“TRADE SECRET / NON-DISCLOSURE AGREEMENT”

Potential Purchaser

Equity Group of Michigan, LLC. and Client is Seller

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“TRADE SECRET / NON-DISCLOSURE AGREEMENT”

The Undersigned (referred to as “Potential Purchaser”) and Equity Group of Michigan, LLC, a Michigan Limited Liability Company and its client, a Michigan for profit corporation (referred to collectively as “Seller” or “Client” when referring to Client separately), execute this TRADE SECRET / NON-DISCLOSURE AGREEMENT (referred to as the or this “NDA”).

-R E C I T A L S-

Potential Purchaser and Seller shall be referred to collectively as “Parties”.

Client is a distributor of electrical components (referred to collectively as the “Business”).

Potential Purchaser wishes to evaluate the feasibility of acquiring the Business and certain assets of Client (referred to as the “Transaction”) by means of a contract (referred to as the “Acquisition Agr”).

Client currently possesses trade secrets and other confidential/proprietary information. It intends to protect that information.

Potential Purchaser currently possesses trade secrets and other confidential/proprietary information. It intends to protect that information.

Potential Purchaser and Client require information about one another including trade secrets and other confidential/proprietary information to evaluate the feasibility of the Transaction (referred to as the “Due Diligence Study”).

Each Party has agreed to release information (referred to as “Disclosing Party”) to the other Party/recipient (referred to as “Receiving Party”) provided Receiving Party holds such trade secrets and other confidential/proprietary information received from Disclosing Party:

1. in strict confidence; and
2. for the sole and exclusive purpose of performing the Due Diligence Study.

Potential Purchaser and Seller must agree to the confidentiality requirements of the other Party as a precondition to the release of any information.

In consideration of their mutual acts, understandings, promises and undertakings, Potential Purchaser and Seller, as the Parties to this Trade Secret / Non-Disclosure Agreement, agree as follows.

1. Trade Secrets and Other Confidential Info.

(a) Each Disclosing Party has developed trade secrets and confidential/proprietary information including the following (known as and referred to collectively as “Confidential Info”):

1 pricing and other financial information;

2 staffing;

3 product information, new product and/or service concepts;

4 existing employee, customer, supplier, independent contractor, agent, and vendor relationships (referred to collectively as “Business Persons”);

5 contact information of both existing and potential Business Persons; and

6 processes and other intellectual property.

(b) In order for Seller and Potential Purchaser to perform the Due Diligence Study, each Party agrees to:

1 execute this NDA; and

2 disclose (referred to as either “Disclose” or “Disclosure”) Confidential Info to the other Party

in exchange for Receiving Party’s agreement to accept each duty and obligation (referred to collectively as “Duties”) imposed upon it by the NDA to protect Confidential Info of Disclosing Party.

(c) Disclosing Party agrees to Disclose (at its sole discretion) Confidential Info to Receiving Party for the sole and exclusive purpose of performing the Due Diligence Study. In exchange, Receiving Party agrees to comply with each Duty imposed upon it by this NDA. Each Receiving Party acknowledges that no representation or warranty is being made by Disclosing Party as to the completeness or accuracy of the Confidential Info.

(d) All written information or documents Disclosing Party intends to protect by means of this NDA may (but not required to) be:

1 labeled / stamped “Confidential Info”; or

2 confirmed by Disclosing Party (in writing) to be Confidential Info.

(e) This document shall not be construed as an agreement of or Duty imposed upon Disclosing Party to release Confidential Info to Receiving Party for any specific period of time. In other words, either Party may withhold Confidential Info and/or terminate this NDA at any time with or without reason or cause.

2. Unfair Competition.

(a) Receiving Party acknowledges it shall obtain Confidential Info of Disclosing Party by reason of executing the NDA and conducting the Due Diligence Study.

(b) Receiving Party shall hold and/or limit Confidential Info of Disclosing Party:

1 in confidence;

2 Disclosure to be on a strict “need to know” basis;

3 for the sole and limited purpose of the Due Diligence Study; and

4 not Disclose [directly, indirectly, verbally, in writing or in any other form, capacity or medium (because it could constitute “unfair competition”)] the following:

(i) Confidential Info;

(ii) Due Diligence Study;

(iii) details of the Transaction;

(iv) identity of the other Party to the NDA; or

(v) any knowledge obtained, discovered or developed in whole or in part by Receiving Party as a result of the release of Confidential Info or the performance of the Due Diligence Study to any person or utilize, misappropriate or otherwise Disclose any Confidential Info of Disclosing Party for any purpose except to conduct the Due Diligence Study.

(c) Receiving Party shall limit Disclosure of Confidential Info to those shareholders, members, managers, agents, directors, employees, agents, representatives, vendors and/or independent contractors it involves in the Due Diligence Study (referred to collectively as “3rd Parties”).

(d) Potential Purchaser acknowledges that Seller may make a Disclosure to other third parties (that have shown interest in evaluating an acquisition of Client) that it previously executed non-disclosure contracts with unidentified third parties including Potential Purchaser. Such Disclosure by Seller shall not constitute a Breach [a term defined at paragraph 6(a)] of the NDA.

3. Term of Due Diligence Study. The NDA shall terminate sixty (60) days after the Date (a term defined at paragraph 16), unless extended beyond that Date with Disclosing Party’s consent.

4. Termination of Discussions.

(a) Potential Purchaser shall deliver to Seller on or before the termination date of paragraph 3:

1 a written Letter of Intent or Acquisition Agr to acquire Client and its Business;

2 a request to extend the NDA; or

1. notice it is no longer interested in pursuing the Transaction.

(b) At the time, the Parties either agree to terminate discussions of or negotiate an Acquisition Agr, Receiving Party shall use its best efforts to:

1 destroy and evidence its destruction of the Confidential Info by means of a written affidavit (if so, requested by Disclosing Party).

2 not make or retain a copy, written summary or other reproduction of any Confidential Info or other material received from Disclosing Party; and/or

3 return ALL documents and papers received from Disclosing Party including email correspondence or any other medium for electronic storage of information relating to Disclosing Party, the Business, and/or Confidential Info.

(c) Receiving Party shall not use (directly or indirectly) any Confidential Info it receives from Disclosing Party to take any action that could cause the termination of an existing or prospective business or contractual relationship between Disclosing Party and any Business Person or 3rd Party.

(d) Receiving Party shall not solicit for employment any individual currently employed by Disclosing Party if a Transaction does not close.

(e) If Receiving Party and Disclosing Party execute an Acquisition Agr, Receiving Party may retain the Confidential Info, subject to the terms and conditions of that document.

(f) The survival term of the restrictions imposed upon each Party to protect Confidential Info of the Disclosing Party by means of the NDA shall continue as long as permitted by applicable governing law [see paragraph 10(a)].

5. Exempt Information. Disclosing Party agrees that the following shall not be considered Confidential Info and, thus, not subject to any provision of this NDA (although Receiving Party shall possess the burden of establishing its exemption):

(a) information that at the time of Disclosure by Disclosing Party to Receiving Party is available to the public;

(b) information that after Disclosure by Disclosing Party to Receiving Party becomes available to the public through no action or fault (directly or indirectly) of Receiving Party or its 3rd Parties;

(c) information that Receiving Party or its 3rd Parties can show by written document or other tangible evidence was known to it at the time of its Disclosure; or

(d) information that after Disclosure by Disclosing Party to Receiving Party is acquired from a third party who did not receive it directly or indirectly from Receiving Party and who did not require the person to maintain it in confidence.

6. Remedies and Cure Period.

1. Receiving Party acknowledges it shall obtain Confidential Info from Disclosing Party. The failure to perform, default, breach and/or violate (referred to collectively as “Breaches”) any Duty imposed upon Receiving Party by this NDA would cause damage to Disclosing Party - irreparable or impossible to ascertain because of the unique nature of the Confidential Info. Disclosing Party would be entitled to seek a temporary restraining order and subsequent preliminary injunction issued by a court of competent jurisdiction restraining any current or future Breach of this NDA by the Receiving Party and/or its 3rd Parties.
2. Disclosing Party’s right to seek the preceding equitable remedies would be cumulative and in addition to any other legal or equitable remedy it may be granted by this NDA or applicable governing law (referred to collectively as “Remedies”).

(c) Receiving Party agrees that Disclosing Party would be entitled to pursue each Remedy granted a Disclosing Party by the NDA if a Breach of this NDA is not cured timely [see paragraph 6(d)].

(d) Prior to the commencement of any legal or equitable Remedial action, Disclosing Party shall notify Receiving Party (with facts and details) of any alleged Breach of this NDA. Receiving Party shall be given a five (5) day period to cure the alleged Breach. Disclosing Party may proceed to exercise the Remedies of its choice without further notice if Receiving Party fails to cure the Breach timely.

7. Entire Understanding, Amendment, No Assignment and Governing Document.

1. This NDA sets forth the entire understanding between Potential Purchaser and Seller as it relates to the receipt, evaluation and/or Disclosure of the:

1 NDA;

2 Confidential Info;

3 possible Transaction;

4 Due Diligence Study; and/or

5 Acquisition Agr.

1. This NDA shall supersede all earlier agreements or understandings (whether formal, informal, written or verbal) between the Parties as it relates to all subject matter of this NDA.

(c) No amendment of this NDA shall be binding unless it is written and executed by both Parties.

(d) No Remedy granted, and no Duty imposed by this NDA shall be assigned by a Party.

(e) If any ambiguity or contradiction exists between this document and any other document with similar subject matter (referred to as the “Other Doc”), the provisions of this NDA shall govern unless a provision of the Other Doc expressly supersedes the same provision in the NDA.

8. Scope of NDA.

(a) The term “Potential Purchaser” and each Remedy granted, and each Duty imposed upon it by this NDA shall apply, jointly and severally, to Potential Purchaser and each one of its 3rd Parties.

(b) The term “Seller ” and each Remedy granted, and each Duty imposed upon it by this NDA shall apply, jointly and severally, to Seller and each one of its 3rd Parties.

(c) This NDA shall be applicable to, binding upon and inure to the benefit/detriment of each Party and to each one of its 3rd Parties to whom Receiving Party Disclosed Confidential Info to assist with the Due Diligence Study. Receiving Party shall be liable for the actions or omissions of each one of its 3rd Parties.

9. Notice. Each request, notice, demand, consent, or other communication shall be written and sent/delivered by:

(a) certified mail, return receipt requested;

(b) third party courier service; or

(c) personal service.

if to Potential Purchaser: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Attention: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_, Michigan \_\_\_\_\_\_

if to Seller: Equity, Ltd.

Attention: Rob Anderson

260 Kingswood Drive, S.E.

Grand Rapids, Michigan 49506

10. Governing Law, Venue and Jurisdiction.

(a) The laws of the State of Michigan shall govern this NDA.

(b) Seller and Potential Purchaser:

1 irrevocably submit to the venue and jurisdiction of any Michigan or federal court serving Kent County, Michigan in any action arising out of this NDA;

2 agree that each claim and any action may be decided in those courts; and

3 waive to the fullest extent that each may effectively do so, the defense of an inconvenient forum.

(c) The Parties also agree that a final judgment in any such action shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

11. Severability. Any provision of this NDA found to be contrary to Michigan law or otherwise excessive, unreasonable, or unenforceable (referred to collectively as “Unenforceable”) shall not affect its remaining provisions. In such a case, the NDA shall be interpreted as if the Unenforceable provision was modified (if possible) or, otherwise, deleted from the NDA. It is not the intent of either Party to have the NDA invalidated and without legal effect due to the presence of an Unenforceable provision in the document.

12. Waiver. The waiver by any Party of a Breach of any provision of this NDA shall not operate as or be construed to be a waiver of any subsequent Breach of any provision of this NDA.

13. Survival Term. Each Remedy granted to and each Duty imposed upon a Party by this NDA shall survive the termination date of this document for a period of two (2) years unless extended further by another provision of this NDA. The preceding sentence shall not apply to the survival term of the restrictions imposed upon each Receiving Party by paragraph 4(f). In that matter, paragraph 4(f) shall govern.

14. Paragraph Titles. The paragraph titles are for convenience and reference only.

15. Number and Gender. Whenever used in this NDA, the singular shall include the plural and the plural shall include the singular. The use of any gender shall be applicable to all genders unless the context clearly indicates to the contrary.

16. Effective Date. The effective date of this NDA is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_, 2020 (referred to as the “Date”).

## 17. Construction. Each Party to the NDA and its respective legal counsel have participated in the negotiation and drafting of the NDA. If an ambiguity or question of intent or interpretation arises, the NDA shall be interpreted as if drafted jointly by the Parties. No presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of the NDA. The words “including” and “include” shall mean “without limitation” or “but not limited to”.

## 18. In the event a transaction is consummated between the undersigned Buyer herein, and the Seller, EQUITY. will receive the normal fee of 8% of the total transaction purchase price, or the fee structure that is agreed upon in the Equity agreement to represent.

## 19. Certification. POTIENTIAL BUYER. CERTIFIES THAT IT IS NOT A BROKER, EMPLOYED BY A BROKER, MERGER AND ACQUISITION FIRM, AND AND/OR REPRESENTING A 3RD PARTY. IF REPRESENTING A 3RD PARTY, EQUITY GROUP OF MICHIGAN, LLC.REQUIRES FULL DISCLOSURE AND 3RD PARTY EXECUTION OF THIS NDA.

Authorized representatives of Seller and Potential Purchaser, respectively, execute this Trade Secret / Non-Disclosure Agreement (comprised of 5 pages).

Name-Printed: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Company Represented: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

City/State/Zip: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Phone Number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

E-mail address \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The Undersigned Equity Group of Michigan, LLC

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(a Michigan for profit corporation) or

(a Michigan limited liability company)

By \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ By \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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# Its \_\_\_\_\_\_\_\_\_\_\_\_­­­­­\_\_\_\_\_\_\_\_\_\_\_ Its \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_