

Bilateral Nondisclosure Agreement

Instruction Sheet

1. Insert the full legal name and address of the other Party in the introduction of the Parties Section.
2. Draft an appropriate "Project Evaluation" that is not too broad in the third Whereas Paragraph. Look for the bolded insert portion.
3. Insert an automatic termination date in Paragraph 3. Generally, a termination date of one year is appropriate, but you may need a longer period if the Project Evaluation will take longer. Consult with Director of Administration of the appropriate contracts person if the termination date needs to be longer than 2 years.
4. As noted in brackets in Section 4, the standard length of time for protecting Proprietary Information after the termination of the NDA is five (5) years. Simply delete the brackets if this period is appropriate; otherwise, insert an agreed up period. Consult with the Director of Administration if the parties want a protection period of less than five (5) years.
5. Insert the other party's name on the signature page. Ensure the President's Name and title is keyed in prior to printing.
6. Return the document to the President for execution..

BILATERAL NONDISCLOSURE AGREEMENT

THIS BILATERAL NONDISCLOSURE AGREEMENT (the "Agreement") is entered into between Enterprise Electronics Corporation, an Alabama corporation, having a corporate address of 128 South Industrial Boulevard, Enterprise, Alabama 36330 ("EEC"), and,

_____, a(n) _____ corporation, with an address of _____ ("[insert short name for company or an appropriate acronym]"). [insert above short party name] and EEC may be referred to in this Agreement individually as a "Party" or collectively as the "Parties."

WITNESSETH

WHEREAS, each Party acknowledges that it possesses competitively valuable proprietary and confidential information (the "Proprietary Information") which is not available to the public, and which each Party desires to protect against disclosure and unauthorized competitive use.

WHEREAS, Proprietary Information may include, but is not limited to, tangible or intangible information related to a Party's products, processes, methods, ideas, concepts, discoveries, designs, drawings, specifications, techniques, practices, models, diagrams, source code, object code, software, programs, know-how, technical data, research and development, or business and financial data.

WHEREAS, the Parties contemplate engaging in technical and business discussions regarding _____ (the "Project Evaluation") during which time the Parties may disclose Proprietary Information to each other and, therefore, desire to establish an agreement to preserve and safeguard such disclosures.

NOW, THEREFORE, in consideration of the foregoing, and in express reliance upon the mutual covenants and conditions contained herein, the Parties agree as follows:

1. During the term of this Agreement, any Proprietary Information disclosed between the Parties and relating to the Project Evaluation shall be maintained in the strictest of confidence pursuant to the obligations of paragraph 4 below, whether such information is disclosed orally or in writing. In the event that such information is disclosed in writing, irrespective of the transference medium (e.g. e-mail, fax, paper, etc.), such information shall be identified in writing at the time of the disclosure by an appropriate legend, marking, stamp or positive written identification on the face thereof to be of a proprietary nature. In order for any Proprietary Information that is exchanged between the Parties orally or visually to be subject to this Agreement, it shall be identified by the disclosing party as Proprietary Information contemporaneously with the time of such disclosure.
2. Proprietary Information delivered by the disclosing Party to the receiving Party shall be used solely for the purpose of the Project Evaluation (the "Permitted Purpose"). No other use of Proprietary Information is granted without the prior written consent of the disclosing Party.

3. This Agreement shall (unless extended by written mutual agreement) automatically terminate one (1) year from the execution date of this Agreement, but may be terminated earlier by either Party giving thirty (30) days notice in writing to the other Party of its desire to terminate. Termination shall not, however, affect the rights and obligations in this Agreement with respect to Proprietary Information supplied prior to termination.

4. From the date of its disclosure until [five (5) years] after the date of termination of this Agreement, the receiving Party shall protect the disclosing Party's Proprietary Information by using the same degree of care, but no less than a reasonable degree of care to protect a trade secret, to prevent the disclosure of the Proprietary Information to unauthorized third parties or the public. The receiving Party shall further restrict disclosure of such Proprietary Information to those of its directors, officers, employees, agents, and advisors (including attorneys, accountants, and financial advisers) who have a need to know and who have been advised of and agreed to the restrictions on disclosure and use contained in this Agreement. Notwithstanding the period set forth in the first sentence of this Paragraph 4, the Parties may agree in writing to an extended period of protection for certain Proprietary Information.

5. This Agreement imposes no obligation upon a receiving Party with respect to Proprietary Information which: (a) was in the receiving Party's possession before receipt from the disclosing Party; (b) is or becomes a matter of public knowledge through no fault of the receiving Party; (c) is rightfully received by the receiving Party from a rightfully possessing third party without a duty of confidentiality; (d) is required to be disclosed by court order or other lawful governmental action, but only to the extent so ordered, and provided that the Party so ordered shall notify the disclosing Party of the underlying proceeding in sufficient time so that the disclosing Party may attempt to institute protective measures to prevent such disclosure; (e) is disclosed by the receiving Party with the disclosing Party's prior written approval in accordance with that written approval; or (f) is independently developed by the receiving Party without access to Proprietary Information exchanged hereunder.

6. All Proprietary Information is and shall remain the sole and exclusive property of the disclosing Party, and neither Party acquires any license, intellectual property rights, or legal or equitable interest in the other Party's Proprietary Information except for the limited right to make copies as necessary, and in accordance with this Agreement for the Permitted Purpose.

7. All Proprietary Information is provided "AS IS," and neither Party makes any warranty regarding the accuracy, appropriateness or reliability of such information. The entire risk arising out of the use of the Proprietary Information remains with the receiving Party.

8. The receiving Party shall notify the disclosing Party immediately upon discovery of any unauthorized use or disclosure of Proprietary Information, or any other breach of this Agreement by the receiving Party, and will cooperate with the disclosing Party in every reasonable way to help the disclosing Party regain possession of the Proprietary Information and prevent further unauthorized use or disclosure.

9. The Parties consider the restrictions contained herein to be reasonable to protection of business, time and geographic area. If, however, such restrictions are found by any court having jurisdiction to be unreasonable because they are (or any one of them is, as the case may be) too broad, then such restriction will nevertheless remain effective, but shall be considered amended as to protection of business, time or geographic area (or any one of them, as the case may be) in whatever manner is considered reasonable by that court, and as so amended shall be enforced. The Parties expressly agree that if a breach occurs by one Party of any of the covenants contained herein, the damage to the other Party will be substantial, although difficult to quantify, and

money damages will not afford that non-breaching Party an adequate remedy at law. Therefore, if any such breach occurs, in addition to any other remedies as may be provided by law, the non-breaching Party shall have the right to specific performance of the covenants contained herein by way of temporary or permanent injunctive relief.

10. This Agreement shall not be construed as a sales agreement, teaming agreement, joint venture or other similar arrangement; rather, the Parties expressly agree that this Agreement is solely for the purpose of protecting the value of Proprietary Information.

11. This Agreement shall apply in lieu of and notwithstanding any specific legend or statement associated with any particular information or data exchanged, and the duties of the Parties shall be determined exclusively by the terms and conditions of this Agreement.

12. Upon written request of the disclosing Party, the receiving Party shall return all originals, copies, reproductions and summaries of Proprietary Information in the receiving Party's possession or control or, at the disclosing Party's option, destroy and certify to such destruction.

13. The Parties agree that, during the term of this Agreement and for a one (1) year period thereafter, neither Party shall knowingly or actively seek to hire any employee of the other Party. This restriction shall not prohibit either Party from hiring any person as a result of the use of an independent employment agency (so long as the agency was not directed by such Party to solicit such person) or as the result of the use of a general solicitation (such as an advertisement) not specifically directed to employees of the other Party.

14. The Parties shall perform their respective obligations hereunder without charge to the other, and neither Party shall assign any rights hereunder or disclose the existence of this Agreement publicly without the prior written approval of the other Party.

15. Regardless of its place of negotiation, execution, or performance, this Agreement shall be enforced and interpreted in accordance with the laws of the State of Alabama and to which each party hereby submits for personal jurisdiction, without regard to that state's choice of law statutes and jurisdiction provisions. This Agreement shall be binding on the Parties, their successors and assigns.

16. If any term, provision, covenant or condition of this Agreement is held invalid or unenforceable for any reason, the remaining provisions of this Agreement shall continue in full force and effect as if this Agreement had been executed with the invalid portion eliminated, provided the effectiveness of the remaining portions of this Agreement will not defeat the overall intent of the Parties. In such a situation, the Parties agree, to the extent legal and possible, to incorporate a replacement provision to accomplish the originally intended effect.

17. This Agreement shall not be amended or modified, nor shall any waiver of any right hereunder be effective unless set forth in a document executed by duly authorized representatives of the Parties. The failure to exercise any right under this Agreement shall not be deemed to be a waiver of such right, and shall not affect the right to enforce each and every right hereof. The waiver of any breach of any term, provision, covenant or condition herein contained shall not be deemed to be a waiver of any (a) subsequent breach of such term, provision, covenant or condition or (b) other term, provision, covenant, or condition.

18. This Agreement constitutes the entire understanding and agreement of and between the Parties relative to the protection of Proprietary Information relating to the Permitted Purpose and supersedes and replaces any and all previous understandings, commitments or agreements, oral or written.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in duplicate originals by each Party's duly authorized representative, and this Agreement shall be effective as of the day and year last written below.

Enterprise Electronics Corporation

Signature

Name:

Title:

Date:

[OTHER COMPANY'S FULL LEGAL NAME]

Signature

Name:

Title:

Date: