

MUTUAL CONFIDENTIALITY
AND NON-DISCLOSURE AGREEMENT
(“AGREEMENT”)

WHEREAS, the mutual objective of the parties hereto is to provide appropriate protection for “Proprietary Information” (as defined herein) that the parties may learn or receive from each other in the course of their dealings and/or business relationship contemplated by this Agreement;

WHEREAS, each of the parties considers its Proprietary Information to be valuable and wishes to protect it; and

WHEREAS, accordingly, the parties wish to enter into this Agreement to set forth the terms and conditions that apply when one party (the "Disclosing Party") discloses Proprietary Information to the other (the "Receiving Party") to ensure the protection of such information.

NOW, THEREFORE, in consideration of the parties’ discussions and any access the Receiving Party may have to Proprietary Information of the Disclosing Party, the mutual covenants and promises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Disclosure and Use of Proprietary Information:

The Receiving Party understands that the Disclosing Party has disclosed or may disclose certain non-public proprietary and confidential information relating to the Disclosing Party’s business (including, without limitation, computer programs, names and expertise of employees and consultants, know-how, techniques, methodologies, concepts, principles, devices, manufacturing and engineering data, quality control procedures, formulas, processes, ideas, designs, inventions, whether patentable or not, schematics and other technical, business, financial, customer and product development plans, forecasts, strategies and information, and customer and supplier information), which, to the extent previously, presently, or subsequently disclosed to the Receiving Party, is hereinafter referred to as “Proprietary Information” of the Disclosing Party. Notwithstanding the foregoing, nothing will be considered “Proprietary Information” unless either: (1) it is first disclosed in tangible form and is conspicuously marked “Confidential,” “Proprietary,” or the like; or (2) it is first disclosed in non-tangible form and orally identified as confidential at the time of disclosure and is summarized in tangible form conspicuously marked “Confidential,” “Proprietary,” or the like within thirty (30) days of the original disclosure.

The Receiving Party shall:

(a) hold the Disclosing Party’s Proprietary Information in confidence and take all commercially reasonable precautions to protect such Proprietary Information (including without limitation, all precautions the Receiving Party employs with respect to its confidential materials that it does not wish to disclose, publish or disseminate);

(b) not divulge any such Proprietary Information or any information derived therefrom to any third person (except consultants, subject to the conditions stated below);

(c) except as otherwise provided herein, not copy or reserved engineer any such Proprietary Information; and.

(d) not make any use whatsoever at any time of such Proprietary Information except for the purposes contemplated by this Agreement and in furtherance of the parties' business relationship.

Any employee or consultant given access to any such Proprietary Information must have a legitimate "need to know" and shall be bound in writing, prior to getting the Proprietary Information, to observe this Agreement as it applies to the Receiving Party. Receiving Party agrees to advise all such employees and consultants to whom the Proprietary Information is disclosed of the proprietary nature of such Proprietary Information and that such persons have the obligation to protect the confidentiality of such Proprietary Information.

Without granting any right or license, the Disclosing Party agrees that the foregoing clauses (a), (b), (c) and (d) shall not apply to any information that the Receiving Party can prove (1) is (or through no wrongful or unauthorized action or inaction by the Receiving Party or any affiliate, agent, consultant, or employee, becomes) generally available to the public; (2) was in its possession or known by the Receiving Party prior to receipt from the Disclosing Party; (3) was rightfully disclosed to the Receiving Party by a third party, provided the Receiving Party complies with any restrictions imposed by the third party; or (4) was independently developed without use of any Proprietary Information of the Disclosing Party by employees of the Receiving Party who have had no access to such information. The Receiving Party may make disclosures required by court order, or other compulsory process of law, provided the Receiving Party uses reasonable efforts to limit disclosure and to obtain confidential treatment or a protective order and has allowed the Disclosing Party to participate in the proceeding. The Receiving Party shall give prompt written notice to the extent practicable to the other party of any requests or demands for Proprietary Information made under lawful process by any third party, prior to disclosure of such Proprietary Information.

This Agreement shall be effective as of the date written below, and the obligations and restrictions with respect to any Proprietary Information shall continue to bind the parties, even following termination of the parties' business relationship or the expiration or termination of any other agreement between the parties.

2. Ownership and Return of Proprietary Information. All Proprietary Information shall remain the property of the Disclosing Party, and all applicable rights in patents, copyrights and trade secrets shall remain in the Disclosing Party. No rights or licenses, expressed or implied, are hereby granted to the Receiving Party as a result of this Agreement. The Receiving Parties shall limit the number of additional copies made of the Proprietary Information by

restricting dissemination of copies on a “need to know” basis. Immediately upon a request by the Disclosing Party at any time (which will be effective if actually received or three days after mailed first class postage prepaid to the Receiving Party), the Receiving Party will turn over to the Disclosing Party all Proprietary Information of the Disclosing Party and all documents or media containing any such Proprietary Information and any and all copies or extracts thereof.

3. Restrictions as to Employees. Neither party shall, without the prior written approval of the other party, hire or enter into a contract with any employee, agent or representative of such other party to provide services to such other party, or, directly or indirectly, induce or attempt to induce or otherwise counsel, discuss, advise or encourage any employee, agent or representative of the other party to leave or otherwise terminate such person’s relationship with the other party, for a period of two (2) years following the date hereof.

4. Confidentiality of Negotiations. Neither party shall make or permit its representatives to make any statement, public announcement or release to any trade publication or the press, or inform any third party, in relation to the exchange of Proprietary Information. The Receiving Party may make such a disclosure after written notice to Disclosing Party if it has received the written opinion of outside counsel that such disclosure must be made in order to avoid a violation of law and a copy of such opinion has been provided to the Disclosing Party.

5. Acquisition of Information. Neither party shall initiate or maintain contact, except for those contacts made in the ordinary course of business, with any director, officer, employee, or agent of the other party regarding the other party’s business, operations, prospects, or finances or any other matter, except such persons designated as contact persons by the other party.

6. Miscellaneous. Each party acknowledges and agrees that due to the unique nature of the other party’s Proprietary Information and other protected interests hereunder, there can be no adequate remedy at law for any breach of such party’s obligations hereunder, that any such breach, among other things, may allow the such party or third parties to unfairly compete with the other party, resulting in irreparable harm to the other party, and therefore, that upon any such breach or any threat thereof, the aggrieved party shall be entitled to appropriate equitable relief in addition to whatever remedies it might have at law and to be indemnified by the breaching party from any loss or harm including, without limitation, legal fees and court costs, in connection with such breach or the aggrieved party’s enforcement of this Agreement or the unauthorized use or release of any of the aggrieved party’s Proprietary Information. The Receiving Party will notify the Disclosing Party in writing immediately upon the occurrence of any such unauthorized release or other breach of which it is aware. In the event that any of the provisions of this Agreement shall be held by a court or other tribunal of competent jurisdiction to be illegal, invalid or unenforceable, such provisions shall be limited or eliminated to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect.

7. Governing Law; Jurisdiction. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New Hampshire, applied without giving

effect to its conflict of laws provisions. All actions with respect to matters arising under or in connection with this Agreement or with respect to the Shares shall be maintained only in the federal and state courts located in the State of New Hampshire and all parties here to consent to the exclusive jurisdiction of such courts for these purposes. If personal service on any party cannot otherwise be effected within New Hampshire, each party irrevocably designates the Secretary of the State of New Hampshire as his or its agent for service of process in any proceeding affecting this Agreement or the rights and obligations of the parties hereunder.

8. Waiver. Any failure or delay by a party in exercising or enforcing any right hereunder shall not operate as a waiver thereof; any waiver by a party of any right hereunder on any one occasion shall not be construed as a continuing waiver or waiver on any subsequent occasion; and any single or partial exercise of any right under this Agreement shall not preclude any subsequent or further exercise of such right or of any other right under this Agreement.

9. Entire Agreement; Amendments. This Agreement contains the entire agreement between the parties pertaining to the subject matter hereof and supersedes any prior written or oral agreements relating thereto. No modification or amendment of this Agreement or of its terms and conditions shall be binding upon either of the parties unless duly executed by both parties.

For:
FELTON BRUSH INC.

Company Name
Name: _____
Title: _____
Signature: _____
Date: _____

For:

Company Name
Name: _____
Title: _____
Signature: _____
Date: _____