BUYER’S ACKNOWLEDGEMENT OF INTRODUCTION AND CONFIDENTIALITY AGREEMENT:

The undersigned, individually and on behalf of any partnership, corporation, company, individual, group of individuals, or other entity of any nature, type, or form for which the undersigned acknowledges that the Confidential Information, as defined herein, is valuable and proprietary to the Business, and that the Business and its owners (hereinafter, collectively, “Seller”) therefore desire to maintain complete confidentiality of all information disclosed to Buyer. Buyer further expressly acknowledges that such Confidential Information shall be provided to Buyer for the sole purpose of evaluating the possible purchase by Buyer of all or part of the stock or assets of the Business. In consideration of the acknowledgements and covenants of Buyer contained herein, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Buyer, Buyer agrees as follows:

1. DEFINITION OF “CONFIDENTIAL INFORMATION”:

The term “Confidential Information” shall mean any and all information communicated, furnished, or disclosed, in whatever form, fashion, or medium, to Buyer regarding or related in any way or fashion to the Seller or to the Business which is proprietary and confidential to Seller, including without limitation the fact that the Business is for sale; all financial, database, production, marketing, scientific, statistical, research, operational, technical, and pricing information; business knowledge and know-how; business methods; business procedures, processes, and techniques; business manuals; manufacturing processes, procedures, and techniques; ideas; discoveries; inventions; developments; correspondence; records; data; databases; contracts; contract terms; vendor information; contractor information; customer lists; employee lists; and any other information made known to Buyer:

(a) from any inspection, examination, or other review of the books, records, assets, liabilities, processes, or production methods of Seller;

(b) from any communication with Seller or Seller’s broker, directors, officers, employees, contractors, agents, suppliers, vendors, customers or representatives;

(c) during any and all visits to Seller’s premises; or

(d) through disclosure or discovery in any other manner.

Confidential Information shall also mean and include any information, data, or documents prepared by Buyer that incorporate, are based upon or arise from or as a result of any Confidential Information. Confidential Information shall not include information that,

(a) is or becomes generally available to the public,

(b) was known to Buyer on a nonconfidential basis prior to its disclosure to Buyer by the Seller or Seller’s Representatives, or

(c) is independently developed by Buyer or its Representatives without the use of or reference to any Confidential Information.

Definition of “Confidential Information” Initials \*


2. NON-DISCLOSURE OF INFORMATION:

Buyer shall use the Confidential Information only for the sole purpose of evaluating the possible purchase by Buyer of all or part of the stock or assets of Seller, and shall not make use of the Confidential Information, in whole or in part, for any other purpose whatsoever. Buyer further agrees to keep confidential all of the Confidential Information and to take all reasonable steps to preserve the confidential and proprietary nature of such Confidential Information. Buyer acknowledges and agrees that all Confidential Information furnished hereunder shall be and remain the property of Seller. Buyer further agrees not to disclose or permit access to any Confidential Information, without Seller’s prior written consent, to anyone other than Buyer’s legal counsel, accountants, lenders, or other agents or advisors (“Buyer Consultants”) to whom disclosure or access is necessary for Buyer to evaluate the Business. Disclosure of the Confidential Information shall be made to such Buyer Consultants only for the sole purpose of evaluating the possible purchase by Buyer of all or part of the stock or assets of Seller, and Buyer represents and warrants that each such Buyer Consultant has agreed, prior to its receipt of Confidential Information, to abide and be bound fully by all terms and conditions of this Agreement to the same extent as Buyer so agrees and is bound. Neither Buyer nor Buyer Consultants shall use or permit the use of Confidential Information in any manner whatsoever, except as may be required for Buyer to evaluate its potential acquisition of the Business or as may be required by legal process. Buyer expressly agrees Buyer shall be responsible for any breach of this Agreement by Buyer Consultants, or by any of its or Buyer Consultants’ officers, directors, employees, advisors, agents, and representatives, and any of the above. If the Buyer does not purchase the Business, Buyer shall, at Seller’s sole direction, either destroy or return to Broker all information provided to Buyer, including without limitation Confidential Information, and Buyer shall not retain any copy, reproduction, or record thereof.

Non-Disclosure Initials \*


3. BUYER’S RESPONSIBILITY AND DISCLAIMER OF SELLER’S LIABILITY (HOLD HARMLESS):

Buyer has received information about the Business from the Seller, which information may include, but is not limited to, tax returns, financial statements, equipment lists, and facility leases. Based on information provided by Seller, the Buyer is solely responsible to examine and investigate the Business, its assets, liabilities, financial statements, tax returns, and any other information and facts which might influence Buyer’s purchase decision or the price Buyer is willing to pay. Any decision by Buyer to purchase the Business shall be based solely on Buyer’s own investigation and that of Buyer’s Buyer Consultants. Any costs, fees, and expenses incurred from consultations with advisors including but not limited to Buyer Consultants shall be at the sole expense of Buyer and Buyer’s exclusive responsibility to pay. Seller shall not have any liability or responsibility to Buyer and its officers, directors, employees, advisors, agents, and representatives, or to Buyer Consultants and their officers, directors, employees, advisors, agents, and representatives, or any of them, arising from, regarding, or related in any fashion to the use of any Confidential Information furnished to Buyer hereunder. The Buyer, on behalf of itself and its officers, directors, employees, advisors, agents, and representatives, as well as on behalf of Buyer Consultants and their officers, directors, employees, advisors, agents, and representatives, or any of them, expressly disclaims, releases, and holds Seller harmless from and against any and all liability that does or may arise from or relate to (a) the use of the Confidential Information, (b) any errors therein or omissions therefrom.

Buyer’s Responsibility Initials \*


4. DISCLOSURE REQUIRED BY LAW:

If Buyer or any of its agents or representatives is required by subpoena or other court order to disclose any Confidential Information, Buyer shall provide notice of such subpoena or order to Seller within seven (7) business days of Buyer’s receipt of same, and Buyer shall use reasonable best efforts to resist disclosure of any Confidential Information until an appropriate protective order may be sought, or a waiver of compliance with the provisions of this Agreement is granted in writing by Buyer. If, in the absence of a protective order or Buyer’s receipt of a written waiver of compliance, Buyer or any of its representatives is nonetheless in the written opinion of Buyer’s legal counsel legally required to disclose Confidential Information, then in such event Buyer may disclose such information, provided that (a) Seller is given a reasonable opportunity in advance of such disclosure to review the text and substance of such disclosure before it is made, and (b) said disclosure is limited solely to the Confidential Information specifically required to be disclosed.

Disclosure Required by Law Initials \*


5. REMEDIES AND INDEMNIFICATION:

Buyer expressly acknowledges that monetary damages would not be a sufficient remedy upon Buyer’s breach of the provisions of this Agreement, and Buyer further acknowledges that Seller shall be entitled to equitable relief, including without limitation injunctive relief and specific performance, in addition to all other remedies available at law or in equity. Buyer agrees to indemnify, defend, and hold harmless Seller from and against any and all losses, damages, liability, costs, fees, and expenses, including without limitation attorney’s fees, that Seller may sustain or incur as a result of Buyer’s breach of this Agreement.

Remedies and Indemnification Initials \*


6. FURTHER TERMS:

This Agreement is not, and will not be construed as, any form of a letter of intent or agreement between Buyer and Seller, or between Buyer and the Business, to enter into any type of transaction. This Agreement reflects solely Buyer’s agreement to maintain the confidentiality of the Confidential Information Buyer receives hereunder. This Agreement does not and shall not constitute any commitment or obligation on the part of Buyer, on the one hand, and Seller or Business, on the other hand, to enter into any transaction or contractual arrangement of any form, type, or nature whatsoever. Neither Buyer nor its agents or representatives will contact Seller’s employees, customers, landlords, or suppliers, nor linger or otherwise observe the Business, without Seller’s written consent. Throughout the term of this Agreement and for three (3) years thereafter, Buyer shall not directly solicit for employment any employees of Seller. However, Buyer shall not be prohibited from making general solicitations for employment not directed at the Business, nor from hiring any employee that responds to such general solicitations. Seller and Seller’s successors are specifically intended to be third-party beneficiaries of the duties and obligations of this Agreement and may prosecute any action at law or in equity necessary to enforce this Agreement’s terms and conditions as though Seller were a party hereto. This Agreement can only be modified, amended, or supplemented in writing, signed by both Seller and Buyer and stating that it is a modification, amendment, or supplement to this Agreement. Waiver of any breach of this Agreement shall not be a waiver of any subsequent breach. This Agreement supersedes all prior and contemporaneous agreements and understandings between the Buyer and Seller with respect to the subject matter herein. If any term or provision of this Agreement shall be deemed by any court decision to be invalid or unenforceable, the remaining terms and provisions of this Agreement shall remain and continue in full force and effect. This Agreement shall be construed under and governed by the laws of the State of California, without regard to conflict of law principles. Buyer and Seller hereby irrevocably consent and voluntarily submit to jurisdiction and venue in the state and federal courts located in Orange County, California as related to any action instituted to enforce any terms of this Agreement. This Agreement may be signed in counterparts; faxed and electronic form signatures may be considered as originals. If Buyer is a corporation, partnership, company, or other such entity, the undersigned executes this Agreement on behalf of Buyer and warrants that he/she is duly authorized to do so and has the actual authority and power to bind the corporation, partnership, company or other such entity to this Agreement. Buyer acknowledges receipt of a fully completed copy of this Agreement.

Further Terms Initials \*


Digital/Physical Signature Required ~ By typing my FULL NAME below I agree to be bound by all terms of paragraphs 1 through 6, and this entire Buyer’s Acknowledgment of Introduction and Confidentiality Agreement

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date\_\_\_\_\_\_\_\_\_\_\_\_\_

Individual on behalf of company, Buyer

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Position with your company

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Company Name, Buyer

And

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Tim Shorr, President, Seller on behalf of Shorr Agency, Inc.