

Mutual Non-Disclosure Agreement

This Mutual Non-Disclosure Agreement (the “*Agreement*”) is entered into as of _____, 2016 (the “*Effective Date*”) by and between paul&pat LLC located at PO Box 400, Galesburg MI 49053 (“P&P”) and _____ located at _____ each a “*Party*” and collectively the “*Parties*” for the purposes of this Agreement.

RECITALS

- A. Each of P&P and _____ has disclosed and/or anticipates disclosing to the other Party, certain Confidential Information (as defined below) for the sole purpose of exploring the possibility of entering into a transaction or other business arrangement between the Parties (the “*Business Purpose*”).
- B. In consideration of such disclosures, each Party is willing to maintain the confidentiality of Confidential Information disclosed to it by the other Party, and to use such Confidential Information only in furtherance of the Business Purpose in accordance with the terms and conditions of this Agreement.

AGREEMENT

In consideration of the foregoing premises and the covenants made herein, and intending to be legally bound, the Parties hereby agree as follows:

1. Definitions and Maintenance of Confidentiality.

(a) Confidential Information.

(i) “*Confidential Information*” of a Party means any and all business and technical information of such Party, or of a third party as to whom such Party has an obligation of confidentiality, whether disclosed before or after the Effective Date and whether disclosed in writing, orally, by electronic delivery, by inspection of tangible objects or otherwise. Confidential Information includes, without limitation, trade secrets, ideas, processes, formulae, computer software (including source code), algorithms, data, data structures, scripts, applications, programming interfaces, protocols, know-how, copyrightable material, improvements, inventions (whether or not patentable), techniques, strategies, business plans, product development plans, timetables, forecasts, customer and supplier lists, product and/or service designs, specifications and schematics, product and/or service costs, product and/or service prices, product and/or service names, financial information, employee information, marketing plans, business opportunities, research activities and results, market research activities and results, and development activities and results. The term “Confidential Information” shall include all of both Parties Confidential Information (as defined in Section 1(a) (ii) below).

(ii) “**Commercial Value Confidential Information**” means any Confidential Information of either Party or any of their present or future parents, subsidiaries, or affiliates (collectively, the “**Parties Companies**”) develops, creates or uses that has commercial value to the Parties Companies or their business partners, consultants or suppliers.

(iii) Exceptions. Information will not be, or will cease being, Confidential Information, as the case may be, as follows:

(1) from and after the date that such information enters the public domain other than by breach of this Agreement attributable to Recipient (as defined below);

(2) if it is rightfully known to Recipient without obligation of confidentiality prior to receipt of same from Discloser as evidenced by bona fide written, dated documents;

(3) from and after the date that it is generally made available to third parties by Discloser without obligation of confidentiality;

(4) if it is rightfully communicated to Recipient by a third party free of any obligation of confidentiality, subsequent to the time it was communicated to Recipient by Discloser, as evidenced by bona fide written and dated documents; and

(5) if it is independently developed by Recipient without use of or reference to, any Confidential Information of Discloser.

(b) Discloser and Recipient.

(i) “**Discloser**” refers to a Party in its capacity as the provider of such Party’s Confidential Information to the other Party.

(ii) “**Recipient**” refers to a Party in its capacity as the recipient of the other Party’s Confidential Information.

(c) Maintenance of Confidentiality and Limitations on Use. Recipient will hold in strict confidence and keep confidential all Confidential Information of Discloser. Recipient will use at least the same degree of care to avoid publication, disclosure or dissemination of such Confidential Information as it uses with respect to its own confidential information of a similar nature, but in no event less than reasonable care. Recipient may use Confidential Information of Discloser only as necessary to effectuate the Business Purpose. Recipient will not make, have made, use, or sell for any purpose any product or service using, incorporating, derived from, or based upon any Confidential Information of Discloser.

(d) Limitations on Disclosure. Recipient will disclose Confidential Information of Discloser only to such employees, independent contractors or other agents of Recipient who have a need to know such Confidential Information for the Business Purpose, who are informed of the confidential nature of the Confidential Information of Discloser and are bound by obligations no less restrictive than those set forth herein applicable to each Party's use of the other Party's Confidential Information. For the avoidance of doubt, each Party may disclose Confidential Information of the other Party to the employees, independent contractors or other agents of the Parties Companies who have a need to know such Confidential Information for the Business Purpose, who are informed of the confidential nature of the Confidential Information of each Party and are bound by obligations no less restrictive than those set forth herein applicable to each Party's use of the other Party's Confidential Information. Recipient hereby guarantees the performance of the provisions hereof by each person obtaining such Confidential Information directly or indirectly from Recipient. Recipient will notify Discloser immediately in the event of any unauthorized disclosure of any Confidential Information of Discloser or any breach of this Agreement.

(e) Copying and Return of Confidential Information. Recipient shall not make any copies or extracts of Confidential Information of Discloser or include such Confidential Information in its own materials except as reasonably required directly in support of the Business Purpose. Any copies or extracts so made or information so included will include an appropriate legend identifying same as constituting or containing Confidential Information of Discloser. When Recipient no longer has need thereof for the Business Purpose or upon the request of Discloser, whichever occurs first, Recipient shall promptly cease using and shall, as instructed by Discloser, either return or destroy all Confidential Information of Discloser along with all tangible and electronic copies that it may have made, and upon Discloser's request, certify its compliance with these requirements; provided however, that Recipient's legal counsel may retain a single copy of Confidential Information of Discloser for the sole purpose of determining the scope of Recipient's obligations under this Agreement.

(f) Legally Required Disclosure. Recipient shall not be in breach hereof if it discloses Confidential Information of Discloser pursuant to a judicial or governmental order, or as required by applicable law; provided that, (i) any such disclosure is made only to the extent so ordered or required; (ii) Recipient shall timely notify Discloser of the disclosure requirement prior to disclosure, so that Discloser may seek a protective order, confidential treatment or take other appropriate measures in response to such order to protect its interests, in which event Recipient will cooperate in such effort; and (iii) if timely notice cannot be given, Recipient shall seek to obtain a protective order or confidential treatment from the court or government for such information.

- (g) Export Controls. Recipient will not export or re-export, directly or indirectly, any Confidential Information of Discloser to any country, individual or entity prohibited from receiving such Confidential Information by the U.S. government or any agency thereof or for which an export license or other approval is required, without first obtaining such license or approval.
2. Confidentiality of Business Purpose. The Business Purpose constitutes Confidential Information and neither Party shall, except as expressly permitted by this Agreement or with the advance written consent of the other Party, disclose to any third party, the fact that the Parties are holding discussions or any of the terms, conditions or other facts relating to the Business Purpose, nor issue any press release or otherwise originate any news relating to those discussions or the Business Purpose. For the avoidance of doubt, in this Section 2 and throughout this Agreement, none of the Parties Companies shall be considered a “third party” with respect to disclosures being made by each Party.
3. Term. Discloser may terminate the right of Recipient to use, as provided hereunder, Confidential Information of Discloser at any time without any liability for such termination; provided, however, that the obligations of Recipient set forth herein regarding use and non-disclosure of Confidential Information of Discloser, will be perpetual, except as expressly set forth herein.
4. Certain Intellectual Property Matters.
- (a) No License. As between the Parties, all right, title, and interest in, and right to possess, Confidential Information of Discloser, shall remain with Discloser (or with the appropriate entity among the Parties Companies), subject only to Recipient’s limited use rights expressly set forth in Section 1(c) above. Nothing in this Agreement shall be construed as granting or conferring any rights under any of Discloser’s patents, trademarks, copyrights, trade secrets, or other intellectual property or proprietary rights, by license, implication, estoppel, or otherwise, except for the limited right to use Confidential Information of Discloser, as expressly set forth in Section 1(c) above. Recipient shall not reverse engineer, disassemble, or decompile any prototypes, software or tangible objects that embody or reflect Confidential Information of Discloser.
- (b) Feedback. Recipient may from time to time provide suggestions, comments, or other feedback to Discloser with respect to Confidential Information of Discloser or Discloser’s products, services, technologies, or business. Discloser is not required to treat such feedback as Confidential Information of Recipient and will be free to act on such feedback with no obligation to Recipient.
5. No Obligation to Execute Agreement. Neither Party makes any commitment or representation by virtue of this Agreement, that it will carry out the Business Purpose or enter into any particular agreement with the other Party related to the Business Purpose, and each Party reserves the right to terminate any discussions that may be contemplated by

this Agreement at any time. Nothing in this Agreement will prevent a Party from pursuing similar discussions with third parties or require that it continue discussions with the other Party or take, continue or forego any action with a third party, other than requirements expressly imposed hereby.

6. No Representation or Warranty. NEITHER PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES OF ANY NATURE WHATSOEVER, WHETHER EXPRESS, IMPLIED OR STATUTORY, WITH RESPECT TO ANY CONFIDENTIAL INFORMATION SUCH PARTY MAY PROVIDE PURSUANT TO THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, NON-INFRINGEMENT OR ACCURACY. ALL CONFIDENTIAL INFORMATION IS PROVIDED BY EACH PARTY ON AN "AS-IS" BASIS AND RECIPIENT ASSUMES ALL RESPONSIBILITY FOR ITS USE THEREOF OR RELIANCE THEREON.

Without limiting the generality of the foregoing, Recipient understands and acknowledges that any Confidential Information of Discloser concerning future plans may be tentative and may not represent firm decisions concerning such plans.

7. Miscellaneous.

(a) Entire Agreement; Amendment; Waiver. This Agreement states the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior agreements, written or oral, between the Parties with respect to the subject matter hereof. This Agreement may not be amended except in writing signed by a duly authorized representative of each Party. The delay or failure of either Party to enforce any right resulting from breach of any provision of this Agreement by the other Party shall not constitute or be deemed a waiver of any right relating to a subsequent breach of such provision or any other right hereunder.

(b) Headings. The headings of the sections and paragraphs of this Agreement are for convenience only and shall have no effect on the interpretation hereof. There will be no presumption against either Party as the draftsperson of this Agreement.

(c) Governing Law and Jurisdiction. This Agreement and its interpretation will be governed by the laws of the State of Michigan, excluding any conflict of laws principles. The courts of appropriate subject matter jurisdiction sitting in the County of Kalamazoo of the State of Michigan shall have exclusive jurisdiction and proper venue over any dispute concerning the enforcement or interpretation of this Agreement and the Parties hereby irrevocably waive any objection thereto on any basis, including without limitation, convenience. In the event of any dispute concerning this Agreement, the prevailing Party will be entitled to recover its reasonable costs in such matter, including attorneys' fees, experts' fees, and other costs. Notwithstanding the foregoing, a Party may apply to any court of competent jurisdiction for temporary or preliminary injunctive relief relating to such Party's Confidential Information.

(d) Equitable Relief; Cumulative Remedies. Recipient acknowledges that a breach of this Agreement by Recipient or its disclosees will cause Discloser irreparable harm that could not be compensated by money damages alone. In the case of such a breach or threatened breach, Recipient agrees that Discloser will be entitled to equitable relief, including injunctive relief and specific performance, in addition to any other remedy available, without the necessity of posting a bond in obtaining the same. Except where otherwise explicitly specified, the rights and remedies granted to a Party under this Agreement are cumulative and in addition to, and not in lieu of, any other rights or remedies that the Party may possess at law or in equity, including, without limitation, rights or remedies under applicable patent, copyright, trademark, trade secret, or proprietary right laws, rules or regulations.

(e) Severability. If any term or provision of this Agreement is found by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable, the same shall not affect the other terms or provisions hereof or the whole of this Agreement, but such term or provision shall be deemed modified to the extent necessary in the court's opinion to render such term or provision enforceable, and the rights and obligations of the Parties shall be construed and enforced accordingly, preserving to the fullest permissible extent the intent and agreement of the Parties.

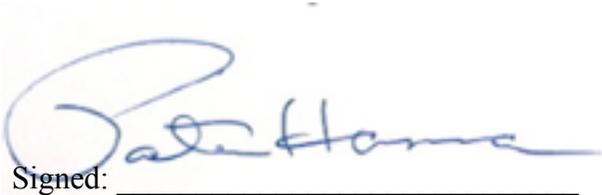
(f) Notice. Any notice herein required or permitted to be given will be given in writing and may be personally served or sent by an overnight delivery service, facsimile or first class mail and such notice will be deemed to have been given: (i) if personally given or sent by a delivery service, when received, (ii) if by facsimile, when transmission of such notice is confirmed by the transmitting facsimile machine; or (iii) if mailed, three (3) business days after deposit in the United States mail with postage prepaid and properly addressed. Contact information for notice purposes will be as set forth beneath the signature lines below until changed by notice given as provided herein.

(g) Assignment. Neither Party may assign this Agreement or any rights or obligations hereunder without the other Party's prior written consent; provided, however, that each Party may assign this Agreement to any of their other Party Companies without the other Party's prior written consent, provided that such Party Company agrees in writing to be bound by this Agreement and that prompt written notice of such assignment is provided to the other Party; and provided further that the assigning Party may assign this Agreement to the successor to all or substantially all of its business or assets without the non-assigning Party's prior written consent, provided that such successor agrees in writing to be bound by this Agreement and that prompt written notice of such assignment is provided to the non-assigning Party. Subject to the foregoing, this Agreement will be binding upon, inure to the benefit of, and be enforceable by the Parties hereto, their legal representatives, and their respective permitted successors and assigns. Any assignment in violation of this paragraph will be null and void.

(h) Counterparts; Execution. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which shall be considered one and the same instrument. The Parties may execute this Agreement by an exchange of faxed signed copies hereof. In the event of such an exchange, this Agreement shall become binding on both Parties and shall constitute admissible evidence of the existence and binding effect of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

paul&pat LLC



Signed: _____

Name: Patrick Hanna
Title: President
Date: August 8, 2016
PO Box 400
Galesburg MI 49053

Signed: _____

Name:
Title:
Date:
Address for notices:
Somewhere
City, State and Zip