

**MUTUAL NON-DISCLOSURE AGREEMENT**

On the day indicated on the signature page of this document, FIRE TERMINATION EQUIPMENT CORPORATION a Delaware corporation, with offices at 10701 Hiawatha Dr., Woodway, TX 76721 (hereinafter referred to as "FITECO") and the signatory indicated as the Participant on the signature page of this document (hereinafter referred to as "Participant"), agree as follows:

1. Either party may disclose to the other certain information which it deems as being proprietary or confidential, and may include, but is not limited to, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, flow charts, data, costs, prices, customer lists, marketing plans, goals, sales figures, revenue, profits, and other technical, financial or business information. Such disclosure(s) of information may be made during the course of discussions held between the parties for the purpose of ascertaining whether to enter into a business relationship, and/or after a business relationship is entered into, respecting, for the purpose of an ongoing business relationship. Such information shall be deemed confidential and proprietary and subject to restricted use and limited distribution as provided for herein *if* plainly marked "confidential" or "proprietary" or with language of similar meaning, whether it is provided in written, encoded, graphic or other tangible form, including any electronic or magnetic form. Information which is provided orally shall also be deemed confidential and proprietary *if* it is identified as being confidential and proprietary at the time of disclosure *and* is confirmed to be so in writing by the disclosing party to the other party at the time of disclosure or within thirty (30) days of the date of disclosure. Such writing shall specify the date, time, place, persons involved and the substance of the confidential and proprietary information so disclosed. Hereinafter such information deemed confidential and proprietary information in compliance with the aforementioned requirements shall be referred to as "Information".
2. With respect to such information provided by either party to the other, the receiving party shall:
  - a. Hold such Information in confidence and protect it in accordance with the same degree of care with which it protects its own Information of like importance which it does to wish to disclose, but in no event less than reasonable care;
  - b. use such Information for the purpose described in paragraph 1 hereof and

Rev 1-July-2010

except as may otherwise be mutually agreed in writing in advance;

c. except in the anticipated use thereof (as set forth in Section 1 above), not copy or otherwise duplicate such Information, or knowingly allow anyone else to copy or otherwise duplicate any of such Information then under its control without the disclosing party's prior written approval;

d. restrict disclosure of such of Information solely to those employees with a need to know and be notified and required to abide by the terms and conditions of this Agreement and comply with the provisions hereof by contract employee policies, work rules to other appropriate methods, and not disclose it to any other party;

e. disclosure to subcontractors, consultants, agents and the like shall also be limited to a need to know basis and may not be made unless and until a confidentiality and/or non-disclosure agreement expressing substantially the same terms as contained in this Agreement is executed by the person receiving and before the person receives the Information; and

f. promptly notify the disclosing party in the event that the receiving party becomes legally compelled in a judicial, administrative or governmental proceeding to disclose any of the information so that the disclosing party, at its expense, may seek a protective order or other appropriate remedy and/or waive compliance with this Agreement. The receiving party shall reasonably cooperate with the disclosing party in connection with the seeking of such court order or other remedy as the disclosing party may reasonably request, at the expense of the disclosing party.

3. Upon the written request of the disclosing party, the receiving party shall forthwith return any and all information along with any copies, variations or derivative works, whether or not authorized, and/or certify the destruction, by a corporate officer, of all notes, memoranda, analyses, reports, evaluations or other documents or data created, developed, modified or otherwise generated by the receiving party, or at its request, and involving the Information whether in tangible form or in any electronic or magnetic storage format.
4. Neither party shall have any obligation as a receiving party to preserve the confidentiality/proprietary nature of Information of the disclosing party which:
  - a. is already known to the receiving party, as evidenced by a writing dated prior to

Rev 1-July-2010

- the date of disclosure;
- b. is or becomes generally known to the public at large through no wrongful act of the receiving party;
- c. is received from an unaffiliated or affiliated third party without either an obligation of non-disclosure or breach of an obligation of confidentiality or non-disclosure in the third party's receipt or transmission of the Information;
- d. is independently developed by it or for it by third parties or affiliates, which third parties have not had any access whatsoever to the Information; or
- e. is approved in advance for release by written authorization of an officer of the disclosing party.
5. Except as provided herein, neither party shall disclose to any persons the fact that Information has been requested, that discussions or negotiations between the parties are taking place, or the status thereof. Notwithstanding anything herein, disclosure of the Information may be made if, and to the extent that, in the opinion of counsel, such disclosure is required by law, in which case the party proposing to so disclose shall promptly notify the other party's signatory (and/or its counsel), at the address set forth above, concerning the reasons for and nature of the proposed disclosure so that the other party may take such action as it deems necessary. The party proposing to disclose shall reasonably cooperate with the other party in connection with the seeking of a court order or other remedy as the other party may reasonably request, as the expense of the other party.
6. Each party shall be entitled at any time and without notice to the other party to negotiate, disclose and otherwise deal in any manner and for any purpose with third parties regarding its own Information.
7. Nothing contained in this Agreement shall be construed as, and there is no granting or conferring, whether by sale, license or otherwise, to the receiving party any right, title or interest in any Information disclosed, nor in any patents, trademarks, or copyrights of the disclosing party.
8. Both parties agree that the Information provided is believed by the disclosing party to be generally accurate and correct; however, in no event shall the disclosing party, its directors, officers, agents or employees be liable for errors, omissions or inaccuracies of any kind in the Information and the receiving party shall be

Rev 1-July-2010

responsible for verifying the accuracy and correctness of the Information disclosed. *NO WARRANTY OF ANY KIND IS GIVEN REGARDING THE INFORMATION, THE SAME BEING AS IS, WHERE IS AND WITH ALL FAULTS AND THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A SPECIFIC PURPOSE TO THE EXTENT APPLICABLE, ARE EXCLUDED. THE FOREGOING IN NO WAY MODIFIES THE RETENTION BY THE DISCLOSING PARTY OF ALL RIGHT, TITLE AND INTEREST IN THE INFORMATION DISCLOSED BY SUCH PARTY.*

9. The provisions hereof shall inure and accrue by the benefit and detriment of and be binding upon the successors and assigns of the parties hereto, provided, however, that no disclosure of Information may be made to any assign of a receiving party without the advance, express written consent of the party originally disclosing the Information. This restriction shall not be applicable to any reorganization of Participant's business structure provided that such reorganization does not result in a competitor or potential competitor of FITECO having access to FITECO's Information.
10. This agreement shall be governed, construed and interpreted exclusively in accordance with the local laws of the State of Texas, United States of America, applicable to transactions wholly performed within such state and without regard to choice of law provisions. Notwithstanding the preceding sentence, either party may bring an action in any jurisdiction or forum provided such action is solely to enjoin the wrongful disclosure of any Information with respect to which such party is the disclosing party and the jurisdiction and forum is that in which the wrongful disclosure has or is anticipated to occur.
11. This Agreement shall become effective on the date first shown above and both the Agreement and the duties of confidentiality shall continue for a period of five (5) years after the last disclosure of Information hereunder.
12. No waiver of any breach hereof shall be or serve as a waiver of any subsequent breach. No waiver of any breach or modification or amendment hereto shall be effective unless in writing referring hereto and signed by the waiving party.
13. This document represents the full and complete agreement of the parties with respect to the use and confidentiality of the Information and supersedes all prior communications, agreements or proposals with respect to such subject matter. All Information disclosed between the parties subsequent to the effective date hereof

Rev 1-July-2010

shall be covered hereby unless expressly stated to the contrary, in a writing referencing this Agreement, by the disclosing party at the time of disclosure.

Rev 1-July-2010

ACCEPTED AND AGREED TO:

Fire Termination Equipment  
Corporation "FITECO"

\_\_\_\_\_  
"[Participant]"  
a \_\_\_\_\_  
(corporation, DBA, individual, etc.)

By:



By: \_\_\_\_\_

Name: John A. Hoffman

Name: \_\_\_\_\_

Title: President

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**(Signature Page)**