



Employee Confidentiality, Non-Competition, Non-Solicitation and Work Product Agreement

This Confidentiality, Non-Competition, Non-Solicitation and Work Product Agreement (this "Agreement") is made effective beginning on July 29th, 2005 and is between D. W. Tower, Inc, (herein called "Company") with a place of business at 217 Chesterfield Drive, Suite A, Cardiff, CA 92007, and the undersigned (herein called "Employee").

RECITALS

WHEREAS, during the course of the Employee's employment with Company, or otherwise, Employee will receive information that Company considers confidential, and that is of unique value to Company's business; and

WHEREAS, Company desires to confirm that Employee will hold all such information in confidence; and

WHEREAS, Employee agrees not to compete with Company's business and not to solicit Company's customers or other employees, during or after termination of Employee's employment with Company; and

WHEREAS, Employee agrees to assign to Company all rights in and to Employee's work product produced during the period that Employee renders services for Company.

TERMS AND CONDITIONS

NOW, THEREFORE, in consideration of the premises, the information disclosed by Company to Employee, the mutual promises herein contained, the employment, including compensation and benefits, extended by Company to Employee, and other good and valuable consideration, the parties agree as follows:

1. Confidentiality. Employee recognizes that all information Employee may receive during the course of Employee's employment with Company regarding Company's business, assets, technology, designs, plans, specifications, financial information, personnel information, customer information, investor information and other matters, whether in tangible or intangible form ("Information") constitute a valuable asset of Company's business, and that Company would be damaged in the event of improper dissemination of, or use of, such Information by Employee. Further, without limiting the generality of the foregoing, the particular items specified in Addendum A are considered confidential and included in the definition of Information. Company agrees to provide Employee with Information.

Employee therefore agrees to make no disclosure of the Information except as herein expressly permitted and to hold in confidence and not permit the dissemination of, all and/or any part of such Information Employee receives during the course of Employee's employment with Company, or otherwise. Employee further agrees to refrain from any use of such Information whatsoever, including, without limitation, in any manner that would injure Company, or Company's business, or Company's business relationships, or would benefit Company's competitors. In the event that Employee desires to disseminate or use any such Information that Employee believes is not confidential, Employee shall advise Company in writing thereof and shall permit Company to inspect such Information prior to dissemination or use.

In the event that Company determines such Information is confidential, it shall advise Employee and Employee shall not use or disseminate such Information until a final determination by a court of competent jurisdiction, binding on Company, has been made that such Information is not confidential. In the event that Employee is ordered or compelled to disclose any Information, Employee shall promptly provide Company written notice of such order or compulsion, and then Employee shall cooperate with Company to minimize such disclosure to the greatest extent possible. Employee shall not duplicate any of the Information that Employee reviews, obtains or receives, nor shall Employee remove any of same from Company's offices without prior written approval that Company, in its sole and absolute discretion, may withhold. Employee shall return to Company, upon demand or request, all tangible Information, and all copies thereof, that Employee receives or obtains from Company. Material identified as Information shall not lose, for any reason, its protected status hereunder, even if, for example, it (i) is or becomes generally available to the public, (ii) was known to Employee prior to disclosure by Company to Employee, or (iii) was properly received by Employee from a third party who is not under a restriction not to disclose. Employee shall bear any and all burden of proving any exceptions to the definition of Information (as described herein).

2. Information. As used herein, Information includes, but is not necessarily limited to, all processes, designs, plans, and software (including, source code and object code) developed by Company and all materials relating thereto, as well as, all research (specifically including, but not limited to, the field of security and security systems, video technology, and any evolving or new video or electronic products of D. W. Tower, Inc., its owner, subsidiaries and investors), drawings, data, concepts, inventions, technology, plans, studies, reports, blueprints, specifications, designs, parameters, and other technical knowledge, all sales leads and marketing plans and tactics, financial plans and information, investment plans and information (specifically including, but not limited to, all information regarding the past, present and potential future investors of Company, and all lists, contact information and identities) and other business information disclosed by Company to Employee. The term "Information" also includes such information and/or software in the public domain that has been selected and incorporated by Company for use in its study and designs or research products, inventions, technology, and/or knowledge.

3. Non-Competition Agreement.

(a) Employee agrees not to engage, directly or indirectly, in any Competitive Business, during his/her employment with Company and/or during the Restricted Period, in the Restrictive Territory, alone or as a partner, owner, investor, officer, director, or as a consultant, advisor, or employee of any other entity or with any other individual. As used herein, "Competitive Business" shall mean any business or endeavor competitive with any business or endeavor of Company currently, or any business or endeavor that Company may enter during Employee's employment. As used herein, the "Restricted Period" shall mean the period of time beginning upon termination of Employee's employment with Company, for any reason, and extending for one (1) year after such termination of employment. As used herein, the "Restricted Territory" shall mean any geographic area or market where Company is conducting business as of the date of termination of the employment relationship, or where Company may have during the twelve (12) months prior to such termination, conducted any business.

(b) If, during the Restricted Period, Employee desires to engage in any business or endeavor in any manner related to or similar to any aspect of Company's business (including prior business activity, current business activity and planned or potential business activity)(the "Proposed Activity"), Employee agrees, in all instances, to give written notice to Company of the Proposed Activity. Company will review the Proposed Activity to determine, in Company's sole discretion, if it is a Competitive Business activity (a "Competitive Activity"). Company will deliver written notice to Employee as to Company's determination of whether or not the Proposed Activity is a Competitive Activity. If the Proposed Activity is determined by Company to be a Competitive Activity, Employee agrees that he/she shall be prohibited from engaging in the Proposed Activity during the Restricted Period. If the Proposed Activity is determined by Company not to be a Competitive Activity, Employee may engage in the Proposed Activity, but subject to the other terms and conditions of this Agreement, including, without limitation, sections 1 and 4 hereof. Until Company delivers written notice to Employee with the determination that the Proposed Activity is not a Competitive Activity, Employee acknowledges and agrees that he/she shall be prohibited from engaging in such Proposed Activity. Further, Employee acknowledges and agrees that during Employee's employment with Company, Employee shall be prohibited from engaging in any Competitive Activity.

(c) In addition to the foregoing, Employee also agrees to advise Company if any of Employee's immediate family has any business relationship with or is employed by a company, entity or individual involved in the Competitive Business and to provide such information to Company so that Company might determine whether such relationship poses an actual or potential conflict of interest.

4. Non-Solicitation. During Employee's employment with Company, and during the Restricted Period, Employee agrees that he or she will not, directly or indirectly, in the Restrictive Territory:

(a) solicit any customer of Company with regard to goods or services in, or substantially related to, the Competitive Business, or otherwise attempt to induce any such customer to discontinue its relationship with Company;

(b) render advice or services to, or otherwise assist, any other person, associate or entity who is engaged, directly or indirectly, with the solicitation of any customers of Company with regard to goods or services in, or substantially related to, the Competitive Business;

(c) induce any employee of Company to terminate his or her employment with Company, or hire or assist in the hiring of any such employee by any person, association or entity not affiliated with Company; and/or

(d) contact and/or solicit any investors of Company with respect to investment in any other venture, whether or not competitive with Company, and whether or not Employee controls or has other involvement in such investment.

5. Work Product. "Work Product" means any and all intellectual property, including technological innovations, discoveries, inventions, drawings, writings, computer programs, designs, formulae, knowledge, tests, performance data, processes, production methods, improvements to all such property, and all recorded material defining, describing, or illustrating all such property, whether written or not, and whether stored in plain or code form, whether or not patentable, copyrightable, or subject to trademark, that Employee has made, conceived, originated, devised, discovered, invented, or developed, or that Employee may hereafter make, conceive, originate, devise, discover, invent, or develop, either solely or jointly with others, during the period of Employee's employment with Company, whether during working hours or not, in or related to the field of high-density architecture being designed, researched, developed, or produced by Company, or in any other field of architecture that Company may hereinafter engage.

6. Right to Work Product and Inventions.

(a) Employee agrees to make prompt and full disclosure to Company or its designated representatives of any and all Work Product acquired or developed while Employee is employed by Company.

(b) Employee hereby assigns and agrees to assign to Company all of Employee's rights to all Work Product and to all proprietary rights therein, including, but not limited to, application for United States and foreign Letters, Patents, copyrights and trademarks, and all renewals thereto. At Company's request and expense, at any time and from time to time, Employee shall execute such documents and provide such assistance as may be deemed necessary by Company to apply, defend, or enforce any United States and foreign Letters, Patents, copyrights and trademarks based on or related to any Work Product. In the event Employee no longer is employed by Company and Company requires Employee's assistance under this section 6(b), Employee shall make reasonable efforts to assist Company concerning Work Product that Employee participated in during Employee's employment at Company. Employee shall be compensated by Company for time spent on such matters at a commercially

reasonable rate as determined and agreed to by Company and Employee. Employee shall never assert any rights against Company to any Work Product.

(c) Any and all patents issued, and all patent applications filed, in Employee's name, either alone or with others, prior to the date of Employee's beginning employment with Company, are excluded from the operation of this Agreement. In addition, the Employee Work Product described in Addendum A attached hereto, if any, also is excluded from the operation of this Agreement. If Addendum A is blank (with respect to Employee Work Product), Employee shall be deemed to have asserted an affirmative statement that Employee has no claims to any Work Product.

(d) Company may purchase home computer systems or other equipment or software for certain employees, in order for them to work at home either during normal business hours or at other times. Any Work Product done on such equipment shall be assigned, and hereby is assigned, to Company, as agreed to in section 6(b), regardless of whether done during normal business hours or otherwise.

(e) Notwithstanding the above, if Employee develops Work Product not related to work performed for Company, and that was not developed during Company's business hours or at Company's premises or using Company's equipment or facilities, such Work Product will be reassigned by Company to Employee upon reasonable written request by Employee. As a condition precedent to such reassignment, Employee must submit to Company written evidence that the conditions of this section 6(e) have been complied with and such written request must be submitted to Company within one (1) year of the acquisition or development of the Work Product by Employee. Employee is required to advise Company in writing of plans concerning Work Product of which Employee will seek reassignment in order to help prevent potential disagreement. Any Work Product developed by Employee, while Employee is employed by Company, shall be presumed to be Work Product of Company, unless Employee can overcome such presumption through substantiation of the requirements of this section 6(e).

(f) If Employee acquires or develops Work Product that is reassigned to Employee pursuant to section 6(e), above, Company shall have an option for a period of thirty (30) days from the date of reassignment to accept or reject such Work Product for commercialization. If not accepted within such thirty (30) day period, such rights in the Work Product shall revert to Employee. If the option is exercised within such thirty (30) day period, Company and Employee shall have ninety (90) days in which to negotiate final terms of compensation for such acceptance. In the event the parties are unable to agree on terms, Employee may seek other offers. Company shall have the right of first refusal covering such Work Product for a one (1) year period after reassignment of the Work Product. During said one (1) year period, if any third party offers to acquire such Work Product from Employee, Employee first shall offer such Work Product to Company in writing on the same terms and conditions as offered to such third party, and shall state to Company the name and address of such third party. Company shall have sixty (60) days from the date of actual receipt of such offer to accept or reject it. If Company accepts such offer, the parties shall consummate formal agreements effecting the acquisition by Company within sixty (60) days of Company's

acceptance. If Company does not accept such offer, Employee may transfer such Work Product to the third party disclosed to Company, on the same terms and conditions as disclosed to Company, no later than one hundred twenty (120) days from the date of Employee's offer to Company.

7. Use of Employee's Identifying Material. Employee acknowledges that Company may desire to use Employee's name, image, likeness, professional and educational background, quotations, voice and/or other like identifying material (the "Identifying Material") in connection with Company's marketing and public relations efforts, including but not limited to uses such as on or in websites, brochures, posters, presentations and photographs. Employee grants to Company with written permission, the unlimited, worldwide, perpetual, irrevocable, transferable, royalty-free right and license to use, reproduce, distribute, display, perform, create derivative works and/or publish the Identifying Material in connection with Company's marketing and public relations efforts in any and all media, even after Employee is no longer employed by Company. Employee releases Company from any and all claims whatsoever in connection with the Identifying Material, including claims of misappropriation, infringement, invasion of privacy, violation of rights of publicity, defamation and violation of "moral rights," but excluding any Employee claims for slander and libel.

8. Goodwill. Employee acknowledges and agrees that Company provides the opportunities and the resources for Employee to obtain access to businesses, processes and information (including, without limitation, the Information), that Employee would not have had access, but for Employee's employment with Company. All goodwill and other benefits (collectively, the "Goodwill") derived from such employment described in this paragraph shall inure solely to the benefit of Company. Employee recognizes that the Goodwill is a valuable asset of Company. Employee acknowledges that, in exchange for the receipt of the Information and the other considerations set forth herein, Employee agrees to refrain from using the Goodwill for the benefit of any other person or entity other than for the benefit of Company. Employee acknowledges that Employee has a duty of loyalty to Company. Employee hereby acknowledges that such duty of loyalty is a contractual duty, the breach of which will subject Employee to liability to Company, including, without limitation, Company's attorneys' fees and costs if Company pursues any claim arising from such breach.

9. Return of Company Property. Employee agrees that Employee will not take any Information or Work Product that is in written, machine readable, model, or other form capable of physical delivery, from and after the termination of Employee's employment with Company. Employee further agrees that upon termination of Employee's employment with Company, Employee will return to Company any and all of Company's property, including Information and Work Product and any Company provided equipment in Employee's possession or control.

10. Remedies. Employee agrees that Employee's threatened or actual breach of this Agreement will result in immediate and irreparable damage to Company such that Company could not be adequately compensated by an award of monetary damages, and in the event of such threatened or actual breach, Company shall be entitled to an injunctive order appropriately restraining and/or prohibiting such breach without the necessity of Company posting bond or

other security. Pursuit of any remedy by Company shall not constitute a waiver of any other right or remedy by Company under this Agreement or under applicable law.

11. Business Opportunities. All business opportunities that are offered to, or conceived by, Employee that are related to the business of Company or capable of beneficial use by Company shall belong solely to Company and shall be disclosed immediately to Company in writing by Employee. Company, in its sole and absolute discretion, shall determine whether or not it shall use or retain such potential business opportunity. Until such time as Employee receives written notice that Company has rejected the business opportunity, Employee is prohibited from undertaking any direct or indirect action in pursuit of, or solicitation of business ideas related to, such business opportunities. Further, Company, in its sole and absolute discretion, may elect to participate in such opportunity with Employee. If Company rejects the opportunity in writing (which writing must be signed by the President of Company), and if Company determines the opportunity is not one that is competitive with Company's business and/or capable of beneficial use by Company, and the time required for the opportunity does not interfere with the services of Employee under Employee's employment relationship with Company, then, and only then, may Company, in its sole and absolute discretion, permit Employee to engage in such opportunity.

12. Consideration. Employee acknowledges and agrees that the benefits and consideration contained in this Agreement (including, without limitation, the disclosures and access to Information, the continued employment of Employee by Company and the benefits provided and to be provided by Company in connection with such employment, including, without limitation, applicable training, support and guidance) are unique and valuable and in support of the restrictive covenants and other agreements being created hereby between Employee and Company. Specifically, Employee would not otherwise be entitled to such benefits and consideration, except for his or her employment by Company and the execution of this Agreement. These factors were of critical importance to Employee, without which Employee would not have entered into this Agreement. Likewise, the restrictive covenants and other agreements made by Employee herein are of critical importance to Company, without which Company would not have entered into this Agreement. The parties acknowledge and agree that the benefits and considerations given Employee hereunder and the restrictive covenants and other agreements given by Employee hereunder are ancillary to and support each other.

13. Agreement Construction. It is the desire and intent of the parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies applied in California. Accordingly, if any particular provision of this Agreement shall be adjudicated to be invalid or unenforceable, it is the specific intent and agreement of the parties hereto that such provision of this Agreement shall be deemed amended to delete therefrom the portion thus adjudicated to be invalid or unenforceable. In addition, if the scope of any restriction contained in this Agreement is too broad to permit enforcement thereof to its fullest extent, then it is the specific intent and agreement of the parties hereto that such restriction shall be enforced to the maximum extent permitted by law, and the parties hereby consent and agree that such scope may be judicially modified accordingly in any proceeding brought to enforce such restriction.

14. **Best Efforts.** Employee agrees to devote Employee's best efforts to the work assigned to Employee by Company.

15. **No Waiver.** The failure of either party hereto to object to or to take affirmative action with respect to any conduct of the other that is in violation of the terms of this Agreement shall not be construed as a waiver thereof or of any future breach or subsequent wrongful conduct. Nothing herein shall ever be construed to grant any rights to Employee with regard to the Information or any portion thereof.

16. **Third Persons.** Employee shall not disclose to Company, or induce Company to use, any secret or confidential information or materials belonging to others, including Employee's former employers. During the term of Employee's employment with Company, Employee shall not render any services to, or participate in any way with, directly or indirectly, any person or entity competing with Company.

17. **Obligations to Survive.** Employee's obligations under this Agreement shall survive, in perpetuity, the termination of Employee's employment with Company and the cancellation, expiration and termination of this Agreement.

18. **Legal Construction in General.** In case any one or more of the provisions contained in this Agreement shall be held for any reason to be invalid, illegal or unenforceable in any respect, that invalidity, illegality or unenforceability shall not affect any other provision and this Agreement shall be construed as if such invalid, illegal or unenforceable provision never had been included.

19. **Governing Law.** This Agreement shall be interpreted, construed and enforced in accordance with the laws of the State of _____ (but not including laws regarding conflicts of laws) with exclusive venue for all litigation or other proceedings relating to this Agreement in the federal and state courts located in _____ County, _____.

20. **Miscellaneous.** Unless otherwise provided in this Agreement, any notice, tender, or delivery to be given by either party to the other shall be in writing and shall be effective when actually received, or, if sent by registered or certified mail, postage prepaid, return receipt requested, shall be deemed received two (2) days after being placed in the United States mail if addressed as follows:

If to Company: D. W. Tower, Inc.

If to Employee:

Either party may change its above address by giving written notice of the new address to the other party, but such notice shall be effective only upon actual receipt.

21. No Contract. This Agreement does not constitute a contract for employment and will not affect the right of Company and its subsidiaries to terminate Employee's employment for any reason or no reason whatsoever, subject to the terms of any applicable employment agreement or other governing instrument or law. The employment relationship between Company and Employee is one of "at-will employment," and either party may terminate that relationship at any time, for any or no reason.

22. Attorneys' Fees. In the event Company is required to pursue legal action to enforce all or any part of this Agreement, Employee shall be responsible for all reasonable attorneys' fees and court costs incurred by Company, in addition to any other remedies allowed by law or in equity.

23. Modification. No amendment or change to this Agreement shall be effective unless in writing and signed by the President of Company.

IN WITNESS WHEREOF, the undersigned have set their hands.

AGREED:

D. W. Tower, Inc.

By: _____

Date of Execution: _____

AGREED:

Employee

By: _____

Printed Name: _____

Date of Execution: _____

ADDENDUM A

**PARTIAL LIST OF COMPANY CONFIDENTIAL
INFORMATION AND EXCLUDED WORK PRODUCT**

List of Company Confidential Information:

1. Details of impending designs for any Company projects
2. Customer or vendor lists
3. Investor information
4. Any information obtained from any third party under non-disclosure
5. Pricing information
6. New product development information and/or materials
7. Marketing strategies

Employee Work Product excluded under Section 6(c):

1. _____

2. _____

3. _____

AGREED:

D. W. Tower, Inc.

By: _____

Date of Execution: _____

AGREED:

Employee

By: _____

Printed Name: _____

Date of Execution: _____