

Disclosure Period: 2 years
Protection Period: 5 years

MUTUAL NONDISCLOSURE AGREEMENT

Agreement made by and between On-Power, Inc., an Ohio corporation having its principal place of business at 3525 Grant Drive, Suite A, Lebanon, Ohio 45036 (hereinafter "OPI") and _____ a _____ corporation/limited liability company having a place of business at _____ (hereinafter "Second Party"). Each party is sometimes referred to below as a "Disclosing Party" and a "Recipient")

WHEREAS, each party has developed or otherwise possesses certain information which is unique and valuable and which it considers confidential and proprietary (the "Confidential Information"); and

WHEREAS, subject to the terms and conditions below, OPI and _____ desire to disclose to each other certain proprietary information for the purpose:

NOW, THEREFORE, in consideration of the promises and premises hereinafter set forth, and other good and valuable consideration the parties hereto agree as follows:

1. CONFIDENTIAL INFORMATION. The Confidential Information disclosed by each party may include trade secrets, data, know-how, processes, designs, sketches, plans, drawings, specifications, schematics, formulae in any form, samples, reports, telephone numbers, passwords, product, marketing or business plans, strategies, price lists, studies, findings, inventions and ideas, but is not limited to the foregoing. The nature and scope of the Confidential Information to be disclosed is completely within the discretion of each party.

2. RESTRICTIONS. (a) The Recipient (i) shall not disclose the Confidential Information to any third person, firm or entity; (ii) shall exercise the same degree of care to prevent disclosure of the Confidential Information to any third party as Recipient uses to protect its own Confidential Information which shall not be less than reasonable care; and (iii) may use the Confidential Information only for the purposes identified herein. Dissemination of Confidential Information by Recipient shall be limited to those officers, employees and representatives whose duties justify their need to know such Information and disclosure shall be made to such officers and employees only on the basis of a clear understanding by those officers and employees of their obligation to maintain the confidential status of such Information and to restrict the use of such Information solely to the use granted to the Recipient under this Agreement. The parties further agree not to reverse engineer, reverse compile or disassemble any samples provided to them by the other, in whole or in part, nor use any mechanical,

electronic or other method to trace, decompile, disassemble or identify the composition of the samples or encourage others to do so.

(b) The Recipient shall not disclose any **classified information** in any manner contrary to applicable laws and regulations of the United States and other foreign jurisdictions whose laws may be applicable to any transaction contemplated by the parties.

3. REQUIRED NOTICES AND LEGENDS. No information shall be protected or treated as Confidential Information hereunder, unless disclosed in accordance with the following procedures:

a. If information is written, recorded, graphical or otherwise in tangible form it shall be labeled as "Proprietary", "Confidential" or with a similar legend denoting confidentiality;

b. If information is disclosed orally, it shall be identified as confidential at the time of its disclosure or confirmed in writing as confidential by within 21 days after the oral disclosure.

4. EXCLUSIONS. Nothing in paragraph 2 above shall deprive Recipient of the right to use or disclose any information:

a. which is, at the time of disclosure, generally known to the trade or the public;

b. which becomes after disclosure generally known to the trade or the public through no fault of Recipient;

c. which is possessed by Recipient, as evidenced by Recipient's written or other tangible evidence, before receipt thereof from the other party;

d. which is disclosed to Recipient in good faith by a third party who has an independent right to such information;

e. the applicable period of confidentiality pursuant to Section 8 has ended.

5. NO ADDITIONAL RIGHTS. Nothing in this Agreement shall be construed as granting or implying any right under any patent, trademark, tradename, copyright or trade secret or to use any invention covered thereby, or to use any other confidential or proprietary information of any other party except for the purposes described above. Nothing herein shall require either party to disclose Confidential Information to the other.

6. AFFILIATES. The terms "Disclosing Party" and "Recipient" include each Party's affiliates, and its officers, directors and employees that disclose or receive Confidential Information. An "affiliate" is a person or entity which controls, is controlled by, or is under common control with another.

7. LEGALLY REQUIRED DISCLOSURE. If the Recipient becomes legally compelled by judicial or administrative action to disclose Confidential Information, the Recipient will provide the Disclosing Party with prompt written notice so that the Disclosing Party may seek a protective order or other appropriate remedy, or waive compliance with the terms of this Agreement. The Recipient will cooperate with the Disclosing Party, at the Disclosing Party's expense, to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded Confidential Information. If the Disclosing Party fails to obtain such protective order or other remedy, or if the Disclosing Party waives compliance with the requirements of the preceding sentence, the Recipient will disclose only that Confidential Information that it is legally required to disclose, and will exercise commercially reasonable efforts, at the Disclosing Party's expense, to obtain reliable assurance that the Confidential Information so disclosed will be accorded confidential treatment.

8. (a) Each party agrees to comply with all applicable laws, including without limitation all export laws and regulations of the United States and other foreign jurisdictions.

(b) Without limiting the foregoing, the parties may have access to information and technology subject to the International Traffic in Arms Regulations (the "ITAR") (22 CFR 120-130); or the Export Administration Regulations (the "EAR") (15 CFR 730-774). Accordingly, each party will comply with the requirements of the ITAR and the EAR, including the requirement for obtaining a U.S. export license or other foreign export authorization, if applicable, prior to export, re-export, transfer or re-transfer to non-U.S. persons or entities, whether within or outside the United States. Further, a Recipient shall first obtain the written consent of the Disclosing Party prior to export, re-export, transfer or re-transfer of the Disclosing Party's technical data or information, or submitting a request for authority to export, re-export, transfer or re-transfer any technical information or data of the Disclosing Party. This compliance requirement also applies to return to country of origin of foreign origin technical data that incorporates U.S. origin technical data, know-how, content, improvements or other modifications. The obligations in this paragraph 8 shall survive the expiration of the confidentiality requirements stated in this agreement and shall survive any other termination of this Agreement.

9. REMEDIES. Each party acknowledges that in the event of any breach or attempted or threatened breach of this Agreement by the other, the Disclosing Party may be irreparably harmed and shall be entitled to injunctive relief in addition to any other remedies it may have at law or in equity.

10. GOVERNING LAW. This Agreement shall be governed and construed in accordance with the laws of the State of Ohio, except its conflicts of laws rules.

11. EFFECTIVE TIME. A. The period for disclosure of Confidential Information shall automatically end two (2) year(s) from the date of this Agreement unless extended by mutual written agreement or ended earlier by either party's giving thirty days' written notice to the other party of its intention to end the period of disclosure. All of the obligations undertaken by each party herein as a receiving party shall survive and continue after any termination of this Agreement.

B. This Agreement shall be effective on the date signed by both parties. This Agreement and the parties obligations hereunder shall expire five (5) years after the date hereof.

C. The Disclosing Party may at any time request that the Recipient discontinue using and return all Confidential Information of the Disclosing Party and all copies thereof. Within thirty (30) days after such request, the Recipient will discontinue use of any such Confidential Information and return same to the Disclosing Party.

12. SEVERABILITY. If any provision of this Agreement shall be held invalid or unenforceable, such provision shall be deemed omitted from this Agreement and replaced by a valid and enforceable provision that so far as legally permissible achieves the parties' intent in agreeing to the original provision. The remaining provisions of this Agreement shall continue in full force and effect.

13. BINDING EFFECT. This Agreement shall be binding upon the parties hereto and their respective successors and assigns. Neither party may delegate any duties or assign any rights hereunder without the prior written consent of the other.

14. HEADINGS. Paragraph headings herein are for convenience of reference only and shall not affect the interpretation of the provisions hereof.

15. AMENDMENT. This Agreement reflects the entire agreement of the parties. It may not be amended or modified except in a writing signed by both parties.

In Witness Whereof, the parties hereto have executed this Agreement on the dates set forth below.

On-Power, Inc.

Second Party

By _____

By _____

Title _____

Title _____

Date _____

Date _____