

# Agreement Restricting Use and Disclosure of Proprietary and Confidential Information

THIS AGREEMENT is made and entered into as of \_\_\_\_\_, 2013, by and between Paradigm Devices, a private corporation, and its successors and assigns ("Paradigm"), and \_\_\_\_\_ Corporation, a \_\_\_\_\_ corporation (hereafter, "Distributor"), on its own behalf and as agent for its Affiliates. The term "Affiliate" shall mean any corporation, partnership, limited liability company, trust or other entity formed or existing under the laws of any jurisdiction (domestic or foreign) which (i) directly or indirectly owns or controls Distributor, (ii) is under common ownership with Distributor, or (iii) is directly or indirectly owned or controlled by Distributor.

## RECITALS:

- A. Paradigm has, at its expense, developed solar based venting technology, including specifically the SAVE system, manufacturing procedures, associated materials, and ancillary equipment such as solar panels, fans, controller electronics and weather-proof housings, etc., further referred to as ("SAVE").
- B. Paradigm plans to file patent applications directed to certain aspects of the Business Information with the United States Patent and Trademark Office ("Patent Applications").
- C. Distributor may request a SAVE for analysis and testing to determine if the SAVE is suitable for use by Distributor in its business. Distributor may also request and receive other information concerning the SAVE or details of Paradigm's business.
- D. Each party's willingness to disclose its respective Business Information to the other and Paradigm's willingness to provide technical information to Distributor and to representatives of Distributor and Affiliates is expressly conditioned upon the execution of this Agreement by each party.
- E. Each party is willing to disclose its Business Information and Paradigm is willing to provide technical information to Distributor solely for the limited purposes of analysis and further consideration.

## AGREEMENT:

NOW, THEREFORE, in consideration of the mutual covenants made herein, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Recitals. The recitals of fact set forth above are true and accurate and are hereby adopted as part of this Agreement.

2. Acknowledgment and Definition. The parties acknowledge and agree that the Business Information is proprietary and a valuable trade secret to each providing party and that all of such Business Information is confidential and will be kept confidential as further provided herein.

The term "Business Information" as used herein shall mean all information disclosed by one party to the other not generally known to the public, including, by way of example but without limitation, results of testing and analyses of the SAVE, trade secrets, research and development objectives, product ideas and developments, data, reports, formulas, test methods, product composition, process conditions, know-how, product and/or manufacturing specifications, product or component samples, customer relationships, customer lists, studies, findings, pricing, terms of sale and ideas. Business Information shall include the fact that the parties have entered into this Agreement as well as the reasons for entering into this Agreement.

Business Information shall, at the time it is disclosed, not be required to be labelled as proprietary and confidential to be treated as proprietary and confidential trade secret information hereunder. Information obtained from viewing or imparted from demonstrations, instructions or testing or analysis of the process of manufacturing the SAVE, including written reports or summaries thereof, shall be treated as Business Information. The extent and nature of any disclosure of Business Information shall be at the sole discretion of the disclosing party

3. Warranties of Parties and Individual Representatives. Each of the undersigned individuals who have executed this Agreement on behalf of Distributor and Paradigm warrants and represents that he has the power and authority to negotiate for and bind his respective principal to the terms of this Agreement. Distributor further

warrants and represents that Distributor acts herein on its own behalf and as agent for each of its Affiliates (if any).

4. Obligations of Paradigm and Distributor. Paradigm and Distributor agree to treat each other's Business Information in confidence and to take all measures reasonably necessary to prevent such information from falling into the public domain or into the possession of persons not bound to maintain the confidentiality of the Business Information. Paradigm and Distributor shall not disclose the Business Information of the other party without its prior written consent to any person, firm or corporation, including without limitation any subcontractor, affiliate or representatives, except for individuals who are employees of the recipient party or an Affiliate and other persons who have themselves executed agreements with the recipient party which in all material respects binds the recipients to terms which are the same as those contained herein. Without limiting the generality of the foregoing, the parties agree to undertake the following additional obligations with respect to the Business Information:

- (a) to use the Business Information for the sole purpose of determining whether Paradigm and Distributor, or any of their respective subsidiaries or Affiliates, wish to enter into further negotiations toward a manufacturing agreement for the SAVE and not for purposes of competing with each other or for any other purpose;
- (b) not, absent the written approval of the other party, to copy or to disclose, in whole or in part, any Business Information received by a party to others;
- (c) to return to each other or provide evidence of destruction of written or other expressions of (or relating to) the Business Information including all copies and records thereof, upon the earlier of receipt of request therefor from the other party or upon the termination of discussions concerning the subject matter of this Agreement.

The obligations set forth above shall not apply when, and to the extent that, such specific Business Information, as a whole;

(i) is already in the recipient party's possession as of the date hereof and was not acquired directly or indirectly from the disclosing party (provided, that the obligations of this Agreement shall apply to any SAVE provided prior to execution of this Agreement); or

(ii) at the time of the disclosure or thereafter becomes rightfully available to the recipient party from a third party without secrecy restriction, which third party has obtained and disclosed the Business Information in a rightful manner and through no fault of the recipient party; or

(iii) at the time of disclosure or thereafter is generally available to the public as evidenced by generally available documents or publications through no fault of the recipient party; or

(iv) is required to be disclosed, based on the good faith and well reasoned opinion of the recipient party's counsel, pursuant to a lawful court order or government mandate; provided, that in such event, the recipient party shall notify the disclosing party, shall use its commercially reasonable efforts to maintain the confidentiality of the Business Information by means of a protective order or other similar protection and shall cooperate in all respects with the efforts of the disclosing party to intervene in such proceeding for the purpose of protecting the confidentiality of the Business Information.

5. Non-Waiver. Nothing in this Agreement shall constitute a waiver or assignment of rights under any United States or foreign copyrights, patents, patent applications or trade secret laws that Paradigm now has or may elect to obtain with respect to the SAVE, or all or any portion of the Business Information or other asset or right of a party pertaining to Business Information, whether or not disclosed pursuant to this Agreement. On the contrary, all such rights and remedies are specifically reserved.

6. Injunction and Other Damages. In the event this Agreement is breached by either party or by anyone acting in conjunction with or on behalf of either party, the aggrieved party shall be entitled to an immediate injunction restricting further disclosure or unauthorized use of the Business Information or other breach, and shall be entitled to recover all other damages available at law or in equity as a consequence of such breach.

7. Governing Law; Jurisdiction; Venue; and Attorneys Fees. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Washington as applied to agreements made and performed in Washington, without regard to that State's conflict of laws provisions. Jurisdiction and venue in any proceeding either at law or in equity relating to this Agreement shall be in Spokane

County, Washington. The prevailing party in any such proceeding shall be entitled to recover its costs and expenses, including reasonable attorneys' fees.

8. Survival. Restrictions and obligations set forth herein shall survive any expiration, termination or cancellation of this Agreement and shall continue to bind each of the undersigned, their respective successors, assigns, and agents, for a period of five (5) years following the date of this Agreement. The parties acknowledge and agree that Paradigm may transfer or assign its rights in this Agreement to another entity or entities in connection with sale, license or other transaction or transactions relating to the business of Paradigm upon 15 days written notice to Distributor. In the event of such assignment or transfer Paradigm's assignees shall remain obligated to Distributor as per this Agreement, the assignee or transferee shall be entitled to enforce and benefit from all of the terms of this Agreement without further notice to or approval by Distributor, and Distributor shall attorn to the assignee or transferee as if it had been an original party to this Agreement. Nothing herein shall be interpreted as waiving, modifying or limiting any right of Paradigm to protect the Business Information through patent protection or any other means or law.

9. Construction/Entire Agreement. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by any party. This instrument contains the entire agreement of the parties concerning its subject matter and may not be changed except by written agreement duly executed by the parties hereto.

10. Severability. If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances, and shall not impact the enforceability of the remaining portions of this Agreement. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

**Paradigm Devices**  
3718 S. Union Ct.  
Spokane Valley, WA 99206



By: \_\_\_\_\_  
Tim Irwin, President

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

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

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