

BILLINGS PRODUCTIONS, INC.

CONFIDENTIALITY AND INVENTION ASSIGNMENT AGREEMENT

This Confidentiality and Invention Assignment Agreement ("**Agreement**") is entered into as of _____, 20____, by and between Billings Production, Inc., a Texas corporation (the "**Company**"), and _____ ("**Employee**").

Employee acknowledges that the Company operates in a competitive environment and that the Company enhances its opportunities to succeed by establishing certain policies, including, without limitation, those included in this Agreement. This Agreement is designed, among other things, to make clear that: (a) Employee will maintain the confidentiality of the Company's Confidential Information (as defined below) and trade secrets; (b) Employee will use the Confidential Information for the exclusive benefit of the Company; and (c) when and if Employee's employment with, or other provision of services to, the Company terminates, Employee will not use any Confidential Information learned during Employee's employment with, or other provision of services to, the Company to the detriment of the Company. Employee acknowledges and agrees that the protections set forth in this Agreement are a material condition to Employee's employment with the Company.

As a condition of Employee becoming employed by or Employee's employment with the Company or Employee's receipt of the compensation now and hereafter paid to Employee, Employee acknowledges and agrees with the foregoing and as follows:

1. **Relationship.** Employee understands and acknowledges that this Agreement is not an employment agreement and does not alter, amend or expand upon any rights Employee may have to continue in the employ of, or the duration of Employee's employment relationship with, the Company under any other existing agreements between the Company and Employee or under applicable law. Any consulting or employment relationship between the Company and Employee, whether commenced prior to or upon the date of this Agreement, is referred to herein as the "**Relationship**." This Agreement is made effective on the commencement of Employee's provision of services to the Company. Employee understands and acknowledges that the Relationship is and shall continue to be at-will, as defined under applicable law, meaning that either Employee or the Company may terminate the Relationship with or without notice, at any time and for any reason or no reason, without further obligation or liability. Nothing contained in this Agreement shall limit or otherwise alter the foregoing.

2. **Protection of the Company's Confidential Information.**

(a) **Confidential Information.** The Company has and will develop, compile and maintain certain proprietary and confidential information that has great value to its business. In connection with Employee's performance of Employee's services to the Company, the Company may disclose and provide Employee with Confidential Information which are valuable business assets of the Company. Employee acknowledges that Confidential Information is secret, valuable and owned by the Company.

"**Confidential Information**" means all Company information which is not generally known to the Company's competitors or the public, and which has or could have commercial value to the Company's business. It includes not only information disclosed by the Company (or its clients, customers, affiliates, vendors or other third parties) to Employee either directly or indirectly in writing, orally or by drawings or observation during the course of the Relationship (whether or not during working hours), but also information related to the business, products, or research and development of the Company that is created, developed or learned by Employee during the course of the Relationship. Employee acknowledges the highly confidential nature of information regarding the Company's customers, clients, affiliates, employees, suppliers, vendors,

brokers, designers, agents, materials used, merchandising methods and knowledge of the market. By way of example and without any limitation, Confidential Information includes the following categories of information: (i) information regarding the identities, characteristics, performance and agreements of the Company's customers, clients, vendors, suppliers, brokers, and designers; (ii) information regarding the Company's affiliates' and employees' characteristics, performance and agreements; (iii) information regarding the Company's marketing, sales and business plans, strategies, forecasts, financial information, budgets, projections, and efforts; (iv) knowledge of the market for the Company's products and services; (v) the Company's network of contacts and agents; and (vi) information regarding the Company's technologies, products, product specifications, techniques, inventions, discoveries, improvements, research, test results, and know-how.

Confidential Information does not include information that: (A) was publicly known at the time of disclosure to Employee, or later became publicly known through no act or omission of Employee; (B) was rightfully received by Employee from a third party without any obligation or duty of confidentiality; or (C) was independently developed by or for Employee without use of or access to any Confidential Information.

(b) Protection of Confidential Information.

(i) Employee is aware that any unauthorized use or disclosure of Confidential Information may be highly prejudicial to the Company's interests, an invasion of privacy, or an improper use or disclosure of trade secrets. During and after the Relationship, Employee will keep confidential, and will not disclose to any third party or to make any use of any Confidential Information, except for the benefit of the Company in the course of the Relationship. Employee will not publish, disclose or otherwise disseminate any Confidential Information without prior written approval of the President of the Company. Whenever the approval, designation, specification, or other act of the President of the Company is required under this Agreement, the President may, by written designation, authorize an agent of the Company to perform such act.

(ii) In the event that Employee is requested or required pursuant to written or oral question or request for information or documents in any legal proceeding, interrogatory, subpoena, civil investigation, demand, or similar process to disclose any Confidential Information, Employee will notify the Company promptly of the request or requirement so that the Company may seek an appropriate protective order or waive compliance with the provisions of Section 2(b)(i). If, in the absence of a protective order or the receipt of a waiver by the Company, Employee is compelled to disclose any Confidential Information to any tribunal or else stand liable for contempt, Employee may disclose such Confidential Information to the tribunal; *provided, however*, that Employee will use Employee's best efforts to obtain, at the request of the Company, an order or other assurance that confidential treatment will be accorded to such portion of the Confidential Information required to be disclosed as the Company may designate.

(c) **Third Party Information.** Employee recognizes that the Company has received and in the future will receive confidential or proprietary information from third parties subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. Employee will hold all such confidential or proprietary information in the strictest confidence and not to disclose it to any person, firm or entity, or to use it except as necessary in carrying out Employee's services to the Company consistent with the Company's agreement with such third party.

(d) Prior Knowledge.

(i) Employee represents and covenants that Employee's performance of all the terms and provisions of this Agreement has not breached and will not breach any agreement to keep in

confidence any proprietary information, knowledge or data acquired by Employee prior or subsequent to the commencement of the Relationship.

(ii) Employee will inform the Company in writing before incorporating any inventions, discoveries, ideas, original works of authorship, developments, improvements, trade secrets and other proprietary information or intellectual property rights owned by Employee or in which Employee has an interest prior to, or separate from, the Relationship (collectively, "**Prior Inventions**"), into any invention for the Company or otherwise utilizing any such Prior Invention in the performance of Employee's services to the Company. Employee represents and warrants that Employee's Prior Inventions will not materially affect Employee's ability to perform any of its obligations under this Agreement.

(iii) Employee hereby grants the Company a nonexclusive, royalty-free, perpetual, irrevocable, and transferable worldwide license (with the right to grant and authorize sublicenses) to make, have made, use, import, offer for sale, sell, reproduce, distribute, modify, adapt, prepare derivative works of, display, perform and otherwise exploit without restriction any Prior Inventions which relate in any way to any of the Company's existing or proposed businesses, services, products, or research and development.

(e) **Proprietary Information or Trade Secrets of Others.** Employee will not disclose to the Company, or use or induce the Company to use, any proprietary information or trade secrets of any current or former client or employer of Employee or any other party. Employee represents and warrants that Employee has returned all property and confidential information belonging to all of Employee's prior employers. Employee further represents and warrants that Employee has no other agreements, relationships or commitments to any other person or entity that conflict with Employee's obligations to the Company under this Agreement.

3. **Inventions.**

(a) **Assignment of Inventions.** Employee will promptly make full written disclosure to the Company, will hold in trust for the sole right and benefit of the Company, and hereby assigns, and hereby agrees to assign, to the Company, or its designee, all of Employee's right, title and interest throughout the world in and to any and all inventions, original works of authorship, developments, concepts, techniques, processes, know-how, improvements, and trade secrets, whether or not patentable or registrable under any patent, copyright or similar laws, which (i) Employee may solely or jointly conceive or develop or reduce to practice, or cause to be conceived or developed or reduced to practice, during the Relationship (whether or not conceived or developed during working hours) *and* (ii) relate to the business, technology, products or services of the Company or the Company's demonstrably anticipated business, work or research and development or that result to any extent from use of any the Company's premises or property (collectively, "**Inventions**").

(b) **Maintenance of Records.** Employee will keep and maintain adequate and current written records of all Inventions conceived, developed or reduced to practice by Employee (solely or jointly with others) during the Relationship. The records may be in the form of notes, sketches, drawings, flow charts, electronic data or recordings and any other format. The records will be available to and remain the sole property of the Company at all times. Employee will not remove any such records from the Company's place of business, except as expressly permitted by Company policy which may, from time to time, be revised at the sole election of the Company. Employee will return and deliver all such records (including, without limitation, all copies, reproductions, summaries, and extracts thereof) to the Company at the time of termination of the Relationship as provided for in Section 6 or at such other time as requested by the Company.

(c) **Patent and Copyright Rights.** Employee will assist the Company, or its designee, at its reasonable expense, in every proper way to secure the Company's or its designee's rights in the Inventions and any and all copyrights, patents, trademarks, mask work rights, moral rights, and other intellectual property rights relating thereto in any and all countries, including, without limitation, the disclosure to the Company or its designee of all pertinent information and data with respect thereto, the execution of all applications, specifications, oaths, assignments, recordations, and all other instruments which the Company or its designee may deem necessary or appropriate in order to apply for, obtain, maintain, or transfer any such rights, or if not transferable, waive any such rights, and in order to assign and convey to the Company or its designee, and any successors, assigns and nominees, the sole and exclusive rights, title and interest in and to such Inventions, and any and all copyrights, patents, trademarks, mask work rights, moral rights, and other intellectual property rights relating thereto. Employee's obligation to execute or cause to be executed, when it is in Employee's power to do so, any such instrument or papers will continue after the termination of this Agreement or the termination of Employee's services to the Company until the expiration of the last of such intellectual property right to expire in any country of the world. If the Company or its designee is unable because of Employee's mental or physical incapacity or unavailability or for any other reason to obtain Employee's signature to apply for or to pursue any application for any United States or foreign patents, copyrights, trademarks, mask works, moral rights, or other registrations covering any Inventions or other original works of authorship assigned to the Company or its designee as above, then Employee hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Employee's agent and attorney-in-fact, to act for and in Employee's behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the application for, prosecution, issuance, maintenance or transfer of letters patent, copyright, trademark, or other registrations thereon with the same legal force and effect as if originally executed by Employee. Employee hereby waives and irrevocably quitclaims to the Company or its designee any and all claims, of any nature whatsoever, which Employee now or hereafter has or may have for infringement of, including, without limitation, claims for damages in connection with, any and all such proprietary rights and intellectual property rights assigned to the Company or such designee.

4. **Agreement Not to Solicit.**

(i) During the Relationship and at any time following termination of the Relationship for any or no reason, with or without cause, Employee will not use any Confidential Information to attempt to negatively influence any of the Company's clients or customers from purchasing or otherwise acquiring any Company products or services or to solicit or influence or attempt to influence any client, customer or other person either directly or indirectly, to direct his, her or its purchase of products or services to any person, firm, corporation, institution or other entity.

(ii) During the Relationship and for a period of one (1) year following termination of the Relationship, Employee will not, for Employee or any other person or entity, either directly or indirectly, (a) solicit for employment, recruit or interfere with any employees, consultants, independent contractors, or other service providers of the Company or any of its affiliates or (b) solicit, canvass, induce or encourage any employee, consultant, independent contractor or other service provider of the Company or any of its affiliates to leave the employment or consulting of or cease providing services to the Company or any of its affiliates; *provided, however*, that the foregoing clauses (a) and (b) will not apply to a general advertisement or solicitation (or any hiring pursuant to such advertisement or solicitation) that is not specifically targeted to such employees, consultants, independent contractors or service providers.

5. **Non-Disparagement.** During the Relationship and at any time following termination of the Relationship, Employee will not disparage, defame, cast aspersions upon or denigrate the Company or any of its operations, officers, directors, or shareholders.

6. **Returning Company Property.** In the event of termination (voluntary or otherwise) of the Relationship or at such other time as requested by the Company, Employee will promptly: (i) to deliver to and inform the Company of all documents and data pertaining to the Relationship belonging to the Company (including, without limitation, internal and external business forms, reports, proposals, specifications, manuals, files, correspondence, notes and computer programs), its successors or assigns and all Confidential Information (including, without limitation, all copies, reproductions, summaries and extracts thereof) prepared by Employee or otherwise coming into Employee's possession or control; and (b) all keys, equipment (including, without limitation, computer hardware, laptops, tablets, software and printers, wireless handheld devices and mobile phones), credit cards, Company identification, and any other Company-owned property in Employee's possession or control. Employee will not retain any written, electronic or other material containing any information concerning or disclosing any Confidential Information.

7. **Obligations of Employee After Termination of Relationship.** In the event of termination (voluntary or otherwise) of the Relationship, (i) Employee will not disclose or use to Employee's benefit (or the benefit of any third party), or to the detriment of the Company, any Confidential Information; and (ii) Employee will sign and deliver to the Company the "Termination Certification" attached hereto as Exhibit A; provided, however, Employee's failure to sign and deliver the Termination Certificate will in no way diminish Employee's continuing obligations under this Agreement.

8. **Notification to Other Parties.** In the event that Employee's services to the Company terminates, Employee hereby consents to notification by the Company to Employee's new employer and others about the Company's rights and Employee's obligations under this Agreement. Employee hereby grants consent to notification by the Company to any parties with whom Employee maintains a consulting relationship, including parties with whom such relationship commences after the effective date of this Agreement, about the Company's rights and Employee's obligations under this Agreement.

9. **Representations and Covenants.**

(i) Employee will execute promptly any proper oath or verify any proper document to carry out the terms and conditions of this Agreement upon the Company's written request to do so.

(ii) Employee represents that Employee's performance of all the terms of this Agreement does not and will not breach any agreement Employee has entered into, or will enter into with any third party, including without limitation, any agreement to keep in confidence proprietary information acquired by Employee in confidence or in trust prior to commencement of the Relationship.

(iii) Employee will not to enter into any written or oral agreement that conflicts with any of the provisions of this Agreement.

10. **Dispute Resolution; Binding Arbitration; Waiver of Trial by Jury.**

(a) Any controversy or dispute that establishes a legal or equitable cause of action ("Arbitration Claim") between any two or more Persons Subject to Arbitration (defined below), including, without limitation, any controversy or dispute, whether based on contract, common law, or federal, state or local statute or regulation, arising out of, or relating to the subject matter of this Agreement, shall be submitted to final and binding arbitration as the sole and exclusive remedy for such controversy or dispute. Notwithstanding the foregoing, this Agreement shall not require any Person Subject to Arbitration to arbitrate pursuant to this Agreement any claims as to which applicable law not preempted by the Federal Arbitration Act prohibits resolution by binding arbitration. Either party may seek provisional non-monetary remedies in a court of competent jurisdiction to the extent that such remedies are not available or not available in a timely

fashion through arbitration. It is the parties' intent that issues of arbitrability of any dispute shall be decided by the arbitrator.

(b) "Persons Subject to Arbitration" means, individually and collectively, (i) Employee, (ii) any person in privity with or claiming through, on behalf of or in the right of Employee, (iii) the Company, (iv) any past, present or future affiliate, employee, officer, director, or agent of the Company, and/or (v) any person or entity alleged to be acting in concert with or to be jointly liable with any of the foregoing.

(c) The arbitration shall take place before a single neutral arbitrator at the JAMS local office in (or at the nearest JAMS office to) Collin County, Texas. Such arbitrator shall be provided through JAMS by mutual agreement of the parties to the arbitration; provided that, absent such agreement, the arbitrator shall be selected in accordance with the rules of JAMS then in effect. The arbitrator shall permit reasonable discovery. The arbitration shall be conducted in accordance with the JAMS rule applicable to employment disputes in effect at the time of the arbitration. The award or decision of the arbitrator shall be rendered in writing; shall be final and binding on the parties; and may be enforced by judgment or order of a court of competent jurisdiction. In the event of arbitration, each party will bear the burden of their own costs incurred in connection with such arbitration (including, without limitation, all legal fees in connection with such arbitration, including any litigation or appeal therefrom).

(d) EMPLOYEE AND THE COMPANY UNDERSTAND THAT BY AGREEING TO ARBITRATE ANY ARBITRATION CLAIM, THEY WILL NOT HAVE THE RIGHT TO HAVE ANY ARBITRATION CLAIM DECIDED BY A JURY OR A COURT, BUT SHALL INSTEAD HAVE ANY ARBITRATION CLAIM DECIDED THROUGH ARBITRATION.

(e) EMPLOYEE AND THE COMPANY WAIVE ANY CONSTITUTIONAL OR OTHER RIGHTS TO BRING CLAIMS COVERED BY THIS AGREEMENT OTHER THAN IN THEIR INDIVIDUAL CAPACITIES. EXCEPT AS MAY BE PROHIBITED BY LAW, THIS WAIVER INCLUDES THE ABILITY TO ASSERT CLAIMS AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING.

11. **Injunctive Relief.** A breach of this Agreement by Employee may cause the Company immediate and irreparable harm for which the Company may not have an adequate remedy at law. As such, the Company will be entitled to request an injunction, specific performance or other equitable relief to enforce this Agreement against Employee, without proof of actual damages and without posting any bond, in addition to damages and other available remedies. The confidentiality, non-competition and non-solicitation restrictive covenants contained in this Agreement are independent of any other obligations between the parties, and the existence of any other claim or cause of action against the Company is not a defense to enforcement of said covenants by injunction, specific performance or other equitable relief. The provisions of Section 10 relating to arbitration of disputes will not be applicable to the Company to the extent it seeks an injunction, specific performance or other equitable relief in any court to restrain Employee from violating Sections 2, 4 or 5.

12. **Amendment and Binding Effect; Survival.** This Agreement may not be amended except by a writing signed by both parties. Without the prior written consent of the Company, Employee may not assign or delegate Employee's obligations under this Agreement either in whole or in part. Notwithstanding the foregoing, this Agreement shall be binding on the heirs, executors, administrators and other legal representatives and assigns of Employee, and is made for the benefit of the Company and its successors and assigns. The provisions of this Agreement shall survive the termination of the Relationship and the assignment of this Agreement by the Company to any successor in interest or other assignee.

13. **Governing Law.** The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Texas without regard to its conflicts of law principles.

14. **Entire Understanding.** This Agreement sets forth the final and entire agreement of the parties with respect to the subject matter hereof, and supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by the Company and Employee, or any representative of the Company or Employee, with respect to the subject matter hereof.

15. **Cumulative Remedies; Waiver.** Each and all of the several rights and remedies provided for in this Agreement shall be cumulative. No one right or remedy shall be exclusive of the others or of any right or remedy allowed in law or in equity. No waiver or indulgence by the Company of any failure by Employee to keep or perform any promise or condition of this Agreement shall be a waiver of any preceding or succeeding breach of the same or any other promise or condition. No waiver by the Company of any right shall be construed as a waiver of any other right. Any waiver by the Company or by the Employee must be in writing and signed by either Employee, if Employee is seeking to waive any of Employee's rights under this Agreement, or by an executive officer of the Company (other than Employee) or some other person duly authorized by the Company. The Company will not be required to give notice to enforce strict adherence to the terms of this Agreement.

16. **Severability; Validity.** If any provision of this Agreement is found by a court or arbitrator to be invalid or unenforceable as applied to any circumstance, the remainder of this Agreement and the application of such provision to other persons or circumstances will be interpreted so as best to effect the intent of the parties. The parties further agree to replace any such void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of the void or unenforceable provision. The invalidity or unenforceability of any provision or provisions of this Agreement will not affect the validity or enforceability of any other provision of this Agreement, which will remain in full force and effect. If any portion of this Agreement is determined to be invalid or unenforceable by a court or arbitrator, such portion will be adjusted, rather than voided, to achieve the intent of the parties to the extent possible, and the remainder will be enforced to the maximum extent possible.

17. **Further Assurances.** Employee will, without further consideration, execute and deliver such other instruments and to take such other action as may reasonably be required or requested by the Company to effectuate the terms and provisions of this Agreement.

18. **Voluntary Execution.** Employee certifies and acknowledges that Employee has carefully read all of the provisions of this Agreement and that Employee understands and will fully and faithfully comply with such provisions.

19. **ADVICE OF COUNSEL.** EMPLOYEE ACKNOWLEDGES THAT IN EXECUTING THIS AGREEMENT, EMPLOYEE HAS HAD THE OPPORTUNITY TO SEEK THE ADVICE OF INDEPENDENT LEGAL COUNSEL, AND HAS READ AND UNDERSTOOD ALL OF THE TERMS AND PROVISIONS OF THIS AGREEMENT. THIS AGREEMENT SHALL NOT BE CONSTRUED AGAINST ANY PARTY BY REASON OF THE DRAFTING OR PREPARATION HEREOF.

20. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument. This Agreement may be executed by facsimile signature or electronic PDF or similar format, copies of which will have the same force and effect as an original.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Confidentiality and Invention Assignment Agreement as of the date first above written.

COMPANY:

BILLINGS PRODUCTION, INC.

By: _____
Sandra Billings, President

EMPLOYEE:

By: _____
Name:

Address:

EXHIBIT A

TERMINATION CERTIFICATION

This is to certify that I do not have in my possession, nor have I failed to return, any Confidential Information (as defined in my Confidentiality and Invention Assignment Agreement (the "Agreement") with Billings Production, Inc.) or copies of such information, or other documents or materials, equipment or other property belonging to Billings Production, Inc. or its subsidiaries, affiliates, successors or assigns (together the "Company").

I further certify that I have complied with and will continue to comply with all of the terms of the Agreement, including the reporting of any inventions and original works of authorship, conceived or made by me (solely or jointly with others) covered by that agreement.

I further agree that, in compliance with the Agreement, I will preserve as confidential and not use any Confidential Information.

I will not participate in the unauthorized disclosure or use of information that could be detrimental to the interests of the Company, whether or not such information is identified as "Confidential" by the Company.

I shall not use any Confidential Information to attempt to negatively influence any of the Company's clients or customers from purchasing Company products or services or to solicit or influence or attempt to influence any client, customer or other person either directly or indirectly, to direct his or its purchase of products or services to any person, firm, corporation, institution or other entity in competition with the business of the Company.

Dated: _____

By: _____
Name: _____

Instruction: Not to be signed until Employee is no longer with the Company.