



CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

This Agreement will confirm our understanding regarding the businesses listed for sale by Falco Sult and your receipt of certain confidential "Information." It is understood that our Clients are the intended parties and beneficiaries whose rights are being protected and may enforce the terms of this Nondisclosure Agreement as if they were a party to the Agreement.

1. Purpose. The Receiving Party and our Clients wish to explore a business opportunity under which each may disclose Confidential Information to the other.

2. Definition. "Confidential Information" means any and all information, technical data, or know-how, including, but not limited to, that which relates to research, product plans, products, services, customers, markets, software, developments, inventions, processes, designs, drawings, engineering, hardware configuration information, marketing or financial information developed by, concerning or containing information regarding the parties or their affiliates or subsidiaries, which information is provided from one party to the other pursuant to this business opportunity.

By example and without limiting the foregoing definition, Confidential Information shall include but not be limited to:

- (a) formulas, research and development techniques, processes, trade secrets, computer programs, software, electronic codes, mask works, inventions, innovations, patents, patent applications, discoveries, improvements, data, know-how, formats, test results, and research projects;
- (b) information about costs, profits, markets, sales, contracts and list of customers and distributors;
- (c) business, marketing and strategic plans;
- (d) forecasts, unpublished financial information, budgets, projections, and customer identities, characteristics and agreements; and
- (e) employee information of any type or nature

Confidential Information is to be broadly defined and construed and includes all information that has or could have commercial value or other utility in the business in which either party is engaged or contemplates engaging and all information of which the unauthorized disclosure could be detrimental to the interests of either party, whether or not such information has been otherwise identified as Confidential Information.

Confidential Information does not include information, technical data or know-how which: (i) is in the possession of the receiving party at the time of disclosure as shown by the receiving party's files and records immediately prior to the time of disclosure; (ii) prior or after the time of disclosure becomes part of the public knowledge or literature, not as a result of any inaction or action of the receiving party; (iii) is approved for release by the our Clients in writing; or (iv) can be shown by the receiving party's files and records to have been independently developed by the receiving party without the use of the Confidential Information, by an individual who has no knowledge of or

contact with the Confidential Information. **Confidential Information shall not be deemed to be in the public knowledge or literature merely because any part of said information is embodied in general disclosures or because individual features, components, or combinations thereof are now or become known to the public.**

3. Non-Disclosure of Confidential Information. The Receiving Party and our Clients agree not to use the Confidential Information disclosed to it by the other party for its own use or for any purpose except to carry out discussions concerning, and the undertaking of, the contemplated business opportunity between the two. Neither party will disclose any Confidential Information of the other party to any individuals or third parties except those directors, officers, employees, consultants and agents of the party receiving the Confidential Information who need the information in order to carry out the discussions of the contemplated business. Each party will inform those directors, officers, employees, consultants and agents to whom Confidential Information of the other party is disclosed or who have access to Confidential Information of the other party of this Non-Disclosure Agreement and will, upon request, promptly notify the other party in writing of the names of each person who has such Confidential Information or access.

Each party agrees that it will take all reasonable measures to protect the secrecy of and avoid disclosure or use of Confidential Information of the other party in order to prevent it from falling into the public domain or the possession of persons other than those persons authorized hereunder to have any such information, which measures shall include the highest degree of care that either party utilizes to protect its own Confidential Information of a similar nature. Each party agrees to notify the other party in writing of any misuse or misappropriation of such Confidential Information of the other party, which may come to its attention.

In addition, without the prior written consent of the other party, neither party will (i) disclose to any third party or (ii) make, directly or indirectly, any public comments, statements, or communications with respect to the following: (a) that the Confidential Information has been made available to it, or is being furnished by it; (b) that discussions or negotiations are taking place concerning the Potential Transaction; or (c) any of the terms, conditions, or other facts with respect to any such Potential Transaction, including the status thereof or any termination thereof

4. Mandatory Disclosure. In the event that either party or their respective directors, officers, employees, consultants or agents are requested or required by legal process of a government agency or court of competent jurisdiction to disclose any of the Confidential Information of the other party, the party required to make such disclosure shall give immediate notice so that the other party may seek a protective order or other appropriate relief. If disclosure is ultimately required, our Clients shall use best efforts to disclose only that portion of the Confidential Information necessary to comply with the disclosure requirements, while otherwise observing its duties and obligations hereunder. Mandatory disclosure shall not relieve either party of their duties and obligations as to all Confidential Information, including any Confidential Information required to be disclosed.

5. Return of Materials. Confidential Information, including any permitted copies, shall remain the property of the our Clients. Within 30 days of receipt of a written request by our Clients, the recipient shall return all Confidential Information, accompanied by all copies thereof, to our Clients. The recipient shall certify in writing that it has satisfied its obligations under this paragraph upon the written request by our Clients. Notwithstanding the return or destruction of such Confidential Information, each party, together with its respective employees, shall continue to be bound by the provisions of this Agreement.

6. No License Granted. Nothing in this Agreement is intended to grant any rights to either party under any patent, copyright, trade secret or other intellectual property right nor shall this Agreement grant either party any rights in or to other party's Confidential Information, except the limited right to review such Confidential Information solely for the purposes of determining whether to enter into the proposed business relationship between the parties.

7. Term. The foregoing commitments of either party in this Agreement shall survive any termination of discussions between the parties, and shall continue for a period of five (5) years following the date of this Agreement.

8. Miscellaneous. This Agreement shall be binding upon and for the benefit of the undersigned parties, their successors and assigns, provided that this Agreement may not be assigned without the prior written consent of our Clients. Failure to enforce any provisions of this Agreement shall not constitute a waiver of any term hereof.

9. Governing Law and Jurisdiction. This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Washington, without regard to any provisions thereof regarding conflicts of laws, and shall be binding upon the parties hereto in the United States and worldwide. The federal and state courts within the State of Washington shall have exclusive jurisdiction to adjudicate any dispute arising out of this Agreement.

10. Remedies. Each party agrees that its obligations hereunder are necessary and reasonable in order to protect the other party and the other party's business, and expressly agrees that monetary damages would be inadequate to compensate the other party for any breach by either party of any covenants and agreements set forth herein. Accordingly, each party agrees and acknowledges that any such violation or threatened violation will cause irreparable injury to the other party and that, in addition to any other remedies that may be available, in law, in equity or otherwise, the other party shall be entitled to obtain injunctive relief against the threatened breach of this Agreement or the continuation of any such breach, without the necessity of proving actual damages.

Receiving Party

(Signature)

(Date)

(Print Name & Title)

(Receiving Party Name)

(Address)

(Address)

(Phone)

(E-mail)