

Non-Disclosure Non-Compete Agreement

This Agreement is between Bi-Fuel CNG, Inc. located at 869 East 725 South, Centerville, Utah 84014 (hereinafter referred to as "Bi-Fuel"); and

An (check one) individual, partnership, LLC, or corporation with its principal office located at:

(Hereinafter referred to as "Associate".)

WHEREAS:

- Bi-Fuel is in the business of importing, inventing, developing and marketing components, kits and support systems for conversion of gasoline or diesel engines to compressed natural gas (CNG), thereafter known as natural gas vehicles (NGVs), and
- Bi-Fuel has developed, and Associate desires to review, a business model, strategies, new product plans and ideas that are unique to the current alternate fuels marketplace, which Bi-Fuel is desirous of sharing with Associate to determine whether there is a basis for a mutually beneficial relationship, and
- Associate, and related parties, is either not in the NGV or CNG business, or, if so, has the following operational or planned business description and products:
_____, and
- Associate may disclose confidential information about its business to assist Bi-Fuel in evaluating the grounds for a business relationship, and

WITNESSETH THEREFORE, the Parties agree as follows:

1. **Purpose.** Each Party receiving Information from the other Party (hereinafter, a "Recipient" and each Party disclosing information to the other (hereinafter, a "Discloser") warrants that the Information disclosed by the Discloser to the Recipient shall only be used for the purpose of evaluating whether to pursue a mutually beneficial business relationship, or in furtherance of any such relationship hereafter agreed to.
2. **Definition of Information.** "Information" means any and all business ideas, data, technology, research, inventions, intellectual property, trade secrets, know-how, works of authorship, trademarks, processes, methods, customer names, plans, forecasts, prices, business information, financial information, forms, and the like relating to either Party's business, their clients or their suppliers. Discloser does not make any warranty as to the accuracy or completeness of any Information.
3. **Definition of Confidential Information.** "Confidential Information" means any and all Information disclosed by a Discloser to a Recipient, except (and Recipient shall have the burden of establishing by clear and convincing documentary evidence of the existence and applicability of any confidentiality exception) Information which:
 - a. is, or thereafter becomes, through no act of the Recipient, in the public domain, or
 - b. is legitimately in the possession of Recipient prior to disclosure by the disclosing Party, or
 - c. is from a source other than the Discloser, or
 - d. is independently developed by the Recipient, as shown by written records, or
 - e. is approved in writing by Discloser for release.

Recipient agrees to consult with and seek approval of Discloser if there is any uncertainty as to the confidentiality status of any Information and abide by Discloser's directions.

4. **Non-Disclosure and Return of Information.** Recipient shall only use the Confidential Information for the purpose described in #1 above. Recipient agrees to hold such information in trust and confidence for Discloser; not to disclose such information to any third party, except Recipients directors, employees or advisors who have a need to know and who have acknowledged receipt of a copy of this Agreement and agreed in writing to comply with its terms. Recipient shall not distribute Bi-Fuel information to any person not bound by this agreement and shall return all Information provided by Discloser, not retaining any copies or other facsimiles, upon request of the Discloser. Any unauthorized distribution or use of confidential information for its own benefit, or the benefit of any other party; by the Recipient shall constitute material breach of this Agreement. Recipient shall take all reasonable precautions to ensure against any disclosure, transfer or use of Confidential Information not specifically authorized in this agreement. All right, title and interest in any Bi-Fuel materials shall remain the exclusive property of Bi-Fuel and nothing contained herein shall grant Recipient any right or title to any information or materials. Neither Party has any obligation to disclose any Information which it elects to withhold.

5. **Non-Compete.** Associate shall not, directly or indirectly, compete with Bi-fuel in the NGV or CNG marketplace, except as identified in #3 above, which exclusion is hereby accepted by Bi-Fuel.
6. **Term.** This agreement shall remain effective for 3 years from the latest date written below, except non-disclosure of Confidential Information shall continue to be governed by these provisions after expiration.
7. **Consideration.** The value of information shared by each party with the other is hereby agreed to be reasonable and sufficient consideration for this agreement.
8. **Damages and Attorneys' Fees.** If either party breaches this Agreement, then the breaching party shall be entitled to collect from the other party any and all reasonable costs (including attorneys' fees) incurred by the damaged party in enforcing this Agreement. Such relief shall be in addition to any other relief to which the party is entitled. The greater of treble damages or \$250,000 penalty shall apply for material or intentional breach of this agreement by Associate or circumvention of Bi-Fuel's efforts to maximize its return on its business and proprietary interests.
9. **Injunctive Relief.** It is understood and agreed that damages alone are an inadequate remedy in the event of a breach or intended or threatened breach by Associate of this Agreement and that any such breach by Associate will cause Bi-Fuel irreparable injury and damage; accordingly, Associate agrees that Bi-Fuel shall be entitled, without waiving any additional rights or remedies (including monetary damages) otherwise available to Bi-Fuel at law, or in equity, or by statute, to preliminary and permanent injunctive relief in the event of a breach or intended or threatened breach by Associate.
10. **Severability.** If any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed and enforced as if such invalid, illegal or unenforceable provisions) had never been contained herein, provided that such invalid, illegal or unenforceable provisions) shall first be curtailed, limited or eliminated to the extent necessary to remove such invalidity, illegality or unenforceability with respect to the applicable law as it shall then be applied.
11. **Final Agreement.** This Agreement constitutes the final, complete and entire agreement between the Parties concerning the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, written or oral, between the Parties with respect thereto. Any modification, rescission or amendment of this Agreement shall not be effective unless made in a writing executed by the Parties.
12. **Waiver.** Any delay in exercising or promise not to enforce any right under this Agreement shall not constitute a waiver and is unenforceable unless evidenced in a writing signed by the Party making said waiver or promise.
13. **Headings.** The section and other headings in this Agreement are for the purpose of convenience only and shall not limit, enlarge, or affect any of the covenants, terms, conditions or provisions of this Agreement.
14. **Governing Law.** This Agreement is made in Utah and this Agreement shall be governed and enforced in accordance with the laws of the state of Utah.
15. **Authorization.** The individuals signing below represent that they are authorized to execute this Agreement for and on behalf of the Party for whom they are signing and commit themselves individually, as well as the Associate entity.

Signed at _____, _____, this ____ day of _____, 2008.

READ, UNDERSTOOD, FREELY ACCEPTED AND AGREED TO BY:

Name (print) _____ Title _____ Phone _____

Authorized Signature: _____ email _____

Bi-Fuel CNG, Inc. .

By: _____ Date Accepted _____

Bruce Collet, President