

CONFIDENTIALITY AGREEMENT

Effective Date: 01/08/05 Review Date: 01/09/09

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This Confidentiality Agreemen	t ("Agreement") is made and effective the [Date] _	
by and between ("FRRS") and _	_	Recipient").

1. Confidential Information.

FRRS proposes to disclose certain of its confidential and proprietary information ("Confidential Information") to Recipient. Confidential Information shall include all data, materials, products, technology, computer programs, specifications, manuals, business plans, software, marketing plans, business plans, financial information, and other information disclosed or submitted, orally, in writing, or by any other media, to Recipient by FRRS. Confidential Information disclosed orally shall be identified as such within five (5) days of disclosure. Nothing herein shall require FRRS to disclose any of its information.

2. Recipient's Obligations.

A. Recipient agrees that the Confidential Information is to be considered confidential and proprietary to FRRS and Recipient shall hold the same in confidence, shall not use the Confidential Information other than for the purposes of its business with FRRS, and shall disclose it only to its officers, directors, or employees with a specific need to know. Recipient will not disclose, publish or otherwise reveal any of the Confidential Information received from FRRS to any other party whatsoever except with the specific prior written authorization of FRRS.

B. Confidential Information furnished in tangible form shall not be duplicated by Recipient except for purposes of this Agreement. Upon the request of FRRS, Recipient shall return all Confidential Information received in written or tangible form, including copies, or reproductions or other media containing such Confidential Information, within ten (10) days of such request. At Recipient's option, any documents or other media developed by the Recipient containing Confidential Information may be destroyed by Recipient. Recipient shall provide a written certificate to FRRS regarding destruction within ten (10) days thereafter.

3. <u>Term</u>.

The obligations of Recipient herein shall be effective for ten (10) years from the date FRRS last discloses any Confidential Information to Recipient OR until their membership is no longer valid pursuant to this Agreement. Further, the obligation not to disclose shall not be affected by bankruptcy, receivership, assignment, attachment or seizure procedures, whether initiated by or against Recipient, nor by the rejection of any agreement between FRRS and Recipient, by a trustee of Recipient in bankruptcy, or by the Recipient as a debtor-in-possession or the equivalent of any of the foregoing under local law.

4. Other Information.

Recipient shall have no obligation under this Agreement with respect to Confidential Information which is or becomes publicly available without breach of this Agreement by Recipient; is rightfully received by Recipient without obligations of confidentiality; or is developed by Recipient without breach of this Agreement; provided, however, such Confidential Information shall not be disclosed until thirty (30) days after written notice of intent to disclose is given to FRRS along with the asserted grounds for disclosure.

5. No License.

Nothing contained herein shall be construed as granting or conferring any rights by license or otherwise in any Confidential Information. It is understood and agreed that neither party solicits any change in the organization, business practice, service or products of the other party, and that the disclosure of Confidential Information shall not be construed as evidencing any intent by a party to purchase any products or services of the other party nor as an encouragement to expend funds in development or research efforts. Confidential Information may pertain to prospective or unannounced products. Recipient agrees not to use any Confidential Information as a basis upon which to develop or have a third party develop a competing or similar product.

6. No Publicity.

Recipient agrees not to disclose its participation in this undertaking, the existence or terms and conditions of the Agreement, or the fact that discussions are being held with FRRS.

7. Governing Law and Equitable Relief.

This Agreement shall be governed and construed in accordance with the laws of the United States and the State of **California** and Recipient consents to the exclusive jurisdiction of the state courts and U.S. federal courts located there for any dispute arising out of this Agreement. Recipient agrees that in the event of any breach or threatened breach by Recipient, FRRS may obtain, in addition to any other legal remedies which may be available, such equitable relief as may be necessary to protect FRRS against any such breach or threatened breach.

8. Final Agreement.

This Agreement terminates and supersedes all prior understandings or agreements on the subject matter hereof. This Agreement may be modified only by a further writing that is duly executed by both parties.

9. No Assignment.

Recipient may not assign this Agreement or any interest herein without FRRS's express prior written consent.

10. Severability.

If any term of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, then this Agreement, including all of the remaining terms, will remain in full force and effect as if such invalid or unenforceable term had never been included.

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11. Notices.

Any notice required by this Agreement or given in connection with it, shall be in writing and shall be given to the appropriate party by personal delivery or by certified mail, postage prepaid, or recognized overnight delivery services.

If to FRRS:

Feather River Rail Society P.O Box 608, Portola, Ca. 96122-0608

If to Recipient:

[Recipient Name] _____

[Recipient's Address]

12. No Implied Waiver.

Either party's failure to insist in any one or more instances upon strict performance by the other party of any of the terms of this Agreement shall not be construed as a waiver of any continuing or subsequent failure to perform or delay in performance of any term hereof.

13. Headings.

Headings used in this Agreement are provided for convenience only and shall not be used to construe meaning or intent.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

FRKS Representative Signature:	Recipient Signature:
Date:	Date: