

## CONFIDENTIAL DISCLOSURE AGREEMENT

This Confidential Disclosure Agreement (the "Agreement") is made between:

Recipient: Spongex, LLC. ("Spongex")  
3002 Anaconda Road  
Tarboro, North Carolina 27886

and

Discloser: Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

It is understood and agreed that Discloser and Spongex wish to explore a business opportunity of mutual interest and in connection with this opportunity, would like to exchange certain information that may be considered confidential. To ensure the protection of such information and in consideration of the agreement to exchange said information, the parties agree as follows:

1. Confidential Information. The confidential information to be disclosed by Discloser under this Agreement (the "Confidential Information") can be described as and includes:

Description of invention(s), technical and business information relating to Discloser's proprietary ideas and inventions, patentable ideas, copyrights and/or trade secrets, drawings and/or illustrations, existing and/or contemplated products and services, software, schematics, research and development, production, costs, profit and margin information, finances and financial projections, customers, clients, marketing, and current or future business plans and models, regardless of whether such information is designated as "Confidential Information" at the time of its disclosure.

In addition to the above, Confidential Information shall also include, and Spongex shall have a duty to protect, other confidential and/or sensitive information which is (a) disclosed by Discloser in writing and marked as confidential (or with other similar designation) at the time of disclosure; and/or (b) disclosed by Discloser in any other manner and identified as confidential at the time of disclosure and is also summarized and designated as confidential in a written memorandum delivered to Spongex within thirty (30) days of the disclosure.

2. Non-Use and Non-Disclosure. Spongex shall use the Confidential Information only for the purpose of evaluating and discussing potential business and investment relationships with Discloser.
3. Maintenance of Confidentiality. Spongex shall limit disclosure of Confidential Information within its own organization to its directors, officers, partners, members and/or employees who are required to have the information in order to evaluate or engage in discussions concerning the contemplated business relationship and shall not disclose Confidential

Information to any third party (whether an individual, corporation, or other entity) without the prior written consent of Discloser or unless required to do so by law. Spongex shall have satisfied its obligations under this paragraph if it takes reasonable affirmative measures to ensure compliance with these confidentiality obligations by its employees, agents, consultants and others who are permitted access to or use of the Confidential Information.

4. Limitation of Obligation. This Agreement imposes no obligation upon Spongex with respect to any Confidential Information (a) that was publicly known and made generally available in the public domain prior to the time of disclosure; (b) that was in Spongex's possession before receipt from Discloser; (c) is or becomes a matter of public knowledge through no action or inaction on the part of Spongex; (d) is rightfully received by Spongex from a third party not owing a duty of confidentiality to the Discloser; (e) is disclosed without a duty of confidentiality to a third party by, or with the authorization of, Discloser; or (f) is independently developed or derived by Spongex.
5. Warranty. Discloser warrants that he/she has the right to make the disclosures under this Agreement.
6. No License. This Agreement shall not be construed as creating, conveying, transferring, granting or conferring upon Spongex any rights, license or authority in or to the information exchanged, except the limited right to use the Confidential Information specified in paragraph 1. Furthermore and specifically, no license or conveyance of any intellectual property rights is granted or implied by this Agreement.
7. No Additional Commitment. Neither party has an obligation under this Agreement to purchase any service, goods, or intangibles from the other party. Discloser may, at his/her sole discretion, using his/her own information, offer such products and/or services for sale and modify them or discontinue sale at any time. Furthermore, both parties acknowledge and agree that the exchange of information under this Agreement shall not commit or bind either party to proceed with any transaction between them or to any present or future contractual relationship (except as specifically stated herein), nor shall the exchange of information be construed as an inducement to act or not to act in any given manner. Each party reserves the right, in its sole discretion, to terminate the discussions contemplated by this Agreement concerning the business opportunity.
8. Limitation of Liability. Neither party shall be liable to the other in any manner whatsoever for any decisions, obligations, costs or expenses incurred, changes in business practices, plans, organization, products, services, or otherwise, based on either party's decision to use or rely on any information exchanged under this Agreement.
9. Remedies. If there is a breach or threatened breach of any provision of this Agreement, it is agreed and understood that Discloser shall be entitled to request injunctive relief in addition to all available legal remedies.
10. Miscellaneous. This Agreement (i) constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes any previous arrangements relating thereto, (ii) may be signed in counterparts, (iii) shall be governed by the laws of the State of North Carolina without reference to conflict of laws principles and (iv) may not be amended, terminated or waived orally. If any provision of this Agreement is determined to be

unenforceable, that determination shall not affect the validity of the remainder of the Agreement.

WHEREFORE, the parties acknowledge that they have read and understand this Agreement and voluntarily accept the duties and obligations set forth herein.

This the \_\_\_\_\_ day of \_\_\_\_\_, 2009.

Recipient: Spongex LLC.

By: \_\_\_\_\_  
Name:

Title:

Date:

Discloser:

By: \_\_\_\_\_  
Name:

Title:

Date: