

MUTUAL NON-DISCLOSURE AGREEMENT

YOUNG & FRANKLIN INC., located at 942 Old Liverpool Road, LIVERPOOL, NEW YORK, 13088, organized under the laws of the State of New York, U.S.A., and **TACTAIR FLUID CONTROLS INC.**, located at 4806 West Taft Road, LIVERPOOL, NEW YORK, 13088, organized under the laws of the State of New York, U.S.A., (hereinafter jointly referred to as “**BUYER**”), and **SUPPLIER**, each have certain business confidential and/or technical information (collectively referred to as "Proprietary Information") and each desires to disclose such Proprietary Information as required to the other party for the purpose of: (a) evaluating a product or service; (b) supplying products or services; (c) supporting the design and/or development of a product or service; or (d) exploring a potential business relationship. The parties hereby agree to the following:

1. **DEFINITION.** Proprietary Information includes, but is not limited to documentation, data, inventions, know how, processes, designs, samples, models, drawings, including but not limited to source controlled drawings, prints, specifications, materials, bills of material, equipment including, but not limited to, special tools or test equipment, facilities data, reports, hardware, software, and technology which is disclosed, provided that, when disclosed, such information is in written or other tangible form and is identified as proprietary by the providing Party by clear and conspicuous markings. Any oral or electronic disclosures of information shall be considered Proprietary Information hereunder, provided that such information is designated as confidential at the time of disclosure and reduced to a written summary by the providing Party within thirty (30) days after its oral disclosure, which summary is marked in a manner to indicate its proprietary nature and delivered to the other Party. If at any time the Receiving Party is notified by the Disclosing Party that information previously received by it which was not marked as Proprietary Information should have been so marked, it shall promptly mark it. From then forward, the information must be treated as Proprietary Information.
2. **PROTECTION.** Each party will treat the other party's Proprietary Information as confidential and will not disclose the other party's Proprietary Information to a third party other than with the written permission of the Disclosing Party. The Receiving Party shall make Proprietary Information available only to those of its employees who have a “Need-To-Know” in connection with the purposes authorized and who are under an obligation to preserve Proprietary Information in confidence. Neither party shall provide to any third party nor use such information for the purposes of competing or establishing a business relationship with any individual, or business entity without the express written consent of the other party unless otherwise provided for in this document. Neither party shall compile, decompile, reverse engineer, disassemble or otherwise copy or reduce to practice any products, prototypes, models, software or technology included in the Proprietary Information supplied to each by the other party hereunder.
3. **STANDARD OF CARE.** The obligations of confidentiality and nondisclosure under this Agreement will be fulfilled by the Receiving Party using the same care it uses to protect its own proprietary information of like kind, but in all cases no less than reasonable care. The Receiving Party shall notify the Disclosing Party immediately if it becomes aware that Proprietary Information has been disclosed to or is in the possession of any person who is not authorized to receive the Information.
4. **IRREPARABLE HARM.** The parties acknowledge and agree that disclosure or use of Proprietary Information by one of the parties hereto in violation of this Agreement could cause irreparable harm

to the other party for which monetary damages may be either difficult to ascertain or an inadequate remedy. The parties therefore agree that the party providing such Proprietary Information will have the right, in addition to its other rights and remedies, to seek and obtain injunctive relief for any violation of this Agreement.

5. **EXCEPTIONS TO PROTECTION DUTY.** There will be no obligations or restrictions with respect to any information which: (i) was known to the Receiving Party prior to the disclosure by the Disclosing Party, or (ii) is or becomes publicly known other than by breach of confidentiality obligation to the Disclosing Party, or (iii) is developed by the Receiving Party independently of any information received from the Disclosing Party, or (iv) is received by the Receiving Party other than through breach of a confidentiality obligation to the Disclosing Party, or (v) was disclosed with the prior written approval of the Disclosing Party. Should a Party be faced with a judicial requirement to disclose Proprietary Information, that Party shall forthwith notify the other Party in writing and shall faithfully and fully cooperate with the other Party in contesting any such requirement, provided that if this section has been complied with, compliance with such a judicial requirement shall not of itself constitute a breach of this Agreement, and also provided that the Party faced with the judicial requirement shall then exert its best efforts to obtain proprietary treatment of such Proprietary Information.
6. **LIMITATIONS ON EFFECT.** The purpose of this Agreement is solely to secure and define conditions for the protection of Proprietary Information as defined herein. Accordingly: (i) the Receiving Party acknowledges that the Disclosing Party makes no representation or warranty (express or implied as to the accuracy or completeness of any Proprietary Information; (ii) nothing in this Agreement shall be interpreted as constituting or implying a transfer of rights, assignment, or license, directly or by implication, estoppel, or otherwise, in relation to any Proprietary Information or as constituting or implying any guarantee or warranty whatsoever relating to the content, accuracy or use of the Proprietary Information; (iii) nothing in this Agreement may be construed as compelling either Party to disclose any Proprietary Information or to enter into any further contractual relationships; (iv) nothing in this Agreement shall be construed as an obligation by either party to enter into a contract, joint venture, teaming agreement, partnership, subcontract, or other business relationship with the other party in connection with the Purpose described in paragraph 1 hereof, nor does the exchange of Proprietary Information constitute an offer, acceptance, or promise for any future contract or amendment to any existing contract between the parties; and (v) nothing contained in this Agreement is intended to or shall grant to either party the right to make commitments of any kind for or on behalf of the other party without the prior written consent of that other party.
7. **NO LICENSE.** No license is granted by this Agreement, expressly or by implication, concerning any patent or copyright of either Party. All Proprietary Information remains the property of the Disclosing Party.
8. **WARRANTY.** The parties acknowledge and agree that no other warranties of any kind, either express or implied, is made with respect to any information disclosed hereunder, and further, THAT ALL WARRANTIES OF ANY NATURE, INCLUDING WITHOUT LIMITATION THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ARE EXPRESSLY DISCLAIMED BY THE DISCLOSING PARTY.
9. **INDEMNIFICATION.** Each party represents and warrants that it has the right to disclose the Proprietary Information as disclosed hereunder. Both Parties agree to comply with all United States Federal laws and regulations concerning intellectual property rights and import/export control

restrictions. Each Party shall be responsible for its' failure to comply with such laws and regulations and the non-complying Party shall indemnify the other Party against the complying Party's payment of fines or other penalties including, but not limited to reasonable attorney fees and court costs to the extent resulting from such non-compliance.

10. **COSTS AND EXPENSES.** Each party shall bear all costs and expenses incurred by it under or in connection with this Agreement. The full consideration for the performance of the Agreement shall be the exchange of information and understandings contained herein, and each party shall perform its obligations hereunder without charge to the other party.
11. **EXPORT LIMITATIONS.** The Proprietary Information that the parties may desire to disclose pursuant to the Agreement may be subject to the provisions of the Export Administration Act and the Export Administration Regulations (EAR) promulgated hereunder, or the Arms Export Control Act or the International Traffic in Arms Regulations (ITAR). The parties acknowledge that these statutes and regulations impose restrictions on import, export and transfer to third countries of certain categories of data and licenses, from the U. S. Department of State and/or the U. S. Department of Commerce, may be required before such data can be disclosed hereunder. Moreover, such licenses may impose further restrictions on use and further disclosure of such data.
12. **DISCLOSURE TO FOREIGN PERSONS.** Regardless of the Federal statute or regulation applied, Proprietary information disclosed under this NDA in the form of technical drawings, descriptions, and/or technical data as described in 22 CFR 120.10 shall not be disclosed directly or indirectly to any foreign person as defined in 22 CFR 120.16 without the expressed written consent of the providing party prior to such disclosure. Any such further disclosure shall include the original proprietary, confidential, import/export and/or limited/restricted rights legend supplied by the providing party.
13. **FINAL DISPOSITION.** Upon termination, completion, or request by the Disclosing Party, the Receiving Party shall cease all use and return to the Disclosing Party all Proprietary Information, in whatever form, received from the Disclosing Party, including all copies, portions and summaries thereof, and all media in which such Proprietary Information is contained; or, the Receiving Party may request permission from the Disclosing Party to destroy all such Proprietary Information and provide a certificate of destruction to the Disclosing Party. Such instructions may be deleted or modified when indicated by the Receiving Party in writing.
14. **JURISDICTION.** This Agreement shall be governed by and interpreted in accordance with the laws of the State of New York, United States of America without regards to that states conflict of laws provision. Any litigation required to enforce this provision shall be adjudicated in New York and both parties hereby waive any consideration for other jurisdiction or venue.
15. **MODIFICATIONS OF AGREEMENT.** This Agreement may not be modified, except by subsequent Agreement in writing by authorized Representatives of the Parties.
16. **DURATION.** This Agreement shall terminate upon written notice by one party to the other, and in any event shall terminate 5 years after payment for the last Purchase Order line item is received by BUYER, or upon termination of the PURCHASE Order. The obligations of confidentiality and non-disclosure of the Proprietary Information shall survive any termination of this Agreement.

17. ENTIRE AGREEMENT. This Agreement sets forth the entire agreement and understanding between and among the Parties relating to the subject matter hereof. In particular, this Agreement supersedes any prior agreement between **BUYER** and **SUPPLIER** to the extent such prior agreements might otherwise be deemed to control or affect the respective rights and obligations of the Parties respecting the protection, use, and disclosure of Proprietary Information disclosed by one Party to the other Party.

18. MISCELLANEOUS. This Agreement shall benefit and bind the parties and their respective successors, heirs, legal representatives and permitted assigns. No provision of this Agreement may be waived except by a writing executed by the party against whom the waiver is to be effective. A party's failure to enforce any provision of this Agreement shall neither be construed as a waiver of the provision nor prevent the party from enforcing any other provision of this Agreement.

19. EXECUTION. This Agreement shall be binding upon both **BUYER** and the **SUPPLIER** when the Purchase Order is accepted by **SUPPLIER** in accordance with Article 1 above.