

MUTUAL NON-DISCLOSURE AGREEMENT

This Mutual Non-Disclosure Agreement (this "Agreement") is made this ____ day of _____, 20__ by and between RITE Enterprises Inc., a Minnesota corporation ("RITE") and _____, a _____ corporation ("Company") (RITE and Company are sometimes referred to herein individually as the "Party" or collectively as the "Parties").

In connection with the Parties' possible business dealings, each Party desires to disclose to the other, either in the form of written materials, by oral disclosure or through learned observation, certain plans, designs, data, operations, financial positions, business and technical information, trade secrets, proprietary information and other confidential information, the unauthorized use, application or disclosure of any of which will cause substantial and possible irreparable damage to the business and asset value of the disclosing party. Accordingly, each Party accepts and agrees to be bound by the following provisions of this Agreement:

1. For purposes of this Agreement, the following definitions shall apply:

a. "Confidential Information" shall mean any data or information, other than Trade Secrets, that is of value to a Party hereto and is not generally known to competitors of such party. To the extent consistent with the foregoing, Confidential Information includes without limitation, lists of any information about a Party's executives and employees, marketing techniques and information, price lists, pricing policies, business methods, contracts and contractual relations with customers and suppliers, computer software programs (including object code and source code), data base technologies, systems, structures and architectures, business acquisition plans and new personnel acquisition plans. Confidential Information also includes any information described in this paragraph a. which a Party hereto obtains from another party and treats as proprietary or designates as Confidential Information, whether or not owned or developed by such Party;

b. "Disclosing Party" shall mean the party disclosing Confidential Information and Trade Secrets to the other party;

c. "Recipient Party" shall mean the party receiving Confidential Information and Trade Secrets from the other party;

d. "Trade Secrets" shall mean any information of either Party, without regard to form, including without limitation any technical or non-technical data, formula, pattern, compilation, program, device, method, technique, drawing, process, financial data, financial plans, product plans, or list of actual or potential customers or suppliers which is not commonly known by or available to the public, and which (i) derives economic value, actual or potential, from not being generally known or readily ascertainable by other persons who can obtain economic value from its disclosure or use, and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. Trade Secrets also includes any information described in this paragraph d. which a Party hereto obtains from another party and treats as proprietary or designates as Trade Secrets, whether or not owned or developed by such Party; and

e. The terms "Confidential Information" and "Trade Secrets" shall not include any information: (a) that is or becomes publicly known (other than as a result of a breach by Recipient Party or its Representatives (as defined herein) of this Agreement); (b) that has been or shall be otherwise independently acquired by or developed by Recipient Party without violating the terms of this Agreement; or (c) is known by Recipient Party or its Representatives prior to its disclosure to Recipient Party by Disclosing Party. Failure to mark any of the Trade Secrets or Confidential Information as confidential shall not affect its status as Trade Secrets or Confidential Information under this Agreement.

2. Each Recipient Party covenants and agrees that:

a. It will hold all Confidential Information and Trade Secrets of Disclosing Party in trust and the strictest confidence, and protect it in accordance with a standard of care which shall be no less than the care it uses to protect its own information of like importance but in no event with less than reasonable care;

b. It will not use any Confidential Information or Trade Secrets of Disclosing Party for any purpose other than the sole purpose of evaluating or undertaking the contemplated transactions between the Parties;

During the term of its relationship with Disclosing Party and after the termination thereof, whether such termination is at the instance of either party, it will not use, copy, or disclose, or permit any unauthorized person access to, any Trade Secrets belonging to Disclosing Party or any third party for so long as such information constitutes a trade secret under the laws of the State of Minnesota; except that Recipient Party may disclose Trade Secrets of Disclosing Party to its directors, officers, employees, consultants and agents (hereinafter "**Representatives**") provided such Representatives (i) have a need to know and (ii) the same are informed, directed and obligated by Recipient Party to treat such Trade Secrets in accordance with the obligations of this Agreement. Recipient Party shall be liable for any breach of an obligation hereunder by any of its Representatives;

c. During the term of its relationship with Disclosing Party and for a period of two (2) years after termination, whether such termination is at the instance of either party, it will not use, copy, or disclose, or permit any unauthorized person access to, any Confidential Information belonging to Disclosing Party or any third party; except that Recipient Party may disclose Confidential Information of Disclosing Party to its Representatives provided such Representatives (i) have a need to know and (ii) the same are informed, directed and obligated by Recipient Party to treat such Confidential Information in accordance with the obligations of this Agreement. Recipient Party shall be liable for any breach of an obligation hereunder by any of its Representatives;

d. Upon the request of Disclosing Party and in any event upon the termination of the relationship between the parties, Recipient Party will either (i) deliver to Disclosing Party all memoranda, notes, records, tapes, documentation, disks, manuals, files and all copies or reproductions thereof (in any form or format, including without limitation, copies resident in long or short-term computer storage devices), concerning or containing Confidential Information or Trade Secrets that are in Recipient Party's possession, whether made or compiled by Recipient Party or furnished to Recipient Party by Disclosing Party, or (ii) with the written permission of Disclosing Party, effect the destruction of all of the same and certify such destruction in writing to Disclosing Party;

e. Parties shall not reverse engineer, decompile, or disassemble any software or hardware disclosed to other party,

f. All Trade Secrets and Confidential Information of Disclosing Party are the exclusive property of Disclosing Party. No license to the Trade Secrets or Confidential Information of either party hereunder is implied or expressed by entering into this Agreement or disclosing such items hereunder to Recipient Party; and

g. In the event Recipient Party receives a court order or other governmental or administrative decree of appropriate and sufficient jurisdiction requiring disclosure of Disclosing Party's Confidential Information or Trade Secrets, Recipient Party shall give Disclosing Party reasonable notice prior to such disclosure in order to permit Disclosing Party, at its expense, to seek a protective order. Recipient Party shall also cooperate with Disclosing Party in seeking a protective order, and release only so much of Disclosing Party's Confidential Information or Trade Secrets as is required by such order.

3. Each Party acknowledges and agrees that:

a. The disclosure by it of any Confidential Information or Trade Secrets hereunder does not violate the rights of any other entity;

b. The obligation of confidentiality under this Agreement shall not be construed to limit Recipient Party's right to independently operate businesses or to develop or acquire products without use of the Confidential Information or Trade Secrets. Further, the Recipient Party shall be free to use for any purpose the residuals resulting from the access to such Confidential Information and Trade Secrets, provided that Recipient Party shall maintain the confidentiality of the Confidential Information and Trade Secrets as provided herein. The term "residuals" means information in non-tangible form, which may be retained by Representatives who have had access to the Confidential Information or Trade Secrets, including ideas, concepts, know-how or techniques contained therein.

The Recipient Party shall have no obligation to limit or restrict the assignment of such Representatives or to pay royalties for any work resulting from the use of residuals.

c. This Agreement is delivered upon the express condition that neither Party hereto will make any disclosures about the existence or contents of this Agreement or cause to be publicized in any manner whatsoever by way of interviews, responses to questions or inquiries, press releases or otherwise, any aspect or proposed aspect of a transaction between the Parties without prior notice to and approval of the other Party hereto, except as may otherwise be required by law;

d. This Agreement shall be deemed effective at the earlier to occur of the commencement of the relationship between the Parties or either Party's initial possession, knowledge or acquisition of the other's Trade Secrets or Confidential Information. The protection afforded hereunder is in addition to and does not replace any prior confidentiality or non-disclosure obligation of one Party to the other;

e. In the event that either Party breaches any obligation or representation under this Agreement, such Party shall indemnify and hold harmless the other Party from any loss, liability, damage or expense (including reasonable attorneys fees and expenses) which such other Party may incur as a result of such breach;

f. In the event of a breach or threatened breach of any obligation by a Party hereunder, such Party shall not resist the assertion by the other Party that a remedy at law would be inadequate and therefore, an injunction restraining such breach or other similar equitable remedy shall be available to such other Party without limiting any other remedy then available to such other Party;

g. If any provision of this Agreement shall not be valid for any reason, such provision shall be entirely severable from, and shall have no effect upon, the remainder of this Agreement. Any such invalid provision shall be subject to partial enforcement to the extent necessary to protect the interest of the Parties hereto;

h. This Agreement and the rights and liabilities of the Parties to the Agreement will be determined in accordance with the laws of the State of Minnesota, without regard to its conflicts of laws provisions;

i. The covenants and agreements contained herein shall inure to the benefit of, and may be enforced by, the successors and assigns of each Party and shall survive any termination of the relationship between the Parties, whether such termination is at the instance of either Party, and regardless of the reasons therefore;

j. This Agreement, or any provision hereof, shall not be waived, changed or terminated except by a writing signed by an authorized officer of both Parties; and

k. This Agreement may be executed in one or more counterparts, each of which will constitute an original, but all of which together constitute a single document. Any signature duly affixed to this Agreement and delivered by facsimile transmission shall be deemed to have the same legal effect as the actual signature of the person signing this Agreement, and any Party receiving delivery of a facsimile copy of the signed Agreement may rely on such as having actually been signed.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

RITE Enterprises Inc.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____