

Pegasus Technologies, Inc.

108 Pannook Farm Road
Lenoir City, TN 37771



1. Purpose. Pegasus Technologies, Inc. (PTI) develops, produces, and sells a variety of electronic communications products to various manufacturers, OEM's and institutions. Development of the technology within such products, and an understanding of the markets they address, requires expenditure of considerable time, money, and effort. For the purpose of this document, such technical and market information, however and by whomever generated, is acknowledged by the Parties to this Agreement as having value and representing an investment. To protect such investments, the originator of such data may designate them as "confidential/proprietary information" (CPI) *in writing*. PTI and other business entities occasionally find it useful to discuss and disclose such technical and/or business CPI, usually to facilitate synergistic and mutually beneficial cooperation between them. This bilateral Agreement to govern the disclosure and management of CPI is between PTI and the business entity identified below (the Parties).

2. Exclusions. Other than disclosures to the United States Government in accordance with FAR and other applicable law, this Agreement excludes information: (1) that is in the public domain at the time of receipt, (2) that enters the public domain through no act of the Receiving Party in breach of this Agreement, (3) that is known to the Receiving Party prior to disclosure by the Originator, or (4) that is disclosed to any third party without restriction, by the originator.

3. Responsibilities. The "Originator" is the developer of a specific element of CPI and the "Receiving Party" is the recipient under the terms of this Agreement. Both Parties agree to protect the confidentiality of the other Party's CPI with the same care it exercises to protect its own. Each Party will maintain a record of those to whom CPI of the other Party has been disclosed, including employees and associates, and will provide that record to the other Party **when requested** to do so.

Written materials that are intended to fall under the protection of this Agreement will be clearly marked "CONFIDENTIAL", "PROPRIETARY" or "CPI". When verbal discussions between the Parties include CPI, that fact shall be announced in the discussion, and then within ten days summarized in writing by the Party that disclosed it, marked appropriately (as above), and presented to the other. During that delay, CPI disclosed verbally will be treated exactly as if it had been disclosed in writing.

Each Party will identify in writing one or more individuals as the only point(s) through which CPI will be transmitted. PTI's initial nominee is Jim Pearce, and the second Party's initial nominee(s) will be the signatory below or as listed on the reverse of this form.

4. Termination. Unless terminated earlier by written notice from one Party to the other, delivered no sooner than thirty days prior to the effective date of termination, the term of this Agreement shall be three years. Nevertheless, any CPI governed by this Agreement, and disclosed during its term, shall remain protected by it **for three years** unless the Receiving Party is specifically released by the Originator, or one of the exceptions in Paragraph 2 applies.

5. Applicability. This Agreement shall be binding upon the Parties.

For Pegasus Technologies, Inc.

For:

Title: _____

Name and Title: _____

Date: _____

Date: _____