

Confidentiality Agreement

This Confidentiality Agreement (the “**Agreement**”) is made and entered into on _____ between Hanover Development Inc. (together with its affiliates, “**HD**”) and _____ or any of their / its partners and/or affiliated entities (“**Recipient**”).

HD possesses certain proprietary and confidential information, together called and further defined below as the “**Confidential Information**”, pertaining and relating to its actual, proposed or potential business concepts, plans, strategies and opportunities. The parties are evaluating a potential business relationship, (the “**Contemplated Relationship**”) and, in connection therewith, HD desires to share in confidence some of such Confidential Information in its possession with Recipient on the condition that there exist proper safeguards to protect HD’s Confidential Information.

In consideration of the foregoing and of the mutual covenants and agreements hereinafter set forth and intending to be legally bound, the parties hereby agree as follows:

1. **Definition of Confidential Information.** Confidential Information is being furnished solely in connection with Recipient’s consideration of a principal investment in the property described as:

_____ (the “**Property**”) and shall be treated as “secret” and “confidential” and no portion of it shall be disclosed to others, except to those of Recipient’s employees and agents whose knowledge of the Confidential Information is required for Recipient to evaluate the Property as a potential investment opportunity and who shall assume the same obligations as Recipient under this Agreement. Recipient hereby assumes full responsibility for the compliance of such employees or agents to the terms of this Agreement.

Recipient agrees that it will not interfere with any business of the Property through the use of any Confidential Information or knowledge acquired under this Agreement nor use any such Confidential Information for its own accounts. In addition, Recipient agrees that it will not acquire or attempt to acquire the property except through HD.

Confidential Information shall include all oral or written data, reports, records or materials relating to the Property including, without limitation, financial information, owners, investors, employees, business and contractual relationships, forecasts, sales and marketing plans, appraisals or the knowledge that the particular real estate may be for sale or otherwise attainable (“**Confidential Information**”).

Confidential Information shall not include, and all obligations as to non-disclosure by Recipient shall cease with respect to such Confidential Information, to the extent that such Confidential Information: (i) is or becomes public other than as a result of acts by Recipient; (ii) can be shown was already known to Recipient at the time of the disclosure hereunder; (iii) is independently obtained by Recipient from a third party having no duty of confidentiality to HD, of which Recipient was aware; (iv) is independently developed by Recipient without the use of any Confidential Information supplied here under; or (v) is obligated to be disclosed pursuant to applicable law, regulation or legal process.

2. **Non-Disclosure.** Recipient agrees to: (i) use the same degree of care, and in no event less than reasonable care, in protecting the Confidential Information that the Recipient would use to protect its own Confidential Information of similar nature; (ii) not to copy, publish, show or disclose the Confidential Information to any third parties; and (iii) to return the Confidential Information to HD in accordance with Section 5. Recipient will not show or otherwise disclose the contents of the Confidential Information to third parties without HD’s written consent.
3. **Removal of Notices.** Recipient shall not remove any copyright, trademark, service marks or other proprietary rights notice attached to or included in any Confidential Information furnished by HD.

Recipient Initial _____

4. **Use of Confidential Information.** Confidential Information shall be used by Recipient solely to evaluate the Contemplated Relationship. Each party agrees not to use the Confidential Information of the other party for its own or any third party's benefit. RECIPIENT ACKNOWLEDGES THAT THE CONFIDENTIAL INFORMATION IS RECEIVED "AS IS" FOR EVALUATION PURPOSES ONLY AND IS NOT TO BE RELIED UPON BY RECIPIENT FOR ANY PURPOSE EXCEPT AS SET FOR IN WRITING BY HD. HD makes no representations or warranties as to the accuracy, completeness, condition, suitability or performance of the Confidential Information and HD shall have no liability whatsoever to Recipient resulting from its use of the Confidential Information.
5. **Return of Confidential Information.** Recipient shall destroy or return to HD, at HD's sole option, all Confidential Information that Recipient possesses, regardless of whether the Confidential Information is in written, graphic or machine-readable form within five (5) business days of the written request of HD to do so.
6. **Term.** Except as provided herein, this Agreement, and all rights and obligations contained herein, shall terminate the later of one (1) year from the Effective Date of this Agreement or the date negotiations between Recipient and Owner formally terminate or a resulting Escrow is cancelled.
7. **Non-circumvent and Non-solicitation.** Recipient hereby acknowledges that HD will identify the Property including its actual, proposed or potential business plans and opportunities and third parties that may give rise to, or be involved in, the business plans and/or opportunities of HD and its affiliated companies all related to the Properties (collectively the "**HD Business**"). In consideration, therefor, Recipient agrees that it shall not, directly or indirectly, on its own behalf or on behalf of any other third party, circumvent, frustrate or hinder any actual, proposed or potential HD Business in any manner whatsoever and shall exclusively work with and through HD with respect to any such identified business plan or opportunity to the Property.
8. **Broker Fee.** Recipient hereby acknowledges that HD's fee will be:

- paid by Seller
- 2% of Purchase Price to be paid by Buyer/Recipient
- a Fixed Amount of _____ paid by Buyer/Recipient
- the greater of _____ % of the Purchase Price or a Fixed Amount of _____ paid by Buyer/Recipient
(the "**Broker Fee**")

HD shall endeavor to have the Owner/Seller of the Property ("**Owner**") which is the subject of this transaction pay the Broker Fee by requesting the Broker Fee from the Owner ("**Owner Fee**") payable to HD for the Transaction. Recipient will assist in that effort by stating in any Letter of Intent or Offer to Purchase that Owner will be responsible for the Broker Fee.

A California Association of Realtors Commission Agreement or an AIR Exclusive Right to Represent Buyer for Sale of Real Property, or appropriate State approved commission agreement will be executed at the time of submitting an offer.

Recipient Initial _____

9. **Governing Law and Venue.** This agreement shall be governed by and construed in accordance with the laws of the State of California.

For: _____

For: Hanover Development Inc.

By: _____
Its: _____
Street: _____
City, _____
Phone: _____ (o) _____ (c)
Email: _____

By: Joseph Richter
Its: President / Broker
28232 Millwood Rd.
Trabuco Canyon, CA 92679
949 677-7722
Jrichter@HanoverDevelopment.com
CalBRE 01980301
CSLB 861134

Recipient Initial _____