

PROPRIETARY INFORMATION AGREEMENT

This Agreement is effective August 22, 2019 ("Effective Date") by and between Avtec – Systems Integrator located at 875 North 1000 West, Logan, Utah 84321; Observation Without Limits, LLC ("OWL") located at 1002 Explorer Boulevard, Huntsville, Alabama 35806; and Dynerics, Inc. ("Dynerics") located at 1002 Explorer Boulevard, Huntsville, Alabama 35806 (hereinafter collectively the "Parties" and individually as a "Party").

BACKGROUND

This Agreement sets forth the rights and obligations of the parties with respect to the use, handling, protection, and safeguarding of Proprietary Information which is disclosed by and between the parties to enable discussions and information exchange regarding GroundAware and integrator relationship opportunities. The Parties agree that Proprietary Information disclosed or received pursuant to this agreement shall only be used for this purpose and shall not be used to compete with the originating party.

TERMS AND CONDITIONS

1. **Definition of Proprietary Information:** Proprietary Information means all information related to the purposes that are identified as Proprietary Information, including, but not limited to, source code, technical information in the form of designs, concepts, requirements, specifications, software, interfaces, components, processes, financial and business information or data, marketing information, organization information, and sales information or the like.

Proprietary Information of a third party in the possession of an originating Party and disclosed pursuant to the Agreement is protected as Proprietary Information to the same extent as if it were Proprietary Information of the originating Party.

2. **Procedure to Protect:** To gain protection under this Agreement as Proprietary Information, an originating party will disclose information in written or other permanent form and will clearly and conspicuously mark such information as being proprietary using an appropriate legend. Information stored in electronic form on disk, tape, or other storage media constitutes information in permanent form. Such electronic information will be adequately marked if a proprietary legend displays when the information originally runs on a computer system and when the information is printed from its data file. If an originating party originally discloses information in some other form (e.g., orally or visually), a receiving party will protect such information as Proprietary Information to the extent that the originating party: (a) identifies the information as proprietary at the time of original disclosure; (b) summarizes the Proprietary Information in writing; (c) marks the writing clearly and conspicuously with an appropriate proprietary legend; and (d) delivers the writing to the receiving party within thirty (30) days following the original disclosure.

An originating party will not identify information as proprietary unless the originating party believes that such information is proprietary or constitutes a trade secret. The parties will attempt to limit the exchange of Proprietary Information, disclosing only that Proprietary Information necessary for the purposes of this Agreement.

3. **Limited Distribution:** A receiving party will limit access to Proprietary Information it receives to its employees who have a “need-to-know” the Proprietary Information for the purposes expressed above. A receiving party will copy Proprietary Information only as reasonably necessary for it to complete the purposes of this Agreement. In the event that a receiving party uses contract labor in the operation of its business and the receiving party needs to disclose the Proprietary Information to such contract labor personnel to accomplish the purposes of this Agreement, release and disclosure are permitted provided that the contract labor personnel are under obligations to hold such information in confidence under terms and conditions at least as restrictive as the terms and conditions of this Agreement. A receiving Party may make disclosure to the United States Government to the extent required by the authorized purposes provided that any such disclosure bears the appropriate restrictive legend and proprietary information notice permitted by the applicable government regulations related to the protection of proprietary information.
4. **Limitations on Use or Disclosure:** For a period of five (5) years after termination of this Agreement, a receiving party will hold Proprietary Information in confidence. Upon expiration of this protection period, all limitations this Agreement imposes on use or disclosure of Proprietary Information will cease. A receiving party may use Proprietary Information only for the purposes set forth above during the term of this Agreement. Except as set forth in paragraph 3 above, a receiving party will not disclose Proprietary Information to any nonparty during the protection period, despite any earlier termination of this Agreement. A receiving party will not use Proprietary Information that it receives under this Agreement for design, manufacture, or reverse engineering without first obtaining the written permission of the originating party.
5. **Duty of Care:** A receiving party will satisfy its obligations to protect Proprietary Information from misuse or unauthorized disclosure by exercising reasonable care. Such care will include protecting Proprietary Information using those practices the receiving party normally uses to restrict disclosure and use of its own information of like importance.

In the event Proprietary Information of an originating Party is disclosed inadvertently to a third party by the receiving Party, the receiving Party shall take all reasonable and appropriate steps to investigate, control and retrieve or destroy the inadvertently transmitted data and the Parties will work cooperatively to mitigate any potential harm caused by such release. The receiving Party will not be liable if it accidentally discloses or misuses the Proprietary Information of the originating Party while exercising commercially reasonable care, provided that, upon discovery of such disclosure the receiving Party: (a) notifies the originating Party in writing of the accidental disclosure or misuse within five (5) business days of discovery and keeps the originating Party informed of its actions to address the situation; (b) uses commercially reasonable efforts to retrieve and protect the Proprietary Information against misuse and further disclosure, (c) reviews its practices to attempt to prevent any further accidental misuse or disclosure, and (d) continues to be bound by the terms and conditions of this Agreement.

6. **Exceptions to Duty:** This Agreement does not restrict disclosure or use of information otherwise qualifying as Proprietary Information if the receiving party can show that any one of the following conditions exists: