



MUTUAL NON-DISCLOSURE & NON-COMPETE AGREEMENT

THIS MUTUAL NON-DISCLOSURE & NON-COMPETE AGREEMENT (this "Agreement") is made and entered into as of _____, by and between **txDroneCo, LLC d.b.a. as Texas Drone Company** ("Party A"); and _____ ("Party B").

Party A and Party B shall be referred to herein each as a "party" and collectively as the "parties."

WITNESSETH:

WHEREAS, Party A and Party B are interested in pursuing a proposed business transaction or have entered into a business contract or agreement, including, without limitation, an agreement to provide services or goods (the "Transaction") – **UNMANNED AERIAL SYSTEM (UAS) SERVICES AND INSPECTIONS**; and

WHEREAS, to evaluate such potential Transaction or to provide such goods and services for the Transaction (the "Purpose"), it may be necessary for each party to disclose to the other certain of its proprietary and confidential information; and

WHEREAS, to induce any such necessary disclosures, each party is willing to enter into this Agreement and to restrict its use and disclosure of any proprietary or confidential information disclosed hereunder, all in accordance with the terms and conditions more fully set forth below;

NOW, THEREFORE, for and in consideration of the premises and mutual covenants contained herein and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties hereto do hereby covenant and agree as follows:

1. **MEANING OF CONFIDENTIAL INFORMATION.**

The term "Confidential Information" means all technical, business, financial and other information which (i) is possessed or hereafter acquired by a party (the "Disclosing Party") and disclosed to the other party (the "Recipient"), (ii) derives economic value from not being generally known to persons other than the Disclosing Party, and (iii) is the subject of efforts by the Disclosing Party that are reasonable under the circumstances to maintain its secrecy or confidentiality. Confidential Information shall include, but shall not be limited to all oral and written information with respect to the Disclosing Party's business, assets, current and prospective suppliers and customers, financial condition and information, proprietary processes, products, operations, employees, contractors, prospects, business plans, product concepts, business methods, hardware, software, codes, copyrighted materials, trade secrets, trademarks, service marks, research, designs, sketches, drawings, business models and marketing strategies, including all memoranda, notes, records, drawings, manuals, disks, or other documents and media containing such information and all copies, extracts and summaries thereof whether generated or produced by the Disclosing Party or the Recipient from Confidential Information



MUTUAL NON-DISCLOSURE & NON-COMPETE AGREEMENT

provided by the Disclosing Party. As used herein, the term "Confidential Information" shall not include any information which (a) at the time of disclosure is, or thereafter becomes, generally available to and known by the public (other than as a result of a disclosure directly or indirectly by the Recipient), (b) at the time of disclosure is, or thereafter becomes, available to the Recipient on a non-confidential basis from a source other than the Disclosing Party, provided that such source is not and was not bound by a confidentiality agreement with the Disclosing Party or any other legal obligation of non-disclosure, or (c) is independently acquired or developed by the Recipient without violating any of its obligations under this Agreement.

2. OBLIGATIONS OF NON-DISCLOSURE.

2.1 Publicity. Each party agrees that it will not disclose to any person, other than its attorneys, accountants and other professional advisors who agree to be bound by this Agreement ("Advisors"), any facts with respect to discussions between the parties regarding the Transaction, including the status thereof, or the fact that any Confidential Information has been made available such party, or otherwise make any public disclosure (whether written or oral) of any Confidential Information, except (i) disclosure that has been approved in writing by the other party, or (ii) disclosure that is required by law and then, (a) only to the extent practicable under the circumstances, and (b) only after prior notice to and consultation with the other party in accordance with Section 2.5. The term "person" as used in this Agreement shall be broadly interpreted to include, without limitation, any corporation, company, partnership, trust, entity or individual, including, without limitation, any subsidiaries or affiliates of a party and their respective employees.

2.2 Maintenance of Confidentiality. Each party, when acting as the Recipient, agrees that it will, subject to Section 2.1 above:

- (i) use the Confidential Information only for the Purpose;
- (ii) restrict disclosure of the Confidential Information to (a) its Advisors, and (b) its employees, agents and affiliates who have a "need to know" such information;
- (iii) advise those employees, agents and affiliates who access the Confidential Information of their obligations with respect thereto;
- (iv) will not copy or modify the Confidential Information, or any copy, adaptation, transcription or merged portion thereof, except such copies as necessary for those employees, agents and affiliates who are entitled to receive it or as expressly authorized by the other party;
- (v) will not translate, decompile or create or attempt to create, by reverse engineering or otherwise, source code from object code;



MUTUAL NON-DISCLOSURE & NON-COMPETE AGREEMENT

(vi) will not copy, modify, adapt, translate or create a derivative work from the hardware, software, or software as a service; and

(vii) will ensure that all confidentiality notices are reproduced in full on any copies, adaptation, transcription or merged portions of the Confidential Information.

A "need to know" means that the employee requires the Confidential Information to perform his, her or its responsibilities in connection with the Purpose.

2.3 Protection of Confidential Information. The Recipient shall take the same precautions with respect to maintaining the confidentiality of the Confidential Information as it takes with respect to its own confidential and proprietary information to ensure the secrecy of the Confidential Information. Consistent with that standard, Recipient is responsible for the preservation of such secrecy by its employees, agents and affiliates during the term of their relationship with the Recipient and after termination thereof. Recipient agrees that it shall be liable for any unauthorized disclosure or use of the Confidential Information during the term hereof by Company or any employee, agent or affiliate of the Recipient.

2.4 Return of Confidential Information. Upon the request of the Disclosing Party, the Recipient will promptly return to the Disclosing Party all documents containing or reflecting any Confidential Information furnished to the Recipient by or on behalf of the Disclosing Party without retaining any copy thereof. In the event such a request is made, the Recipient shall promptly destroy all other documents containing or reflecting any Confidential Information.

2.5 Forced Disclosure. In the event that the Recipient becomes legally compelled (by deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar process) to disclose any of the Confidential Information, the Recipient shall provide the Disclosing Party with prompt prior written notice of such requirement so that the Disclosing Party may seek a protective order or take any other action. In the event that such protective order is not obtained, or the Disclosing Party, in writing, waives compliance with the provisions hereof, Recipient agrees to furnish only that portion of the Confidential Information which Recipient is advised by written opinion of its legal counsel is legally required to be disclosed, and to exercise reasonable efforts to obtain the confidential treatment of such Confidential Information. In such event, the Recipient shall not be liable for such disclosure unless such disclosure was caused by, or resulted from, in whole or in part, a previous disclosure by the Recipient not permitted by this Agreement.

2.6 Acknowledgments. The disclosing party shall have sole and exclusive ownership of all right, title, and interest in and to the Confidential Information and permitted copies thereof, including ownership of all copyrights and trade secrets pertaining thereto, subject only to the rights and privileges expressly granted by the disclosing party. No patent, copyright, trademark or other



MUTUAL NON-DISCLOSURE & NON-COMPETE AGREEMENT

proprietary right is licensed, granted or otherwise transferred by this Agreement or any disclosure hereunder, except for the right to use such information in accordance with this Agreement. The Disclosing Party claims and reserves all rights and benefits afforded under federal and international copyright law in all software programs and documentation included in the Confidential Information as copyrighted works. The binary or object code version of such software programs may under no circumstances be reverse-engineered or reverse-compiled without the Disclosing Party's further written consent.

- 2.7 Proprietary Rights Legends and Notices. The Recipient shall not alter or remove from any Confidential Information any proprietary rights legend, copyright notice, trademark or trade secret legend, or any other mark identifying the material as Confidential Information.
- 2.8 Disclaimer. Subject to the terms and conditions of any separate agreement entered into by the parties hereto with respect to the Transaction, both parties acknowledge and agree that neither party is making any representation or warranty, express or implied, as to the accuracy or completeness of the Confidential Information, and neither party nor any of its officers, directors, employees, affiliates or agents will have any liability to a Recipient or any other person resulting from the Recipient's use of the Confidential Information.
3. NON-COMPETITION.
- 3.1 During the execution of this Agreement and for a period of two (2) years after voluntary termination of the Agreement by either Party, the Parties shall not, directly or indirectly, market, sell or promote the sale of, or otherwise commercially deal in or with, any products or services with txDroneCo, LLC clients.
4. MISCELLANEOUS.
- 4.1 Term and Survival of Obligations. This Agreement shall survive the termination of any negotiations or discussions and the execution and delivery of any contract or agreement between the parties with respect to the Transaction and shall remain in full force and effect for a period of two (2) years thereafter; provided, however, that with respect to any Confidential Information which constitutes a trade secret under applicable law, the Recipient's obligations under this Agreement, to keep such Confidential Information confidential shall survive so long as such Confidential Information remains a trade secret.
- 4.2 Entire Agreement. This Agreement contains the entire understanding of the parties hereto with respect to the subject matter contained herein and supersedes all prior agreements and understandings between the parties with respect to such subject matter.
- 4.3 Assignment; Parties in Interest. The Receiving Party may not sell, transfer, assign, sublicense, subcontract any right or obligation hereunder without the prior written consent of the Disclosing



MUTUAL NON-DISCLOSURE & NON-COMPETE AGREEMENT

Party. This Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and assigns.

- 4.4 Governing Law. The interpretation and construction of this Agreement, and all matters relating hereto, shall be governed by the laws of the State of Texas (without reference to its conflicts of laws principles).
- 4.5 Amendments. This Agreement may not be modified or terminated, in whole or in part, and no release hereunder shall be made, except by means of a written instrument executed by both parties.
- 4.6 Severability. If for any reason any provision of this Agreement shall be determined by a court of competent jurisdiction to be invalid, unenforceable, illegal, or inoperable, such provision's invalidity shall not affect the validity and effect of any other provision contained in this Agreement.
- 4.7 Equitable Relief. Each party acknowledges and agrees that irreparable harm would result to a Disclosing Party upon any breach of any of the covenants contained in this Agreement and that damages arising out of such breach may be difficult to ascertain. Therefore, each party agrees that, in addition to all other remedies provided at law or in equity, a Disclosing Party may petition and obtain, without bond, from a court of law or equity both temporary and permanent injunctive relief to prevent a breach by a Recipient of any of such covenants.
- 4.8 Waivers and Consents. All waivers and consents given hereunder shall be in writing. No waiver by any party hereto of any breach or anticipated breach of any provision hereof by any other party shall be deemed a waiver of any other contemporaneous, preceding or succeeding breach or anticipated breach, whether or not similar, on the part of the same or any other party.
- 4.9 Notices. All notices and other communications hereunder shall be in writing and delivered in a manner described in this Section 3.9, and any such notice or communication shall be deemed to have been given (i) when personally delivered, or (ii) three (3) business days after mailing, postage prepaid, by certified mail, or (iii) when delivered (and receipted for) by an overnight delivery service, or (iv) when first sent by telex, telecopy or other means of instantaneous communication provided such communication is promptly confirmed by personal delivery, mail or an overnight delivery service as provided above, addressed to the appropriate party at the address set forth below its signature to this Agreement. Either party may change the address(es) for the giving of notices and communications to it by written notice to the other party in conformity with the foregoing.
- 4.10 Headings. The Section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.



MUTUAL NON-DISCLOSURE & NON-COMPETE AGREEMENT

4.11 Counterparts. This Agreement may be executed in two or more counterparts, all of which taken together shall constitute one and the same instrument.



MUTUAL NON-DISCLOSURE & NON-COMPETE AGREEMENT

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

txDroneCo, LLC (Party A)

By: _____
(signature)

Name: Jared J. Janacek

Title: Owner

Notices to Party A may be sent to the following address:

txDroneCo, LLC
3604 Big Horn Trail
Denton, Texas 76210
Attention: Jared J. Janacek, Owner
Email: jared@txdroneco.com
Phone: 979-450-1288

_____ **(Party B)**
(company name)

By: _____
(signature)

Name: _____

Title: _____

Notices to Party B may be sent to the following address:

_____ (company)
_____ (street address)
_____ (city, st, zip)
Attention: _____ (name, title)
Email: _____
Tel: _____