



PARTICIPATION AGREEMENT
For the Laser Illuminated Projector Association (LIPA)
As of May 25, 2011

This Participation Agreement (“Agreement”) is entered into between the Participant identified below (the “Participant”) and the FlexTech Alliance, a Delaware not-for-profit corporation (“FlexTech”), acting as the Laser Illuminated Projector Association (“LIPA”).

RECITALS

Whereas there is a need for an organization whose purpose is to represent the interests of laser projector manufacturers, users and supply companies, generally.

Whereas LIPA can fill this need by:

- (1) Communicating with regulatory agencies on behalf of the industry;
- (2) Identifying, assessing and communicating industry-wide best practices for system users and operators;
- (3) Assessing requirements for industry standards and interacting with relevant standards setting organizations;
- (4) Advocating for use of laser projection systems; and
- (5) Promoting active networking within the industry.

Whereas the mission of LIPA is to promote the benefits of laser-illuminated projectors for digital cinema, large venue installations and related uses.

Whereas Participant seeks to participate in LIPA.

In consideration of the foregoing and the covenants of this Agreement, the Participant and LIPA/FlexTech do hereby agree as follows:

ARTICLE I – Purpose & Benefits

1. LIPA will represent the general interests of the laser illuminated light projector industry.
2. LIPA will have an advocacy role in regulatory matters; facilitate the education of

operators and handlers of laser-illuminated systems; interact with standards setting organizations, but not develop or establish standards; provide information to the public, media, government and others in regard to laser illuminated projection technology and systems; and promote active networking among the industry members.

ARTICLE II – Participation & Obligations of Participants

1. Participation in LIPA by becoming a Participant is open to companies, academic institutions, research institutes and other organizations active in the laser illumination field.
2. Matters relating to the acceptance and exclusion of Participants shall be decided solely by the LIPA Governing Board (the “BOD”) established in Article IV. Admission of new members to the BOD, or removal of existing members from the BOD, shall occur at a duly noticed, in-person meeting of the BOD or through a duly noticed electronic vote by the BOD, and shall require approval by greater than fifty percent (50%) of the then-current membership of the BOD, without regard for the quorum requirements specified in Article IV.
3. During the term of this Agreement each Participant will actively support LIPA. This includes participating in project teams (the Project Teams) and other working groups, making prompt payments of fees, and contributing generally to achievement of LIPA’s goals.
4. Each Participant shall designate one person and one alternate to serve as the primary point of contact for all LIPA-related activities. Each Participant may designate other individuals to participate in Project Teams or other LIPA-related activities at the discretion of the Participant.
5. Participation referred to in paragraphs 1 and 3 above shall end if:
 - a. Participant submits in writing to LIPA a voluntary resignation;
 - b. Participant voluntarily or involuntarily dissolves;
 - c. Participant fails to pay LIPA membership fees in a timely manner;
 - d. Participant is expelled by a majority vote of the BOD for cause, which cause shall be specified in writing by the BOD;
 - e. LIPA is terminated pursuant to a valid act of the BOD pursuant to Article XI, paragraph 2.

ARTICLE III – Classes of Participation and Fees

1. The following classes of participation are established:
 - a. Leader Level Participation;
 - b. Participant Level Participation;
 - c. Observer Level Participation.
2. Companies and organizations, upon approval of the BOD, may join LIPA at any time and pay the annual fees for their class of participation.
3. Different levels of benefits are provided with each class of participation and include:
 - a. Leader Level Participants may appoint a member and alternate member of the BOD, can chair Project Teams, will be first contacted to participate in policy-making meetings and events, and will receive any and all other benefits enumerated by LIPA for this level.

- b. Participant Level Participants may participate in Project Teams, will be secondly contacted to participate in policy-making meetings and events, and will receive any and all other benefits enumerated by LIPA for this level.
 - c. Observer Level Participants will receive promotional and educational benefits, and any and all other benefits enumerated by LIPA for this level.
4. All Participants shall pay non-refundable annual membership dues as determined and assessed by the BOD. These dues will be used exclusively to achieve the objectives of LIPA and pay costs related thereto.
 5. LIPA shall be deemed formed upon execution of this Participation Agreement and payment in full of corresponding dues by five (5) Leader Level Participants. A company issued purchase order will be considered a commitment of dues payment.

ARTICLE IV – Governing Board (BOD)

1. Immediately upon formation of LIPA or as soon thereafter as practical, the BOD shall consist of one representative from each of the Leader Level Participants and it shall hold an organizational meeting to elect a Chairman and a Vice-Chairman of the BOD. The Chairman and Vice Chairman shall each serve a single two-year term and may be re-elected upon nomination and a majority vote of the BOD.
2. The BOD will meet periodically on a schedule determined by the Chairman in consultation with the BOD and may be held at any place within or outside California as the BOD may from time to time determine. Notice of the time and place for the holding of any such meeting shall be delivered, mailed, telegraphed, cabled, telexed or transmitted by facsimile or electronic mail to each member of the BOD at his/her latest address as shown on the records of LIPA not less than 10 days (exclusive of the day on which the notice is delivered, mailed, telegraphed, cabled, telexed or transmitted by facsimile or electronic mail but inclusive of the day for which notice is given) before the date of the meeting, provided that meetings of the BOD may be held at any time without notice if all the members of the BOD have waived notice. A member of the BOD may participate in a meeting of the BOD or of a committee of the BOD by means of telephone or other communication facilities that permit all persons participating in the meeting to hear each other, and a member of the BOD participating in such a meeting by such means shall be deemed to be present at that meeting.
3. The responsibilities of the BOD are as follows:
 - a. To approve LIPA's annual program plan;
 - b. To accept or reject applications for participation;
 - c. To approve and monitor an annual budget;
 - d. To establish Project Teams, approve Project Teams, initiate projects and monitor their work product;
 - e. To designate Project Team chairs;
 - f. To determine the collective policies and recommend public positions taken by LIPA;
 - g. To determine the benefits and fees of each class of participation;

- h. To propose modification of the Participation Agreement if required;
 - i. To deal with potential expulsion of Participants;
 - j. To terminate LIPA if and when appropriate.
4. FlexTech, acting as LIPA, will be entitled to appoint one non-voting representative to the BOD.
 5. Minutes shall be taken of all BOD meetings and kept on file by LIPA management.

ARTICLE V – Voting, Quorum, and Dispute Resolution

1. Voting by the BOD shall be conducted on a “one company equals one vote” basis, and may occur at either an in-person meeting, by telephone, or by email or other electronic means.
2. A quorum for a duly noticed, in-person or telephonic meeting of the BOD shall exist if at least sixty percent (60%) of the Leader Level members eligible to vote are present.
3. A quorum for an email or electronic vote by the BOD shall exist if at least or ninety percent (90%) of the Leader Level Participants eligible to vote participate in the vote. For purposes of determining compliance with this quorum requirement, an email or electronic vote of the BOD shall close seven (7) calendar days after it is opened by the Chairman of the BOD.
4. Assuming the existence of a quorum, the BOD shall act by majority vote, which is defined as greater than 50% of yes or no votes from those present and eligible to vote, provided that the number of abstentions is less than 50% of those present and eligible to vote.
5. Project Team voting shall be conducted on an *ad hoc* basis at the discretion of the Project Team chair. All votes or other actions taken by a Project Team shall be advisory and shall not be considered an official decision or position of LIPA unless or until approved by the BOD.
6. The Chairman of the BOD shall make available the to all members of the BOD any vote of a member of the BOD at the time it is cast, regardless of whether it is cast in an in-person meeting or by telephone, email or other electronic means.
7. In the event that a dispute within a meeting cannot be resolved, the issue will be raised to the next level of organization; i.e., disputes within project task teams will be elevated to the Project Team for resolution, Project Team disputes will be elevated to the BOD for resolution.

ARTICLE VI – Management

1. FlexTech, under the direction and oversight of the BOD, shall provide the management and administration of LIPA.
2. FlexTech shall prepare an annual LIPA program plan and budget for BOD approval.
3. FlexTech shall be compensated for its direct and indirect costs on a schedule to be negotiated between FlexTech and the BOD. Costs shall be documented and all expenditures by FlexTech on behalf of LIPA shall be consistent with the annual budget approved by the

BOD. FlexTech shall not make or commit to any expenditure in excess of budgeted amounts without prior approval by the BOD and shall regularly update the BOD on revenue and expenses. Reimbursement of all FlexTech services provided to or for the benefit of LIPA shall be limited to the collective revenue and assets of LIPA.

4. FlexTech may solicit additional Participants for LIPA, subject to final approval by the BOD.
5. FlexTech shall support LIPA through its advisory capacities and management expertise and shall appoint, in consultation with and subject to the approval of the BOD, the Managing Director of LIPA. The duties of the Managing Director shall include day to day management of LIPA activity and coordination of the support by FlexTech, including budgeting, marketing and member recruiting, and other management functions. The BOD can request the replacement of the Managing Director at any time that the Managing Director's performance is deemed incompatible with LIPA's objectives and cannot be remedied. In this instance, FlexTech shall appoint a new Managing Director, again subject to consultation with and approval by the BOD.
6. FlexTech is authorized on behalf of LIPA to enter into a Participation Agreement with any proposed Participant which has been approved in advance by the BOD. The BOD may authorize FlexTech to enter other binding agreements on behalf of LIPA on a case-by-case basis.
7. Following a duly authorized vote of the BOD to terminate LIPA, FlexTech shall terminate all Participation Agreements and any other agreements by, for, or on behalf of LIPA. After any such termination, FlexTech shall provide the Participants with an accounting of all costs and expenses of LIPA.

ARTICLE VII – Copyright License for Deliverables

1. The Participant hereby grants to LIPA, subject to each of the other Participants and FlexTech granting a same license to LIPA, a royalty free worldwide license for the term of LIPA's activities under its copyrights in any Participant contribution that is incorporated into a Deliverable to allow LIPA to reproduce, distribute, display, perform and create derivative works of any Deliverable or derivative work thereof.
2. "Deliverable" means any work product of LIPA that the BOD approves for publication or release to the public.
3. Nothing in this agreement shall be understood to constitute a grant of any other intellectual property rights of any kind, including, without limitation, any patent or trademark rights by the Participant to LIPA, FlexTech, or any other Participant.

ARTICLE VIII - Confidentiality

1. The Participant agrees, subject to each of the other Participants and FlexTech agreeing the same, that it will maintain all Confidential Information in confidence with at least the same degree of care that it uses to protect its own proprietary material and in no event with less than reasonable care to ensure that such Confidential Information is not disclosed outside the Participants of LIPA. This obligation does not preclude a Participant from disclosing Confidential Information to an entity that controls, is controlled by, or is

under common control with, the Participant. This obligation of confidentiality will expire three (3) years after the date of resignation of Participant's membership in LIPA.

2. "Confidential Information" means any contribution or communication that has been marked "confidential" or orally designated as confidential, by the discloser thereof, except to the extent that such contribution or communication is incorporated into a Deliverable that the BOD has approved for publication or release to the public; provided, however, that the BOD shall obtain prior consent to the release of any confidential information in a Deliverable from the affected Participant who disclosed such confidential information.
3. Confidential Information shall not include information which (a) was generally known and publicly available prior to disclosure; (b) becomes generally known and publicly available after disclosure without breach of LIPA's confidentiality obligations; (c) becomes generally known and publicly available by an authorized act of the BOD; (d) is already in Participant's possession prior to disclosure as shown by Participant's files and records prior to the time of disclosure; (e) is obtained by the Participant from a third party without breach of LIPA's confidentiality obligations; (f) is independently developed by Participant without use of or reference to Confidential Information, as shown by documents and other competent evidence in Participant's possession; and/or (g) is necessary to disclose to comply with any valid order of a court of competent jurisdiction.

ARTICLE IX – Effective Date

1. This Agreement will become effective on the date on which duly authorized representatives of FlexTech/ LIPA and a Participant have executed this Agreement (the "Effective Date"). Any Participant signing after that date will be bound by this Agreement as from the date an authorized representative of such Participant executes this Agreement.

ARTICLE X – Term

1. The term of this Agreement shall commence from the Effective Date and will continue for a period of one year, and thereafter will be automatically extended annually for successive one year periods unless written notice of termination is given by either party to the other, with or without cause, for any reason whatsoever, not less than 30 days prior to the expiration of the original term or any extension period, as applicable.

ARTICLE XI – Modification or Termination

1. A vote of at least 2/3 of the BOD is required to agree to any modification of this Agreement.
2. A request for termination of LIPA shall be made in writing upon approval of a resolution by at least 2/3 of the BOD authorizing FlexTech to terminate LIPA. Upon such request, FlexTech is authorized to terminate the Participation Agreements and will act on the resolution at the earliest opportunity. Upon any such duly authorized request for termination, FlexTech agrees to release all Participants from any pending and future claims, other than amounts due and payable by LIPA or by any Participant to FlexTech.

ARTICLE XII – DISCLAIMER OF WARRANTY OR LIABILITY

1. THE PARTICIPANT MAKES ANY NO REPRESENTATION, WARRANTY OR INDEMNITY, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, AND EXPRESSLY DISCLAIMS ANY WARRANTY OF TITLE OR NON-INFRINGEMENT, IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ANY EQUIVALENTS UNDER THE LAWS OF ANY JURISDICTION THAT MIGHT ARISE FROM ANY ACTIVITIES OR INFORMATION DISCLOSURES RELATING TO THIS AGREEMENT.
2. THE PARTICIPANT SHALL NOT BE LIABLE TO LIPA OR ANY OTHER PARTICIPANT FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES WHATSOEVER (INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF BUSINESS OR PERSONAL PROFITS, BUSINESS INTERRUPTION, OR ANY OTHER PECUNIARY LOSS) ARISING OUT OF ANY CAUSE OF ACTION RELATING TO THIS AGREEMENT UNDER A THEORY OF CONTRACT, TORT, INDEMNITY, PRODUCT LIABILITY OR OTHERWISE, EVEN IF THE PARTICIPANT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
3. IN THE EVENT THAT ANY COURT OF COMPETENT JURISDICTION RENDERS JUDGMENT AGAINST THE PARTICIPANT NOTWITHSTANDING THE LIMITATION IN ARTICLE XII.2 OR FOR DIRECT DAMAGES NOT EXCLUDED PURSUANT TO ARTICLE XII.2, THE PARTICIPANT'S AGGREGATE LIABILITY TO LIPA OR ANY OTHER PARTICIPANT IN CONNECTION WITH THIS AGREEMENT SHALL IN NO EVENT EXCEED THE AGGREGATE ANNUAL MEMBERSHIP FEES RECEIVED BY LIPA FROM SUCH PARTICIPANT UNDER THIS AGREEMENT IN RESPECT OF THE MOST RECENT YEAR.

Article XIII - Intellectual Property Disclosure

1. LIPA will interact with standards development organizations (SDOs) and may prepare submissions to such organizations. Such SDOs will likely require submissions to be accompanied by a statement of availability of licensing of intellectual property. Therefore, it will be important for LIPA to understand the intellectual property implication(s) in any such submissions. When a Participant presents, or Participants collectively present, any such submission to LIPA (hereinafter "Submitting Party"), the Submitting Party shall have the duty to ensure, to the best of its knowledge, that its contribution to a submission by or on behalf of LIPA to any standards development organization (SDO) complies with the intellectual property requirements for submissions to that SDO.

This intellectual property disclosure obligation does not require a Submitting Party, nor is LIPA obligated, to conduct a search of their intellectual property portfolio or of other companies' intellectual property.

2. LIPA's Managing Director shall create and maintain a repository of all intellectual property disclosures.
3. The BOD may adopt additional policies or procedures relating to the intellectual property rights and obligations of the Participant, including disclosure, cross licensing and other rights and obligations, which amend or supersede the

obligations set forth in this Article XIII. Any such additional policies or procedures may be adopted by means of the BOD voting procedures set forth in Article V of this Participation Agreement, and shall not be deemed an amendment of this Participation Agreement pursuant to Article XI.

ARTICLE XIV - Governing Law and Assignment

1. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of California, United States of America and applicable to agreements made between California residents and to be performed entirely in California.
2. This Agreement shall not be assigned by any Participant except as part of a sale of all of the Participant's business and, in such event, only in its entirety and upon prior written notice to and approval from LIPA, such approval not to be unreasonably withheld provided the proposed assignee would qualify to be a Participant at the time of such assignment.

ARTICLE XV – Miscellaneous

1. Other than the rights provided for herein or through subsequent acts of the BOD, no rights are granted or licensed to LIPA, to FlexTech or to any Participant under this Agreement.
2. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof.
3. It is acknowledged and agreed that LIPA is at present an unincorporated division within FlexTech. FlexTech may form a separate not-for-profit and tax-exempt corporation to organize and manage LIPA at such time as FlexTech and the BOD deem such action to be reasonable and appropriate.
4. The Participant agrees to adhere to and fully comply with at all times the antitrust policies which LIPA from time to time hereafter adopts. The antitrust policies will require strict compliance with the applicable antitrust laws and regulations of the United States and all other nations.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the FlexTech Alliance and Participant have executed this Agreement as of the Effective Date set forth in Article IX.

FLEXTECH:

PARTICIPANT:

FlexTech Alliance

_____, **a**

Acting as LIPA

By _____

By _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____