

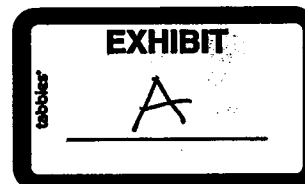
**TELLURIDE ASSET MANAGEMENT
EMPLOYEE CONFIDENTIALITY AND NON-SOLICITATION AGREEMENT**

This Confidentiality and Non-Solicitation Agreement (the "Agreement") is entered into as of the 22 day of January, 2004 between Telluride Asset Management, LLC (the "Firm") and Eric Faikenstein (the "Employee") sometimes referred to jointly as the "Parties."

WHEREAS, Firm is willing to employ Employee to perform certain services and Employee seeks employment with the Firm.

NOW, THEREFORE, in consideration of the promises and covenants recited herein, the parties agree as follows:

- 1. At-Will Employment.** Employee acknowledges that he/she has entered into the employment relationship with the Firm voluntarily and understands that the relationship is one of "at-will" employment. Accordingly, Employee understands that either the Firm or Employee may terminate the relationship at will for any reason, with or without cause, notice or prior warning or discipline, at any time. Employee acknowledges that this Agreement is not intended to be a contract of employment, nor is any part of it intended to be a promise or representation of any specific term or condition of employment, and that no agent of the Firm has made any offer or representation to Employee in connection with his or her employment which is contrary to at-will employment.
- 2. Ownership of Materials and Ideas.** Employee agrees that all inventions, discoveries, computer software programs, trade concepts, designs, patents, ideas and copyrightable and/or patentable materials made, conceived or developed by Employee during the term of this Agreement shall be owned in full by the Firm. The Parties acknowledge and agree that this paragraph does not apply to an invention for which no equipment, supplies, facility or trade secret information of the Firm was used and which was developed entirely on the Employee's own time, and (1) which does not relate (a) directly to the business of the Firm or (b) to the Firm's actual or demonstrably anticipated research or development, or (2) which does not result from any work performed by the employee for the Firm.
- 3. Confidential Information.** During and by reason of employment with the Firm, Employee shall receive or have access to trade secrets patents, copyrights and other confidential or proprietary information (collectively referred to in this Agreement as "Confidential Information") used in the Firm's business which is not known or otherwise available by proper means through sources outside the Firm, and which therefore has value to the Firm and provides an actual or potential advantage over competitors, including, but not limited to, information of either a technical or commercial nature including, financial information, customer or client lists, employee or consultant information, market information, trading information, models, formulae, strategies, methodologies and the like and other specific financial and trading information. Confidential Information shall not include any information that is or becomes part of the public domain through no act or omission of Employee. Employee acknowledges that Confidential Information is a valuable, special, and unique asset of the Firm and that the sole and exclusive right, title and interest in and to Confidential Information is owned by the Firm.
- 4. Nondisclosure of Confidential Information.** During the course of Employment with the Firm, Employee shall not use or disclose Confidential Information to any person or entity except as necessary for the proper performance of duties and responsibilities prescribed by the Firm,



and only as specifically authorized by the Firm and in accordance with procedures established by the Firm. Following termination of Employee's employment with the Firm, whether voluntary or otherwise, Employee shall not use or disclose Confidential Information to any person or entity other than the Firm for any reason, provided that Employee may disclose Confidential Information if compelled by court order or enforceable subpoena, but only if Employee notifies the Firm immediately after service upon Employee of any such order or subpoena and cooperates fully with Firm's efforts to contest or quash such order or subpoena prior to any such disclosure.

Nothing in this Section shall be construed to restrict Employee's use of general know-how and experience in future employment, so long as Confidential Information is not used or disclosed. The covenants set forth in this Nondisclosure of Confidential Information Section shall be without time or geographic limitation and shall survive and be enforceable after the termination of Employee's employment with the Firm so long as the information in question continues to be Confidential Information as defined above.

5. Surrender of Confidential Information and Company Property upon Termination. Promptly upon termination of Employee's employment with the Firm, whether voluntary or otherwise, and at any time upon the Firm's request, Employee shall immediately and unconditionally surrender to the Firm all Confidential Information and all property belonging to the Firm, including but not limited to equipment, products, supplies, records, notes, materials, code, drawings, photographs, computer programs, analytical and numerical methods, computer-generated or computer-retrievable data, and other writings or recordings of any kind, whether in physical, documentary, audio, visual, electronic or any other format, relating to the actual or anticipated business of the Firm.

6. Non-Solicitation Covenant.

(a) *Non-Solicitation.* Employee agrees that, so long as this Agreement is in effect, and for a period of one (1) year after the termination of his or her employment, Employee will not, directly or indirectly, as a sole proprietor, member of a partnership, stockholder, investor, officer or director of a corporation, or as an employee, agent, associate or consultant of any person, partnership or corporation, other than Firm, or in any other capacity:

(i) solicit, induce or attempt to persuade any employee or consultant of Firm or any of its affiliates to terminate an employment or consulting relationship;

(ii) solicit, accept or engage in any business related to the business conducted by Firm from any clients, customers, or prospective or former clients or customers of Firm or its affiliates; or

(iii) solicit or perform services of any nature on behalf of any person or entity which solicits, accepts or engages in any business related to the business of Firm with clients, customers, or prospective or former clients or customers of the Firm or its affiliates.

(b) *Injunctive Relief.* Without limiting the right of Firm or any of its successors or permitted assigns to pursue all other legal and equitable rights available to them for violation of the covenants set forth in subparagraph (a), it is agreed that such other remedies cannot fully compensate Firm and its successors and assigns for such a

violation and that Firm and its successors and assigns shall be entitled to injunctive relief to prevent violation or continuing violation hereof. It is the intent and understanding of each party that if, in any action before any court or agency legally empowered to enforce this covenant, any term, restriction, covenant or promise is found to be unreasonable and for that reason unenforceable, then such term, restriction, covenant or promise shall be deemed modified to the extent necessary to make it enforceable by such a court or agency.

7. **Governing Laws.** This Agreement shall be construed in accordance with and pursuant to the laws of the State of Minnesota without regard to Minnesota's choice of law principles, and the Parties agree to jurisdiction and venue in the state and federal courts in Minnesota, in case of any dispute concerning the construction, interpretation, application or enforcement of this Agreement.

8. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, provided that this Agreement shall not be assignable by Employee without prior consent of Firm.

9. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof. This Agreement supersedes any and all other prior agreements, either oral or in writing, between the Parties. Each party hereby waives any claim against the other party with respect to, and discharges the other party from any obligation or liability arising under any prior agreement and fully releases the other party with respect thereto. No change or modification of this Agreement shall be valid unless it is in writing and signed by Employee and an authorized officer of Firm. No waiver of any provision of this Agreement shall be valid unless in writing and signed by the person or party to be charged.

10. **Notice.** Any and all notices, designations, consents, offers, acceptances or any other communication provided herein shall be in writing and deemed given when personally delivered or when deposited in the United States mail, registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Firm: Telluride Asset Management
130 Lake Street West, Suite 101
Wayzata, MN 55391

If to Employee:

Eric Falkenstein
9300 Coldstream Lane
Eden Prairie, MN 55347

11. **Severability.** If any portion or portions of this Agreement shall be, for any reason, deemed invalid or unenforceable, the remaining portion or portions shall nevertheless be valid, enforceable and carried into effect, unless to do so clearly violates the present legal and valid intention of the parties hereto.

12. **Headings.** The headings in this Agreement are inserted for convenience only and are not to be considered in construction of the provisions hereof.

TELLURIDE ASSET MANAGEMENT

By: [Signature]
(Signature)
Its: Authorized Agent
(Print title)
1/22/04
(Date)

EMPLOYEE

By: [Signature]
(Signature)
Eric Falkenstein
(Print name)
1/22/04
(Date)