

CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

This Confidentiality and Non-Disclosure Agreement (“Agreement”) is made and entered into this _____, 201_ by and between Danik Hook LLC, located at 2140 S. Reservoir Street, Pomona, California (“DANIK HOOK”) and [_____, located at _____ (“COUNTERPARTY”). DANIK HOOK and COUNTERPARTY are interchangeably referred to herein as “Disclosing Party” and “Recipient Party,” as both intend to provide to the other, and both intend to confidentially review each other’s, “Confidential Information” as defined below.

RECITALS

COUNTERPARTY desires to serve as a distributor of DANIK HOOK with regard to its products, and in the course of this business relationship (the “Business Relationship”), it is expected that DANIK HOOK will provide to COUNTERPARTY confidential information regarding its products, specifications and other information regarding its business; and in the course of the Business Relationship, COUNTERPARTY may also provide DANIK HOOK with confidential information regarding its business from time to time.

Accordingly, and in reliance on the terms and conditions of this Agreement, DANIK HOOK and COUNTERPARTY have agreed to provide, and thereby confidentially entrust, one another with certain information, all of which information is nonpublic, confidential and/or proprietary in nature.

In connection with the exchange of such information, DANIK HOOK and COUNTERPARTY have agreed to maintain the confidentiality of, and agreed to restrict the distribution and use of, such information and to certain other restrictions as set forth below.

AGREEMENT

In consideration of the foregoing premises and the mutual covenants and undertakings hereafter set forth, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, DANIK HOOK and COUNTERPARTY, intending to be legally bound, agree as follows:

Section 1: Definitions.

As used in this Agreement, the following terms have the following meanings:

“Confidential Information” means (a) all information, ideas, concepts, technology, contracts, records, documents, data, lists, materials, notes, forecasts, reports, tax returns, financial statements, customer lists, software programs and processes, electronic codes, know-how, plans, compilations of information, technical data, product specifications, supplier and client lists, sales and marketing information, client account records, training and operations materials, memoranda, personnel records, permitting information, strategic plans, agreements, pricing information, and any financial information concerning or relating to the business, accounts, customers, employees, all intellectual property, including all trade secrets, patents, patent applications, internet domain names,

internet and World Wide Web URLs or addresses, any techniques, systems, forms and methods, and all other information of a party that is orally or visually disclosed, agreements, documents, reports, processes, “know-how,” interpretations, plans, studies, forecasts, projections and records (whether in oral or written form, electronically stored or otherwise) containing or otherwise reflecting information concerning the “Disclosing Party” (as defined below), its shareholders, officers, directors, managers, secretaries, employees, staff members, professional advisors and/or affiliates, whether received before or after the date of this Agreement; (b) all memoranda, notes, analyses, compilations, studies or other documents which reflect or are developed based on or which include any such Confidential Information (whether in written form, electronically stored or otherwise); and (c) this Agreement, the terms, provisions and conditions of this Agreement, the existence or purpose of this Agreement or the Proposed Transaction or any of the terms, conditions or other facts with respect to the Proposed Transaction, including without limitation, the fact that the parties are discussing a Proposed Transaction or the status thereof; provided, however, “Confidential Information” does not include, with respect to clauses (a) and (b) of this paragraph, (i) information already in the possession of the Receiving Party prior to receipt hereunder and which was not acquired or obtained from the Disclosing Party or a source bound by a contractual, legal or fiduciary obligation with respect to such information, (ii) information which is obtained by the Receiving Party from a source other than the Disclosing Party unless such source is or was bound by a contractual, legal or fiduciary obligation with respect to such information, and (iii) information which is or becomes generally available to the public other than as a result of a disclosure by the Receiving Party or any Person under its control in violation of the provisions of this Agreement or by disclosure by any other Person in violation of any contractual legal, or fiduciary obligation.

“Disclosing Party” means the party providing the Confidential Information.

“Person” means an individual, corporation, partnership, limited liability company, association, trust or any other entity or organization of any kind, including, without limitation, a governmental authority or agency.

“Receiving Party” means the party receiving, reviewing and/or considering the Confidential Information.

“Authorized Representatives” means any partner, shareholder, officer, director, affiliate, manager or professional advisor of the Receiving Party, and such other Persons entrusted with Confidential Information following the Disclosing Party’s advance written consent to such additional disclosure (upon receipt of such written consent, such additional Persons shall also be deemed Authorized Representatives of the Receiving Party for purposes of this Agreement).

Section 2: Agreement Not to Disclose or Use Confidential Information.

A. Non-Disclosure of Confidential Information.

The Receiving Party shall take whatever steps are reasonably required to limit access to, and distribution of, Confidential Information to only its Authorized Representatives. The Receiving Party shall not, directly or indirectly—and shall take reasonable efforts to ensure its shareholders, officers, directors, managers, employees, staff members or professional advisors, business affiliates and other Persons under its control do not—disclose, reveal, divulge, publish or otherwise make known any Confidential Information to any other Person for any reason or purpose whatsoever, except as provided in Sections 2(C), 2(G) and 5(F) herein. Except as otherwise provided herein, the Receiving Party and all its Authorized Representatives shall at all times treat the Confidential Information as strictly confidential. The Receiving Party shall not, and shall cause its Authorized Representatives to not, make any copies (in paper, electronic, photographic or other form) of Confidential Information except to the extent required to aid in the Receiving Party's use of Confidential Information to further the Business Relationship.

B. Limitations on Use of Confidential Information.

The Receiving Party and its Authorized Representatives shall use the Confidential Information solely to fulfill the purpose of the Business Relationship in accordance with the terms of this Agreement. The Receiving Party shall not, and shall cause its Representatives to not, directly or indirectly, use, or permit any other Person to use, the Confidential Information for any reason or purpose other than to complete work undertaken pursuant to the Business Relationship.

C. Permitted Disclosure.

The Receiving Party may disclose the Confidential Information to its Authorized Representatives who (a) need to know such information to enable the Receiving Party to properly evaluate the Proposed Transaction and (b) are informed of the confidential nature of the Confidential Information. Such Authorized Representatives may use the Confidential Information only in strict accordance with the provisions of Section 2(B) above. The Receiving Party shall be fully responsible for any breach of this Agreement by its Authorized Representatives and any other Person(s) under its control.

D. Ownership.

The Confidential Information is owned solely and exclusively by the Disclosing Party, shall remain the exclusive property of the Disclosing Party, and the Receiving Party shall have no right to, title or interest in any of the Confidential Information or any material developed from the Confidential Information. Nothing in this Agreement is intended to grant any rights to either Party under any patent, patent application, trademark, mask work right or copyright of the Disclosing Party, nor shall this Agreement grant Receiving Party any rights or license in or to Confidential Information.

E. Non-Solicitation of Employees.

COUNTERPARTY shall not, directly or indirectly—and shall take reasonable efforts to ensure its shareholders, officers, directors, managers, employees or business affiliates and other Persons under its control do not, directly or indirectly—for a period of one (1) year from the termination of the Business Relationship, solicit, target or seek to employ or employ any officer, director, manager, or employee of DANIK HOOK without the advance written consent of DANIK HOOK.

F. Reserved.

G. Compelled Disclosure.

Notwithstanding any other provision of this Agreement to the contrary, if the Receiving Party or any of its Authorized Representatives are required to disclose any Confidential Information pursuant to any applicable law, subpoena or Court order, the Receiving Party shall first promptly notify the Disclosing Party in writing of any such requirement so the Disclosing Party may seek an appropriate protective order or other appropriate remedy. The Receiving Party shall reasonably cooperate, and shall cause its Authorized Representatives to reasonably cooperate, with any efforts by the Disclosing Party to obtain such a protective order or other remedy. If such order or remedy is not obtained, or if the Disclosing Party chooses to waive compliance with the applicable provisions of this Agreement, the Receiving Party and its Authorized Representatives shall disclose only that portion of the Confidential Information they are legally bound to so disclose and shall, to the extent possible, obtain reliable assurance from the recipient confidential treatment will be accorded all Confidential Information so disclosed.

H. Return or Destruction of Confidential Information.

Immediately upon receipt of a written request by the Disclosing Party, the Receiving Party shall return, and shall cause its Authorized Representatives to return, to the Disclosing Party all Confidential Information in tangible form (whether in written form, electronically stored or otherwise), and neither the Receiving Party nor any Person subject to its control shall retain any copies thereof. In addition, all Confidential Information in electronic form shall be deleted from the Receiving Party's (and its Authorized Representatives') computer systems and from all back-up and archive tapes so that nothing remains in electronic form that constitutes or contains Confidential Information. Upon the request of the Disclosing Party, the Receiving Party shall certify in writing that such return and/or electronic deletion has been fully accomplished.

Section 3: No Representations and Warranties; No Liability; Definitive Agreement.

A. No Representations and Warranties.

The Confidential Information is being exchanged “as is” without any representation or warranty of any kind, express or implied. The Receiving Party understands and agrees neither

the Disclosing Party nor any of its shareholders, officers, directors, managers, employees, members and/or affiliates makes any representation or warranty, express or implied, as to the accuracy or completeness of the Confidential Information nor will any of them have any liability to Receiving Party or its Representatives (Authorized or otherwise) or any other Person relating to or resulting from use of the Confidential Information or any errors therein or omissions therein. The Receiving Party understands and agrees neither the Disclosing Party nor any of its shareholders, officers, directors, managers, employees and affiliates are under any duty or obligation to provide the Receiving Party with access to any information, and nothing herein is intended to impose any such obligation on the Disclosing Party or any of the foregoing.

B. Definitive Agreement.

This Agreement does not constitute a binding agreement or obligation to reach any other definitive agreement.

Section 4: Specific Performance.

A. Acknowledgment.

Both DANIK HOOK and COUNTERPARTY acknowledge and agree the provisions, reciprocal promises and undertakings in this Agreement are of a special and unique nature, the breach of which cannot be accurately compensated for in damages by an action at law, and that the breach or threatened breach of the same by the Receiving Party or any Person subject to the Receiving Party's control would cause the Disclosing Party irreparable harm and money damages would not be an adequate remedy for any such threatened or actual breach.

B. Specific Performance.

The Receiving Party hereby agrees on behalf of itself and its shareholders, officers, directors, managers, and all other Person(s) under its control that the Disclosing Party shall be entitled to equitable relief including, without limitation, an injunction or injunctions (without the requirement of posting a bond, other security or any similar requirement or proving any actual damages), to prevent breaches or threatened breaches of this Agreement by the Receiving Party or any Person under the Receiving Party's control and to specifically enforce the terms and provisions of this Agreement, this being in addition to any other remedy to which the Disclosing Party may be entitled at law or in equity.

C. Indemnification.

The Receiving Party shall indemnify and defend the Disclosing Party and its shareholders, officers, directors, managers, employees and/or affiliates (collectively, "Indemnified Persons") against, and hold each Indemnified Person harmless from, any and all liabilities, obligations, losses, damages, costs, expenses, claims, penalties, lawsuits, proceedings, actions, judgments, disbursements of any kind or nature whatsoever, interest, fines, settlements and reasonable attorneys' fees and expenses that the Indemnified Persons may incur, suffer,

sustain or become subject to arising out of, relating to, or due to the breach of this Agreement by the Receiving Party or any Person(s) subject to its control. The provisions of this Section 4(C) shall survive indefinitely any termination of this Agreement or the completion of any Proposed Transaction.

Section 5: Miscellaneous.

A. Notices.

All notices, instructions and other communications required or permitted to be given to or made upon either DANIK HOOK or COUNTERPARTY shall be in writing and shall be personally delivered by registered or certified mail, return receipt requested, or by overnight courier, and shall be deemed given for purposes of this Agreement on the date that such writing is delivered to the intended recipient addressed as follows:

To DANIK HOOK:

Attention: Dan Austin
2140 S. Reservoir Street
Pomona, California 91766
Email: dan@bndprecision.com

To COUNTERPARTY:

Attention: _____

Email: _____

B. Counterparts.

This Agreement may be signed in one or more counterparts, each of which shall be an original and all of which shall be taken together as one agreement.

C. Amendment of Agreement.

This Agreement may not be amended, modified or waived except by an instrument in writing signed on behalf of each of the parties hereto.

D. Successors and Assigns; Assignability.

This Agreement shall be binding upon, inure to the benefit of, and be enforceable by the respective successors and permitted assigns of, the parties hereto. This Agreement may not be assigned without the prior written consent of both DANIK HOOK and COUNTERPARTY. Any assignment or attempted assignment in contravention of this subsection shall be void *ab initio*

and shall not relieve the assigning party of any obligation under this Agreement.

E. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of California, and for all purposes shall be construed in accordance with the laws of California without regard to principles of conflicts of law.

F. Arbitration.

Any dispute arising hereunder shall be submitted to, and determined by, binding arbitration in Orange County, California before a sole retired judge arbitrator in accordance with the laws of the State of California. The arbitration shall be administered by and heard before JAMS pursuant to its Arbitration Rules and Procedures. Judgment on the award may be entered in any court having jurisdiction. The arbitrator shall, in the award, allocate all the costs of the arbitration (and any mediation, if applicable), including the fees of the arbitrator (and any mediator, if applicable), any retained experts and the reasonable value of all attorneys' fees and other costs incurred by the prevailing party against the party who did not prevail (which allocation shall include the reasonable value of either DANIK HOOK or COUNTERPARTY's fees in the event either party elects to represent themselves). Notwithstanding the foregoing language, this Agreement does not preclude either DANIK HOOK or COUNTERPARTY from filing and prosecuting a lawsuit in Superior Court seeking a temporary restraining order, preliminary injunction, permanent injunction or other award of specific performance as permitted above.

G. Integration.

This Agreement sets forth the entire understanding of the parties relating to the subject matter hereof, and any other and any prior understandings, written or verbal, are hereby superseded. This Agreement may not be modified, amended, waived, terminated or supplemented except in accordance with its express terms and in writing executed by each party hereto.

H. Severability.

If any provision hereof is void or unenforceable in any jurisdiction, such ineffectiveness or unenforceability shall not affect the validity or enforceability of such provision in any other jurisdiction or the validity or enforceability of any other provision hereof in that or any other jurisdiction.

I. No Waiver; Remedies.

No failure or delay on the part of either DANIK HOOK or COUNTERPARTY to exercise any power, right or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or remedy preclude any other further

exercise thereof or of the exercise of any other power, right or remedy.

J. No Third-Party Rights.

Nothing herein contained, whether express or implied, is intended to confer any right or remedy under or by reason of this Agreement on any person or entity other than the parties hereto and their respective successors and permitted assigns, and no action may be brought against any party hereto by any third party claiming to be a third party beneficiary to this Agreement or the transactions contemplated herein.

K. Term.

The term of this Agreement shall be deemed to have commenced when the parties first exchanged any information pursuant to the Business Relationship, and will terminate and be of no further force or effect on the date which is three years after the termination of the Business Relationship.

[signature page follows]

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

DANIK HOOK LLC

COUNTERPARTY:

By: Dan Austin
Its: Managing Member and President

By:
Its: