

CONFIDENTIALITY AGREEMENT

1. Parties. This Confidentiality Agreement (the “Agreement”), effective the _____ day of _____, 20____, made and entered into by and between

<u>Precision Systems, Inc.</u>	and	<u>_____</u>
<u>1355 Business Center Drive, Suite C</u>		<u>_____</u>
<u>Horsham, PA 19044</u>		<u>_____</u>
<u>_____</u>		<u>_____</u>
<u>State of Pennsylvania Corporation</u>		<u>_____</u>

(Hereinafter “PSI”) (Hereinafter “ ”)

PSI and _____ agree that the following terms apply when one of the parties (“discloser”) discloses confidential information (“Confidential Information”) to the other (“recipient”) under this agreement.

2. Purpose of Agreement. The parties intend to enter discussions to further their business relationship. Each party will disclose certain Confidential Information to the other in connection with those discussions. This Agreement is intended to define the rights and duties of the parties, as discloser and as recipient, with respect to such Confidential Information.

3. Confidential Information. Any trade secrets or other competitively sensitive data or information disclosed under this Agreement, including without limitation technical or non-technical data, formulas, patterns, compilations, programs, software code, devices, methods, techniques, drawings, processes, financial data, financial plans, product or marketing plans or lists of actual or potential customers or suppliers. Confidential Information shall not include any information or data that is:

- a. generally available from public sources or in the public domain through no fault of the recipient;
- b. received at any time from a third party without breach of a nondisclosure obligation to the discloser;
- c. shown through proper documentation to have been developed independently by employees of the recipient who had no access to Confidential Information of the discloser or to have been known to the recipient without any obligation of confidentiality prior to its disclosure by the discloser;
- d. required to be disclosed by law, except to the extent eligible for special treatment under an appropriate protective order, and provided recipient promptly notifies discloser of such requirement and allows discloser to seek an appropriate protective order; or
- e. approved for disclosure without any confidentiality obligation by prior written consent of an authorized corporate representative of the discloser.

4. Restrictions on Confidential Information. The recipient agrees that, with respect to any disclosed Confidential Information:

- a. the Confidential Information shall only be disclosed within the recipient's organization on a "need-to-know" basis to individuals who have been apprised of its confidential nature and shall not be further disclosed to any third party outside of the recipient's organization without the discloser's prior written consent.
- b. the Confidential Information shall be treated at least according to the same internal security procedures and with the same degree of care regarding its confidentiality as similar information of the recipient is treated within the recipient's organization;
- c. the Confidential Information shall remain the property of the discloser, and the disclosure to the recipient hereunder creates only a limited license to use such information for purposes related to the furtherance of the parties' business relationship as anticipated hereunder and for no other purpose. Upon receipt of a written request from the discloser for return of the Confidential Information and, in any event, upon termination of this Agreement, the recipient shall promptly, at its expense, deliver to the discloser all such Confidential Information (including all copies and facsimiles thereof, or copies and documents containing such Confidential Information or portions thereof)
- d. it is mutually understood and agreed that nothing in this Agreement shall be construed or implied to grant or extend to Recipient any license under any invention, patent, trademark, copyright or any other intellectual property right.
- e. THE PARTIES HERETO AGREE THAT NO WARRANTIES OF ANY KIND, EXPRESSED OR IMPLIED, ARE GIVEN BY EITHER PARTY WITH RESPECT TO THE CONFIDENTIAL INFORMATION DISCLOSED HEREUNDER, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, COURSE OF DEALING, USAGE OF TRADE, FITNESS FOR A PARTICULAR PURPOSE OR DESIGN.

5. Governing Law. This Agreement shall be deemed to have been executed and entered into in the State of Pennsylvania, USA. This agreement and its formation, operation and performance, shall be governed, construed, performed and enforced in accordance with the substantive laws of the State of Pennsylvania, USA, without regard to its conflict of law rules.

6. Severability. In the event a court of law finds any provision of the Agreement void and unenforceable, the remaining provisions shall remain in full force and effect.

7. Waiver. Waiver of any breach of violation of this agreement shall not constitute a waiver of subsequent breach or violation of the same or different kind.

8. Entire Agreement. This Agreement constitutes the entire agreement between the parties as to the subject matter hereof and merges all prior discussions between them. It cannot be amended except by written agreement signed by both parties.

9. Termination. This Agreement shall continue in full force and effect until terminated by either party giving thirty (30) days written notice to the other party. Notwithstanding any such termination, the recipient's obligations under this Agreement shall remain in full force and effect with respect to Confidential Information for so long afterwards as the information or data remains a trade secret or for a period of three (3) years after the effective date of this Agreement, whichever is later.

10. No Assignment. The recipient shall not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the discloser, except to a successor in ownership who shall expressly assume in writing the performance of the terms and conditions of this Agreement.

11. Export Controls. The recipient represents and warrants that no information of the type which may be subject to the International Traffic in Arms Regulations or the Export Administration Act furnished to it by the discloser shall be disclosed to any foreign national, firm, or country, including foreign nationals employed by or associated with the recipient, nor shall any such information be exported from the United States, except in full compliance with the Export Administration Act, including the requirements for obtaining any export license, if applicable. The recipient shall first obtain the written consent of the discloser prior to submitting any request for authority to export any such information.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives at the places and on the dates set forth below.

Precision Systems, Inc.

By: _____
[authorized signature]

By: _____
[authorized signature]

Name: _____
[please print or type]

Name: _____
[please print or type]

Title: _____

Title: _____

Date: _____

Date: _____