I wanted to know if you and your team are available to meet tomorrow at Battelle from 10:00 - 11:30 am or 2:00 - 3:30pm? I know this is very short notice but I thought it best to ask since one of the key individuals I want to demo one of our software technologies is in town and can be made available. If these two time slots do not work for you I will send you other potential dates and times.

At present I am participating in a two hour conference call but wanted to get this out to you given the tight time frame. I will call you later this morning or early afternoon to discuss. We look forward to further exploring opportunities for working together with you.

Regards,  
Jim

James M Brennan  
Vice President, Commercialization  
Battelle Memorial Institute  
Chemical Business Sector  
505 King Avenue, 11-5-133  
Columbus, Ohio 43201-2693  
614-424-7865 office  
614-424-3737 fax

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921 Eastwind Drive  
Suite 118  
Westerville, Ohio 43081  
USA

614 890.1986 VOICE  
614 864.7922 FAX



# Fax

To: Mr. James Brennan Bettelle	From: Michael T. McKibben
Fax: (614) 458-7865	Pages: 16 pages total
Phone: (614) 424-6424	Date: June 7, 2002
Re: Proprietary Information	CC: Dr. Benjamin Maiden Prof. James P. Chandler

Urgent     For Review     Please Comment     As Requested     Please Reply     For Your Use

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RESULT	OK
MODE	STANDARD ECM

Mr. James Brennan, Battelle  
Fax Confirmation  
6/7/02 M.T. McKel



Leader.

921 Eastwind Drive  
Suite 118  
Westerville, Ohio 43081  
USA

614 890.1986 VOICE  
614 864.7922 FAX



Friday, June 07, 2002



**Dr. Benjamin Maiden**  
Senior Vice President

**Mr. James M. Brennan**  
Vice President

**Battelle Memorial Institute**  
505 King Avenue  
Columbus, Ohio 43201-2693

Dear Ben & Jim:

I am in receipt of your letter dated May 23, 2002. We are, to say the least, perplexed by the abrupt change in interest given the intensity of interest that Jim Brennan, David Gower and others expressed just last week in having Leader provide a full, written competitive analysis of Leader products before they were willing to reconvene the meeting that had been postponed. In good faith, we went to considerable expense in procuring the services of Professor James P. Chandler and his staff to help work through the IP protection problems that your request posed to Leader.

Should your priorities change and you wish to take a fresh look at the potential synergies between Leader and Battelle, please don't hesitate to contact me.

To the best of my records, the following people were made privy to Leader trade secrets:

1. **Carl F. Kohrt**, President & CEO
2. **Benjamin G. Maiden**, SVP & General Manager Chemical Sector
3. **Mark W. Kontos**, CFO
4. **Greg L. Frank**, EVP, Government Market Sectors
5. **Jerome R. Bahlmann**, Corporate & General Counsel and Administrative Services
6. **James M. Brennan**, VP of Commercialization
7. **Frank J. Cox**, VP, Business Development, Defense Systems/Army Market Sectors
8. **David J. Gower**, VP, Information Technology Platform
9. **Paula Kirk**, Assistant to James Brennan
10. **Lynn Davison**, Director, Information Management
11. **David Petrozzi**, his position was never disclosed to us

The Proprietary & Confidentiality Agreement signed by Battelle on February 18, 2002, Battelle committed to return all information, and all copies thereof, provided by Leader. We request that that information be returned.

Further, with regard to analyses, compilations, data, studies or other documents, including individual notes, made by Battelle personnel, Battelle committed to immediately destroy all such items at our request and to confirm in writing that all such items have been destroyed. We request that all such items as mentioned in section number 3 of the Proprietary & Confidentiality Agreement now be immediately destroyed and that such destruction be confirmed to Leader in writing.

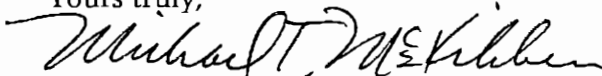
Further, assertions were made by Battelle personnel and relayed to me by Mr. Brennan that Leader's technology represented nothing new, novel and unique. Leader cannot tolerate such posturing and strongly asserts all its rights and privileges for trade secrets and intellectual property protection under the law from anyone who might attempt to act on such uninformed assertions.

Finally, it has come to our attention that a national laboratory with whom we are working has received a post-cutoff date request to license the proprietary and confidential camera technology that we have disclosed to you. We hope this inquiry is not from Battelle or one of its affiliates or agents.

Speaking as a long time Ohio entrepreneur and business advocate, it is unfortunate that we could not have found a way to work together given that we live in the same great city. Our collaboration could have been spectacular. We will just have to look outside Ohio for such collaboration, unfortunately.

I wish you all the best.

Yours truly,



Michael T. McKibben  
Chairman & CEO

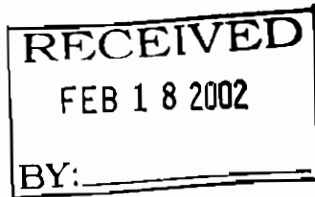
cc. Professor James P. Chandler

Enclosures:

1. Proprietary & Confidentiality Agreement, 2/18/02
2. April 17, 2002 letter to James Brennan requesting confirmation from a VP-level officer of the Proprietary & Confidentiality Agreement
3. April 23, 2002 confirmation from Jim Brennan's assistant, Paula Kirk, confirming Christina Rotunda's authorization to bind the Battelle enterprise.
4. April 30, 2002 Email from Jim Brennan confirming that "... we have signed an NDA."
5. May 10, 2002 Email from Jim Brennan indicating no obstacles to the postponed 5<sup>th</sup> meeting regarding the request to disclose competitive information.
6. February 25, 2002 Email from Jim Brennan confirming Battelle's interest in Leader and its technologies and the potential for working together.



Leader.



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614 890.1986 VOICE  
614 864 7922 FAX



## Proprietary & Confidentiality Agreement

In connection with your interest in business relationships between you, **Battelle Memorial Institute, Commercial Business Operations** ("RECIPIENT" or you) and Leader Technologies LLC, a.k.a. Leader Technologies, Ltd., an Ohio limited liability company ("Leader"), Leader will be furnishing you with certain information which is either non-public, confidential or proprietary in nature. All information ascertained by or furnished to you, your directors, officers, employees, agents or representatives, including without limitation attorneys, accountants, consultants and financial advisors (collectively, "representatives"), by Leader or its representatives, and all analyses, compilations, data, studies or other documents prepared by you or your representatives containing or based in whole or in part on any such furnished information or reflecting your review of, or interest in, Leader is hereinafter referred to as the "Information". In consideration of your being furnished with the Information you agree that:

1. The Information will be kept confidential and will not, without the prior written consent of Leader be disclosed by you or your representatives, in any manner whatsoever, in whole or in part, and will not be used by you or your representatives directly or indirectly for any purpose other than evaluating the business relationship referred to above. Moreover, you agree to transmit the Information only to those representatives who need to know the Information for the purpose of evaluating the business relationship referred to above, who are informed by you of the confidential nature of the Information and who are bound by the terms of this Agreement by virtue of the terms of their Employment Agreement. You will be responsible for any breach of this Agreement by your representatives. You also agree to abide by applicable law with respect to disclosure of personnel records and the right to privacy.
2. Neither party hereto nor its representatives will, without the prior written consent of the other party, disclose to any other person the fact that the Information has been made available, that discussions or negotiations are taking place concerning a possible business relationship involving Leader or any of the terms, conditions or other facts with respect to any such possible business relationship, including the status thereof, except as required by law or by the rules of any recognized stock exchange and then, if circumstances permit, only with prior written notice as soon as possible to such other party. If circumstances make it impossible to give such prior written notice, then any disclosure made shall be no more extensive than is necessary to meet the minimum requirement imposed on the party making such disclosure.
3. The Information, and all copies thereof, except for that portion of the Information which consists of analyses, compilations, data, studies or other documents prepared by you or your representatives will remain the absolute property of Leader and will be returned without retaining any copies thereof to Leader immediately upon Leader's request. That portion of the Information which consists of analyses, compilations, data, studies or other documents prepared by you will be immediately destroyed at the request of Leader and such destruction will be confirmed to Leader in writing.

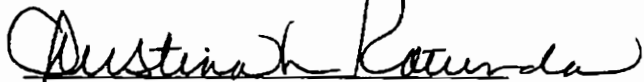
4. This Agreement shall be inoperative as to such portions of the Information which (i) are or become generally available to the public other than as a result of an unauthorized disclosure by you or your representatives; (ii) become available to you on a non-confidential basis from any source excluding Leader or its representatives, which source has represented to you (and which you have no reason to disbelieve after due inquiry) is entitled to disclose it; or (iii) was known to you on a non-confidential basis prior to its disclosure to you by Leader or one of its representatives; or (iv) are independently developed by you as shown by written records.
5. You understand that Leader has endeavored to include in the Information those materials which are believed to be reliable and relevant for the purpose of your evaluation, but you acknowledge that neither Leader nor any of its representatives makes any representation or warranty as to the accuracy or completeness of the Information. You agree that neither Leader nor any of its representatives shall have any liability to you or to any of your representatives as a result of the use of the Information by you or your representatives, it being understood that only those particular representations and warranties which may be made in any definitive agreements, when, as and if executed, and subject to such limitations and restrictions as may be specified in such definitive agreements, shall have any legal effect.
6. In the event that you or anyone to whom you transmit the Information pursuant to this Agreement are requested or become legally compelled (by oral questions, interrogatories, request for information or documents, subpoena, civil investigative demand or similar process) to disclose any of the Information, you will provide Leader with prompt written notice so that Leader may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of the Agreement. In the event that such protective order or other remedy is not obtained, or that Leader waives compliance with the provisions of this Agreement, you will furnish only that portion of the Information which is legally required.
7. It is further understood and agreed that you will not directly contact employees of Leader in connection with the Information or a potential business relationship involving Leader without prior authorization of Michael T. McKibben, Senior Manager of Leader. You further agree that if you meet with management as a part of any due diligence visit, then you will not solicit for employment any of Leader's executives or key employees for a period of three years from the date of that visit. The foregoing shall not restrict in any way the right to solicit generally in the media for required personnel, nor does it restrict employees of either party from pursuing on their own initiative employment opportunities with the other party.
8. It is further understood and agreed that no failure or delay by Leader in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise of any right, power or privilege hereunder.
9. The restrictions imposed hereby shall continue for a period of five years from the date on which you last receive or prepare, as the case may be, any Information.

Leader.

10. This Agreement shall be governed and construed in accordance with the laws of the State of Ohio applicable to agreements made and to be performed within such State.

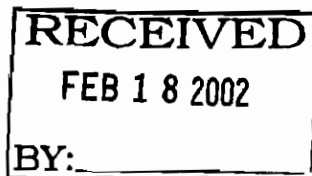
Please return a signed copy of this Proprietary & Confidentiality Agreement to Leader, c/o Michael T. McKibben, Chairman, CEO & Senior Manager, Spectrum Commerce Center, 921 Eastwind Drive, Westerville, Ohio 43081.

**Christina L. Rotunda, Director  
Commercial Contract Services  
Battelle Memorial Institute,  
Commercial Business Operations**

  
Signature

2/18/02  
Date

Leader.



Leader.

921 Eastwind Drive  
Suite 118  
Westerville, Ohio 43081  
USA

614 890.1986 VOICE  
614 864.7922 FAX



Wednesday, April 17, 2002

**Mr. James Brennan**  
Vice President, Commercialization  
Battelle Memorial Institute  
505 King Avenue  
Columbus, Ohio 43201-2693  
[brennanj@battelle.org](mailto:brennanj@battelle.org)  
(614) 424-7865 VOICE  
(614) 424-3737 FAX

Dear Jim:

We very much enjoyed the meeting last week and look forward to hearing from you on areas of mutual opportunity. Our platform pilots are going very well.

In reviewing the Proprietary & Confidentiality Agreement it came to my attention that the signatory was not an officer (VP or above) of Battelle. Would you kindly countersign the enclosed copy of the agreement and fax back a confirmation copy?

Yours truly,

A handwritten signature in black ink, appearing to read "Mike".

Michael T. McKibben  
Chairman & CEO

Enclosures:

- 2-18-02 Proprietary & Confidentiality Agreement for Battelle Memorial Institute, signed by Christian L. Rotunda for Benjamin S. Maiden, James M. Brennan et al.

Cc:

- Professor James P. Chandler

**Carrie D. McKibben**

---

**From:** Carrie D. McKibben [cmckibben@leader.com]  
**Sent:** Tuesday, April 23, 2002 1:46 PM  
**To:** mmckibben@leader.com  
**Subject:** NDA

FYI

Tuesday April 23rd, 2002 1:40pm

I spoke with Paula Kirk (Jim Brennan's assistant at Battelle) to confirm that Christina L. Rotunda was authorized to sign for Battelle and to bind the organization. I said that our counsel thought that we really needed a VP or above. Paula said that Christina is an authorized contractual representative who handles and signs all CDA's and NDA's for the commercial end of Battelle. I said thank you and that I thought that would be fine and that I would let Mr. McKibben know.

-Carrie

*- Carrie D. McKibben*  
4-24-02

Carrie D. McKibben

**Michael T. McKibben**

**From:** Brennan, James M [BrennanJ@BATTELLE.ORG]

**Sent:** Tuesday, April 30, 2002 5:04 PM

**To:** 'mmckibben@leader.com'

**Cc:** Pete Klisares (E-mail)

**Subject:** FW: Due Diligence Info

Mike

I am sorry for the delay but I am very busy these days with a packed schedule. I have inserted my thoughts related to each of your questions noted below as well as a few summary thoughts.

- **DUE DILIGENCE & STRAW MAN PROPOSAL** - We clearly appreciate Battelle's need to have its technical professionals perform due diligence on Leader's technology specifically with regard to investing and/or beta contracting. In that spirit, we have already made significant disclosures during the course of four meetings. We would be more comfortable making further technical disclosures after we have heard back from Ben Maiden's efforts and received a Battelle "straw man" proposal. This will help us better focus this next meeting.

I have a meeting with Ben tomorrow but I can tell you now with some certainty based on my last discussion with him that he will not be a position to make any proposal to Leader until he hears back from our technology meeting with you. I believe your best bet is to meet with a few of our technology team members and answer the questions they raised at our last meeting. I am not aware of what "significant disclosures" you made in your other meetings at Battelle. The two meetings I was involved in seemed to be at a very high level and you asked me in the first one to not take any notes.

- **PRODUCT DEVELOPMENT** - Does Battelle have (or is Battelle contemplating) any potentially competitive product development efforts in Leader's IT technology domains? Is Battelle currently under contract with any clients who are developing potentially competitive product platforms? If yes, how are the IT professionals to whom we are making disclosures on Friday involved? *Significant disclosures at each meeting*

Not that I am aware of.

- **SECURITY CAMERAS** - Some security camera related technologies under development at Battelle were mentioned at one of our meetings. Are those efforts competitive with or complementary to the Leader Smart Camera(tm) System? *discussed*

I have no specific knowledge of your system or any that we may have. I can try to chase this down for you but I have no idea how long it will take. My sense is that the people I have scheduled to meet with you this week may know more about this. *Disclosed at Meeting #3*

- **SECURITY DEVICES** - What other security devices developed by or in development at Battelle are candidates for integrating with the Leader2Leader(tm) platform? (I didn't receive a return call on the chem-bio detection device for which you had given me the contact.)

I have no idea. Possibly the people I have scheduled to meet with you this week may know more about this.

- **BACKGROUND** - Can you provide additional background information on Dave Gower, David Petrozzi and Lynn Davison? What are their security classifications? What are their professional histories? Knowing there

6/7/02



specific technical experiences would help also.

*Subject matter experts?*

I do not have access to their background information and security classifications. In addition, I have not met David and Lynn so I do not know their professional histories. I am curious as to why you need to know their security classifications? Has the government identified the Leader technologies as top secret?

- TRADE SECRETS - If we do not go forward, how can we protect Leader's innovations and monitor NDA compliance with so much of Battelle's work being confidential and classified?

Contracts, licenses and NDA's from Battelle go through our Legal group who track compliance. My understanding is that new projects have to file a scope statement, like my project did, so that any potential IP or legal issues are flagged in advance. Our team does not plan to share your information with any other departments or groups at Battelle or any of the National Laboratories.

- LEADERPHONE(tm) - What is the level of interest in implementing LeaderPhone(tm) following my meeting last Monday with with Jerry Bahlmann and his team?

I have no idea since I was not involved in these meetings. You will need to follow up with Jerry and/or discuss this with David and Lynn when we meet since they work for him.

#### SUMMARY:

Overall I am trying to help Leader by facilitating an opportunity for you and your technology team to address a number of issues raised at our last presentation. Without addressing the technology issues I think the Leader2Leader opportunity is not going to proceed. To the best of my knowledge everyone on our end has very honorable intentions and we have signed an NDA.

*VP-level Confirmation ATM*

I can confirm answers to some of the questions you raise but I do not have the time in the near future, nor do I think it is appropriate for me, to chase down all of them. Given the breadth and confidentiality of some of the work conducted in the past, currently underway or planned I most likely do not have the security level to investigate and pass along to you some of this information. Let me know what you want me to do.

Take care,  
Jim

*As the relationship manager of 4 meetings?  
What is the motive then?*

*ATM*

-----Original Message-----

**From:** Michael T. McKibben [mailto:mmckibben@leader.com]  
**Sent:** Monday, April 29, 2002 10:38 AM  
**To:** 'Brennan, James M'  
**Cc:** 'Pete Klisares (E-mail)'  
**Subject:** Due Diligence Info

Hi Jim:

First, thanks for the golf. That was enjoyable after such a long time away from the links. I hope we can do it again. I also enjoyed meeting Dale.

Thanks for giving me an overview of the current thinking. Coincidentally, the science article Sunday on Battelle (pdf attached) refers to central station security monitoring of detectors. To what monitoring system is Mr. Hodge

6/7/02

referring? Given that the information in this article is related so closely to our discussions, we'd appreciate some additional information.

- **DUE DILIGENCE & STRAW MAN PROPOSAL** - We clearly appreciate Battelle's need to have its technical professionals perform due diligence on Leader's technology specifically with regard to investing and/or beta contracting. In that spirit, we have already made significant disclosures during the course of four meetings. We would be more comfortable making further technical disclosures after we have heard back from Ben Maiden's efforts and received a Battelle "straw man" proposal. This will help us better focus this next meeting.
- **PRODUCT DEVELOPMENT** - Does Battelle have (or is Battelle contemplating) any potentially competitive product development efforts in Leader's IT technology domains? Is Battelle currently under contract with any clients who are developing potentially competitive product platforms? If yes, how are the IT professionals to whom we are making disclosures on Friday involved?
- **SECURITY CAMERAS** - Some security camera related technologies under development at Battelle were mentioned at one of our meetings. Are those efforts competitive with or complementary to the Leader Smart Camera(tm) System?
- **SECURITY DEVICES** - What other security devices developed by or in development at Battelle are candidates for integrating with the Leader2Leader(tm) platform? (I didn't receive a return call on the chem-bio detection device for which you had given me the contact.)
- **BACKGROUND** - Can you provide additional background information on Dave Gower, David Petrozzi and Lynn Davison? What are their security classifications? What are their professional histories? Knowing their specific technical experiences would help also.
- **TRADE SECRETS** - If we do not go forward, how can we protect Leader's innovations and monitor NDA compliance with so much of Battelle's work being confidential and classified?
- **LEADERPHONE(tm)** - What is the level of interest in implementing LeaderPhone(tm) following my meeting last Monday with with Jerry Bahlmann and his team?

I'll be out of the office this afternoon, but hopefully we can chat on these issues at your convenience.

Yours truly,

--Mike

-----  
 Michael T. McKibben  
 Chairman & CEO  
 Leader Technologies LLC  
 Spectrum Commerce Center  
 921 Eastwind Drive, Suite 118  
 Westerville, Ohio 43018  
 (614) 890-1986 Voice  
 (614) 864-7922 Fax  
 mmckibben@leader.com Email  
 www.leader.com WWW

To view the LeaderPhone(tm) Teleconferencing Services video, click <http://www.leader.com/leaderphone/emailbrochure.htm>, then click the video camera icon.

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6/7/02

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**Michael T. McKibben**

---

**From:** Brennan, James M [BrennanJ@BATTELLE.ORG]  
**Sent:** Friday, May 10, 2002 10:40 AM  
**To:** 'mmckibben@leader.com'; James P. Chandler (E-mail 3)  
**Cc:** Davison, Lynn; Pete Klisares (E-mail); Gower, David J; Petrozzi, David E; Maiden, Benjamin G; Kelley Clements (E-mail 3)  
**Subject:** Re: Potential Meeting in Cols on May 24  
**Importance:** High

Of the three people I invited to this meeting I have had two conflicts on the May 24 date. One individual said their schedule on Outlook had changed and they were flying out of town in the afternoon while the other said they would be flying back to Columbus during that time frame. I called Kelley Clements (202-296-8484) this am but was not able to reach her so I left a message and thought it best to shoot you an email so you were aware.

At this point I think it is best if Kelley works out the schedule with my assistant Paula Kirk (614-424-7158) to find a mutually agreeable 3 hour window where your team and ours (Brennan, Gower, Davison and Petrozzi) can meet as soon as possible to better understand the technology and how it compares/contrasts to a few other competitors. In trying to set this meeting up I explained your concern on documenting the functions and features comparison we had previously requested and did not get any push back from our team on it.

I will look forward to hearing what Kelley and Paula come up with. If you have any questions please give me a call.

Regards,  
Jim

-----Original Message-----

**From:** Michael T. McKibben [mailto:mmckibben@leader.com]  
**Sent:** Friday, May 10, 2002 8:12 AM  
**To:** 'Davison, Lynn'  
**Cc:** 'Brennan, James M'; James P. Chandler (E-mail 3); Kelley Clements (E-mail 3)  
**Subject:** RE: Response from Jerry Bahlmann

OK Lynn, thanks. I understand we have a date. See you then.

--Mike

-----Original Message-----

**From:** Davison, Lynn [mailto:Davison@BATTELLE.ORG]  
**Sent:** Wednesday, May 08, 2002 12:45 AM  
**To:** 'mmckibben@leader.com'  
**Cc:** Brennan, James M  
**Subject:** Response from Jerry Bahlmann

Mike, I heard from Jim that you were looking for a response from Jerry Bahlmann about the meeting you had with several of us a couple of weeks ago. Since Dave Petrozzi and I were scheduled to come to Leader last Friday with Jim, Jerry was waiting for us to visit before any

answer was given. He was also under the understanding that we didn't owe you a response but would call you if there was anything we wanted to precede on in the near future. At the moment, we are on hold for any of Jerry's areas. We are still wanting to visit with you and ask a few more questions.

Lynn Davison  
Director, Information Management  
Battelle

## Michael T. McKibben

---

**From:** Brennan, James M [BrennanJ@BATTELLE.ORG]  
**Sent:** Monday, February 25, 2002 3:11 PM  
**To:** 'mmckibben@leader.com'  
**Subject:** RE: Demo

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

sounds great. Give me a call when you free up and we will schedule our next meeting

-----Original Message-----

**From:** Michael T. McKibben [mailto:mmckibben@leader.com]  
**Sent:** Sunday, February 24, 2002 11:57 AM  
**To:** 'Brennan, James M'  
**Cc:** pklisares@aol.com; 'Maiden, Benjamin G'; 'Monroe, Philip J (OmniViz)'; Jeff R. Lamb (E-mail)  
**Subject:** RE: Demo

Dear Jim:

It was a pleasure for Jeff, Pete and me to be with you, Ben and Phil on Friday. Thank you for the demonstration of OmniViz. An impressive product. After conferring with Jeff, we agreed that there are a host of possibilities that can both enhance our platform and potentially extend your market reach. We now understand why all the bells were going off when you were here.

We look forward to the next steps you suggested. Perhaps we can touch base the first part of next week to get the follow-up on our calendars.

Yours truly,

--Mike

-----  
Michael T. McKibben  
Chairman & CEO  
Leader Technologies LLC  
Spectrum Commerce Center  
921 Eastwind Drive, Suite 118  
Westerville, Ohio 43018  
(614) 890-1986 Voice  
(614) 864-7922 Fax  
mmckibben@leader.com Email  
www.leader.com WWW

-----Original Message-----

**From:** Brennan, James M [mailto:BrennanJ@BATTELLE.ORG]  
**Sent:** Thursday, February 21, 2002 9:32 AM  
**To:** 'mmckibben@leader.com'  
**Cc:** 'pklisares@aol.com'; Maiden, Benjamin G; Monroe, Philip J (OmniViz)  
**Subject:** Demo  
**Importance:** High

Mike,

Ben and I left our meeting earlier this week impressed with your team, the technologies we discussed and the potential for working together.

As a follow up to our meeting I wanted to know if you and your team are available to meet tomorrow at Battelle from 10:00 - 11:30 am or 2:00 - 3:30pm? I know this is very short notice but I thought it best to ask since one of the key individuals I want to demo one of our software technologies is in town and can be made available. If these two time slots do not work for you I will send you other potential dates and times.

At present I am participating in a two hour conference call but wanted to get this out to you given the tight time frame. I will call you later this morning or early afternoon to discuss. We look forward to further exploring opportunities for working together with you.

Regards,  
Jim

James M Brennan  
Vice President, Commercialization  
Battelle Memorial Institute  
Chemical Business Sector  
505 King Avenue, 11-5-133  
Columbus, Ohio 43201-2693  
614-424-7865 office  
614-424-3737 fax

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Leader.

921 Eastwind Drive  
Suite 118  
Westerville, Ohio 43081  
USA

614 890.1986 VOICE  
614 864.7922 FAX



# Fax

To: Dr. Benjamin Maiden From: Michael T. McKibben  
 Fax: (614) 458-4822 Pages: 16 pages total  
 Phone: (614) 424-6424 Date: June 7, 2002  
 Re: Proprietary Information CC: Jim Brennan  
Prof. James Chandler

- Urgent     For Review     Please Comment     As Requested     Please Reply     For Your Use

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## TRANSMISSION VERIFICATION REPORT

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DATE, TIME	06/07 08:20
FAX NO./NAME	4584822
DURATION	00:05:01
PAGE(S)	16
RESULT	OK
MODE	STANDARD ECM

Dr. Benjamin Maiden, Bettelle  
Fax Confirmation  
6/7/02 M.T. McKel



*File: Battelle*

505 King Avenue  
Columbus, OH 43201

**Date:** February 18, 2002

# *Fax*

**To: Michael T. McKibben**

**Fax No: 614/864-7922**

**Phone No:**

**Company: Chairman & CEO,**

**Leader Technologies**

**From: Christina L. Rotunda**

**Director, Commercial Contract Services**

**Fax No: 614/424-3585**

**Phone No:**

**Total Pages: 4 (Including Lead Sheet)**

**Comments:** As outlined in my email of this morning

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Leader,

614 890.1986 VOICE  
614 864.7922 FAX  
614 890.1986  
614 864.7922 FAX



*Batelle Memorial  
INSTITUTE, Commercial  
Business Operations*

**Proprietary & Confidentiality Agreement**

In connection with your interest in business relationships between ~~you, Dr. Benjamin~~ ("RECIPIENT" or you) and Leader Technologies LLC, a.k.a. Leader Technologies, Ltd., an Ohio limited liability company ("Leader"), Leader will be furnishing you with certain information which is either non-public, confidential or proprietary in nature. All information ascertained by or furnished to you, your directors, officers, employees, agents or representatives, including without limitation attorneys, accountants, consultants and financial advisors (collectively, "representatives"), by Leader or its representatives, and all analyses, compilations, data, studies or other documents prepared by you or your representatives containing or based in whole or in part on any such furnished information or reflecting your review of, or interest in, Leader is hereinafter referred to as the "Information". In consideration of your being furnished with the Information you agree that:

*VIRTUE  
OF THE  
TERMS OF  
THEIR  
Employment  
Agreement*

1. The Information will be kept confidential and will not, without the prior written consent of Leader be disclosed by you or your representatives, in any manner whatsoever, in whole or in part, and will not be used by you or your representatives directly or indirectly for any purpose other than evaluating the business relationship referred to above. Moreover, you agree to transmit the Information only to those representatives who need to know the Information for the purpose of evaluating the business relationship referred to above, who are informed by you of the confidential nature of the Information and who ~~are~~ ARE bound by the terms of this Agreement by ~~exercising the attached single document prior to receiving such information. You agree to notify Leader as to the identity of such representatives prior to any dissemination of information and to obtain Leader's consent to such disclosure due to the highly sensitive market nature of said information.~~ You will be responsible for any breach of this Agreement by your representatives. You also agree to abide by applicable law with respect to disclosure of personnel records and the right to privacy.
2. Neither party hereto nor its representatives will, without the prior written consent of the other party, disclose to any other person the fact that the Information has been made available, that discussions or negotiations are taking place concerning a possible business relationship involving Leader or any of the terms, conditions or other facts with respect to any such possible business relationship, including the status thereof, except as required by law or by the rules of any recognized stock exchange and then, if circumstances permit, only with prior written notice as soon as possible to such other party. If circumstances make it impossible to give such prior written notice, then any disclosure made shall be no more extensive than is necessary to meet the minimum requirement imposed on the party making such disclosure.
3. The Information, and all copies thereof, except for that portion of the Information which consists of analyses, compilations, data, studies or other documents prepared by you or your representatives will remain the absolute property of Leader and will be returned without retaining any copies thereof to Leader immediately upon Leader's request. That portion of the Information which consists of analyses,

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compilations, data, studies or other documents prepared by you will be immediately destroyed at the request of Leader and such destruction will be confirmed to Leader in writing.

- 4. This Agreement shall be inoperative as to such portions of the Information which (i) are or become generally available to the public other than as a result of an unauthorized disclosure by you or your representatives; (ii) become available to you on a non-confidential basis from any source excluding Leader or its representatives, which source has represented to you (and which you have no reason to disbelieve after due inquiry) is entitled to disclose it; or (iii) was known to you on a non-confidential basis prior to its disclosure to you by Leader or one of its representatives; or (iv) are independently developed by you

- 5. You understand that Leader has endeavored to include in the Information those materials which are believed to be reliable and relevant for the purpose of your evaluation, but you acknowledge that neither Leader nor any of its representatives makes any representation or warranty as to the accuracy or completeness of the Information. You agree that neither Leader nor any of its representatives shall have any liability to you or to any of your representatives as a result of the use of the Information by you or your representatives, it being understood that only those particular representations and warranties which may be made in any definitive agreements, when, as and if executed, and subject to such limitations and restrictions as may be specified in such definitive agreements, shall have any legal effect.

as shown by written records

- 6. In the event that you or anyone to whom you transmit the Information pursuant to this Agreement are requested or become legally compelled (by oral questions, interrogatories, request for information or documents, subpoena, civil investigative demand or similar process) to disclose any of the Information, you will provide Leader with prompt written notice so that Leader may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of the Agreement. In the event that such protective order or other remedy is not obtained, or that Leader waives compliance with the provisions of this Agreement, you will furnish only that portion of the Information which is legally required.

- 7. It is further understood and agreed that you will not directly contact employees of Leader in connection with the Information or a potential business relationship involving Leader without prior authorization of Michael T. McKibben, Senior Manager of Leader. You further agree that if you meet with management as a part of any due diligence visit, then you will not solicit for employment any of Leaders executives or key employees for a period of three years from the date of that visit. \*

- 8. It is further understood and agreed that no failure or delay by Leader in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise of any right, power or privilege hereunder.

- 9. The restrictions imposed hereby shall continue for a period of five years from the date on which you last receive or prepare, as the case may be, any Information.

Leader.

\* The foregoing shall not restrict in any way the right to solicit generally in the media for required personnel, nor

Proprietary & Confidential

Does it restrict employees of either party from pursuing their own initiative employment opportunities with the other party

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10. This Agreement shall be governed and construed in accordance with the laws of the State of Ohio applicable to agreements made and to be performed within such State.

Please return a signed copy of this Proprietary & Confidentiality Agreement to Leader, c/o Michael T. McKibben, Chairman, CEO & Senior Manager, Spectrum Commerce Center, 921 Eastwind Drive, Westerville, Ohio 43081.

~~Confirmed and Agreed to by Dr. Benjamin Maiden~~

When signing *individually*:

When signing on behalf of your *organization*:

Signature

Signature

Print Name

Print Name CHRISTINA L ROTUNDA  
Director, Commercial Contract Services

INDIVIDUALLY

ORGANIZATION Name & Your Title

Date

Date

Battelle Memorial Institute  
Commercial Business  
Operations

Leader: