

## CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement ("Agreement") is made and entered into by and between Hydra-Flex Inc., located at 8401 Eagle Creek Pkwy, Savage, MN 55378 and \_\_\_\_\_ with an effective date of \_\_\_\_\_. This agreement supersedes any prior agreements between the parties on the same subject matter herein.

WHEREAS, the parties wish to exchange and discuss proprietary information related to Hydra-flex products (hereinafter referred to as the "Purpose of the Agreement");

WHEREAS, pursuant to such discussions, information will be exchanged that may be regarded as confidential;

NOW THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth and other good and valuable consideration, the parties agree as follows;

1. Each party may disclose to other ("Recipient") certain proprietary information including (but not limited to) claim information, technical information, market research data, market plans, concepts, test results, financial information, customer information and know-how to accomplish the Purpose of the Agreement. All such information shall be deemed confidential, proprietary, and valuable trade secret information which is the exclusive property of the disclosing party and is referred to herein as "Confidential Information".
2. The Recipient shall use the Confidential Information of the disclosing party exclusively for accomplishing the Purpose of the Agreement. All Confidential Information of the disclosing party received by the Recipient shall remain the property of the disclosing party, and shall be kept confidential by the Recipient and not used for itself or disclosed to others except with the prior written consent of an authorized officer of the disclosing party.

3. Each of the parties shall disclose the Confidential Information of the other party only to its own employees on a need to know basis in order to carry out the Purpose of the Agreement.
4. The restrictions and obligations upon the parties under this Agreement concerning confidentiality shall expire five (5) years from the effective date hereof and shall not apply to any portion of the Confidential Information of either party which:
  - (a) Is known to the Recipient prior to receipt under this Agreement, as evidenced by written records;
  - (b) Is disclosed to the Recipient in good faith by a third party who is in lawful possession thereof and who has the right to make such disclosure;
  - (c) Is or shall have become part of the public domain, by publication or otherwise, through no fault of the Recipient; or
  - (d) Is developed by the Recipient, as evidenced by written records, independent of receipt of any Confidential Information.

Notwithstanding the foregoing, Recipient's obligations of confidentiality and non-use relating to product formulation, ingredients, trade secret or manufacturing know-how, will survive expiration of this Agreement.

5. The parties do not intend that any partnership or agency relationship be created by this Agreement.
6. In the event the Recipient is required by judicial or administrative process to disclose the Confidential Information, the Recipient shall promptly notify the disclosing party and allow the disclosing party to oppose such process.
7. The disclosure of such Confidential Information does not give any express or implied right or license to either party, under any patents or trade secrets of either

party, nor does it give any express or implied right or license to use such information for any purpose other than the Purpose of the Agreement.

8. All Confidential Information, including copies thereof, will be returned to the party from whom it was received upon completion or abandonment of the Purpose of the Agreement or within 30 days of receipt of a written request to return such Confidential Information from such party.
  
9. Inasmuch as a breach of the covenants and agreements contained in this Agreement are not fully measurable in money damages, the parties further agree that either party shall be entitled to injunctive relief in any court of competent jurisdiction to enjoin any such breach or threatened breach hereof by such other party, together with such provable money damages as may be awarded by any such court.

IN WITNESS WHEREOF, the parties have caused this Confidentiality Agreement to be executed as of the date set forth above.

**HYDRA-FLEX INC.**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

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

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

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

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

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

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