

# NON-SOLICITATION AND CONFIDENTIALITY AGREEMENT FOR COSMOS GRANITE NORTH EAST, LLC

AGREEMENT, dated as of \_\_\_\_\_ between Cosmos Granite North East, LLC,

(the "Company"), and \_\_\_\_\_, (the "Team Member").

*Name of Team Member (print clearly)*

**1. Non-Solicitation of Clients**

(a) Team Member acknowledges and agrees that solely by reason of employment by the Company, Team Member has and will come into contact with a significant number of the Company's clients and prospective clients, and will have access to Confidential Information and Trade Secrets (as defined in Section 4), including those regarding the Company's clients, prospective clients and related information.

(b) Consequently, Team Member covenants and agrees that in the event of separation from employment with the Company, whether such separation is voluntary or involuntary, Team Member will not, for a period of two (2) years following such separation, directly or indirectly: (i) Solicit clients of The Company for the purpose of selling or providing consulting services or projects, or selling products, of the type sold or provided by Team Member while employed by the Company; or (ii) induce clients or prospective clients or suppliers of the Company to terminate, cancel, or discontinue business with the Company, or (iii) perform or supervise the performance of consulting services or projects, or sell products, of the type sold or provided by Team Member while s/he was employed by the Company on behalf of any clients or prospective clients of the Company or its predecessor. This restriction shall apply only to those clients or prospective clients of the Company with whom Team Member had contact or about whom Team Member obtained Confidential Information or Trade Secrets during the last two (2) years of his employment with the Company. For the avoidance of doubt, the restriction set forth in this Section to those clients or prospective clients which were included among the assets purchased by the Company pursuant to a purchase agreement of even date herewith and with whom Team Member had contact or about whom Team Member obtained Confidential Information and Trade Secrets during the last two (2) years prior to the date hereof. For the purposes of this Section, the term "contact" means interaction between Team Member and the client which takes place to further the business relationship, or making (or assisting or supervising the making of) sales to or performing or providing (or assisting or supervising the performance or provision of) services, products or projects for the client or prospective client on behalf of the Company. For purposes of this Section, the term "contract" with respect to a "prospective" client also means interaction between Team Member and a potential client of the Company which takes place to obtain the business of the potential client on behalf of the Company.

(c) The parties understand and agree that its relationships with its customers are a significant asset of the Company and that the maintenance of those relationships is a key component of the Company's success and the continuing viability and growth of its business. The parties understand and agree that a violation of paragraph 1(b) of this agreement would cause irreparable harm to the Company and that the Company may seek to enjoin the violation or continued violation of paragraph 2(b). Further, the parties understand and agree that the damages that would be suffered by the Company as a consequence of the violation of paragraph 2(b) would be significant and ongoing but would be difficult to calculate with certainty. Therefore, in addition to the remedies provided herein and any other remedies available at law or in equity, the Company shall be entitled to liquidated damages in the amount of \$5,000.00 for each incidence of conduct by Team Member in violation of paragraph 2(b).

## **2. Non-Solicitation of Team Members**

Team Member acknowledges and agrees that solely as a result of employment with the Company and its predecessor, and in light of the broad responsibilities of such employment which include working with other team members of the Company, Team Member has and will come into contact with and acquire Confidential Information and Trade Secrets regarding the Company's other team members. Accordingly, both during employment with the Company and for a period of two (2) years thereafter, Team Member shall not, either on Team Member's own account or on behalf of any person, company, corporation, or other entity, directly or indirectly, solicit, or endeavor to cause any team member of the Company, with whom Team Member, during the last two (2) years of his/her employment with the Company, came into contact for the purpose of soliciting or servicing business or about whom Team Member obtained Confidential Information or Trade Secrets to leave employment with the Company.

## **3. Conflict of Interest**

Team Member may not use his/her position, influence, knowledge of Confidential Information or Trade Secrets or the Company's assets for personal gain, except as specifically provided in this Agreement. A direct or indirect financial interest, including joint ventures in or with a supplier, vendor, customer or prospective customer without disclosure and the express written approval of the President or highest executive officer of the Company is strictly prohibited and constitutes cause for dismissal.

## **4. Acknowledgement of Confidential Nature of Work and Related Definitions.**

Team Member understands and acknowledges that: (i) as a team member of the Company s/he will learn or have access to, or may assist in the development of, highly confidential and sensitive information and trade secrets about the Company, its operations and its clients; and (ii) providing its clients with appropriate assurances that their confidences will be protected is crucial to the Company's ability to obtain clients, maintain good client relations, and conform to contractual obligations.

For the purposes of this Agreement, "Confidential Information" shall consist of and include (i) financial and business information relating to the Company, such as information with respect to costs, commissions, fees, profits, sales, markets, mailing lists, strategies and plans for future business, new business, product or other development, potential acquisitions or divestitures, and new marketing ideas; (ii) product and technical information relating to the Company, such as product formulations, new and innovative product ideas, methods, procedures, devices, machines, equipment, data processing programs, software, software codes, computer models, and research and development projects ; (iii) client information, such as the identity of the Company's clients, the names of representatives of the Company's clients responsible for entering into contracts with the Company, the amounts paid by such clients to the Company, specific client needs and requirements, specific client risk characteristics, policy expiration dates, policy terms and conditions, information regarding the markets or sources with which insurance is placed, and leads and referrals to prospective clients; (iv) personnel information, such as the identity and number of the Company's other team members, their salaries, bonuses, benefits, skills, qualifications, and abilities; (v) any and all information in whatever form relating to any client or prospective client of the Company, including but not limited to, its business, team members, operations, systems, assets, liabilities, finances, products, and marketing, selling and operating practices; (vi) any information not included in (i) or (ii) above which Team Member knows or should know is subject to a restriction on disclosure or which Team Member knows or should know is considered by the Company or the Company's clients or prospective clients to be confidential, sensitive, proprietary or a trade secret or is not readily available to the public; (vii) Intellectual Property (as defined below); and (viii) Copyrightable Works (as defined below). Confidential Information and Trade Secrets are not generally known or available to the general public, but have been developed, compiled or acquired by the Company at its great effort and expense. Confidential Information and Trade Secrets can be in any form: oral, written or machine readable, including electronic files.

For purposes of this Agreement, "Trade Secrets" are items of Confidential Information that meet the requirements of the applicable state trade secret law.

For purposes of this Agreement, "Intellectual Property" shall include, but not be limited to, all inventions, designs, specifications, formulations, products, discoveries, articles, reports, models (computer or otherwise), processes, methods, frameworks, methods of analysis, systems, techniques, trademarks, service marks, names, trade secrets, concepts and ideas, the expressions of all concepts and ideas, creations, work product or contributions thereto, any computer programs, software, data processing systems, improvements, and all modifications and developments with respect to the foregoing, and know-how related thereto, whether or not any such Intellectual Property is eligible for patent, trademark, copyright, trade secret or other legal protection, and regardless of whether containing or constituting Confidential Information or Trade Secrets as defined in this Section.

For purposes of this Agreement, "Copyrightable Works" means any Intellectual Property subject to copyright protection as defined by the U.S. Copyright Act, 17 U.S.C. § 102 including, but not limited to, catalogs, directories, factual, reference or instructional works, literary and dramatic works, pictorial, musical and graphic works, motion pictures and other audiovisual works, sound recordings, architectural works and compilations of data, computer data bases and computer programs.

## 5. Nondisclosure of Confidential Information and Trade Secrets

Team Member acknowledges and agrees that the Company is engaged in a highly competitive business and that its competitive position depends upon its ability to maintain the confidentiality of the Confidential Information and Trade Secrets that were developed, compiled and acquired by the Company at its great effort and expense. Team Member further acknowledges and agrees that any disclosing, divulging, revealing, or using of any of the Confidential Information and Trade Secrets, other than in connection with the Company's business or as specifically authorized by the Company, will be highly detrimental to the Company and cause it to suffer serious loss of business and pecuniary damage.

Accordingly, Team Member agrees that s/he will not, while associated with the Company and for so long thereafter as the pertinent information or documentation remain Trade Secrets, for any purpose whatsoever, directly or indirectly use, disseminate or disclose to any other person, organization or entity any Trade Secrets.

Team Member further agrees, except as specifically required in the performance of his duties on behalf of The Company, that he will not, while associated with The Company and for a period of two (2) years following his separation from employment with The Company for any reason (so long as the pertinent information or documentation remains confidential), directly or indirectly use, disclose or disseminate to any other person, organization or entity or otherwise use any Confidential Information. Team Member understand that nothing in this Agreement is intended to prohibit him/her from discussing with other team members, or with third parties who are not future employers or competitors of the Company, wages, hours, or other terms and conditions of employment.

## 6. Return of Materials Upon Termination of Employment.

Immediately upon the termination of employment with the Company for any reason, or at any time the Company so requests, Team Member will return to the Company: (i) any originals and all copies of all files, notes, documents, slides (including transparencies), computer disks, printouts, reports, lists of the Company's clients or leads or referrals to prospective clients, and other media or property in my possession or control which contain or pertain to Confidential Information or Trade Secrets; and (ii) all property of the Company, including, but not limited to, supplies, keys, access devices, books, identification cards, computers, telephones and other equipment.

Team Member also agrees that upon completion of the obligations set forth in this Section 6, and if requested by the Company, he will execute a statement declaring that he has retained no property of the Company or materials containing Confidential Information

nor has he supplied the same to any person, except as required to carry out his duties as a team member of the Company. A receipt signed by a Principal of the Company itemizing the returned property is necessary to demonstrate that Team Member has returned all such property to the Company.

**7. Assignment of Rights to Intellectual Property; Ownership of Copyrightable Work**

Team Member hereby assigns, and agrees to assign, to the Company all present and future right, title and interest in and to any Intellectual Property conceived, discovered, reduced to practice and/or made by Team Member during the period of time that Team Member is employed by the Company (whether before, on or after the date of this Agreement), whether such Intellectual Property was conceived, discovered and/or reduced to practice and/or made by Team Member solely or jointly with others, on or off the premises of the Company's business, or during or after working hours, if such Intellectual Property: (i) was conceived, discovered, reduced to practice and/or made with the Company's facilities, equipment, supplies, trade secrets; or (ii) relates to the Company's current, potential or anticipated business activities, work or research; or (iii) results from work done or to be done by Team Member or under his/her direction, alone or jointly, for the Company. Team Member further acknowledges and agrees that such Intellectual Property as referred to herein belongs to the Company and that the Company may keep such Intellectual Property and/or processes pertaining thereto, whether patented or copyrighted or not, as trade secrets and make all decisions regarding whether and how to use such Intellectual Property and/or processes. Team Member further agrees not to use or seek any commercial exploitation of or otherwise use any Intellectual Property required to be assigned under this Agreement for personal use.

Team Member acknowledges, agrees, and intends that all Copyrightable Works s/he creates during the period of time that s/he is employed by the Company (whether before, on or after the date of this Agreement) and within the scope of his employment shall be considered to be "works made for hire" as defined under the U.S. Copyright Act, 17 U.S.C. §§ 101 et seq. Team Member also acknowledges, agrees, and intends that the Company will be deemed the author of all such works made for hire and the owner of all of the rights comprised in the copyright of such works.

Team Member agrees that s/he will (i) promptly disclose such Intellectual Property and Copyrightable Works to the Company; (ii) assign to the Company, without additional compensation, the entire rights to Intellectual Property and Copyrightable Works for the United States and all foreign countries; (iii) execute assignments and all other papers and do all acts necessary to carry out the above, including enabling the Company to file and prosecute applications for, acquire, ascertain and enforce in all countries, letters patent, trademark registrations and/or copyrights covering or otherwise relating to Intellectual Property and Copyrightable Works and to enable the Company to protect its proprietary interests therein; and (iv) give testimony in any action or proceeding to enforce rights in the Intellectual Property and Copyrightable Works.

Team Member understands and agrees that: (i) no license or conveyance of any rights or warranty is granted or implied by the Company furnishing or disclosing any Intellectual Property or Copyrightable Works to Team Member; and (ii) the Company shall retain whatever ownership and other proprietary rights it otherwise has in all Intellectual Property and Copyrightable Works.

#### **8. Enforcement**

In recognition of the fact that irreparable injury will result to the Company in the event of a breach by the Team Member of his/her obligations under this Agreement, that monetary damages for such breach would not be readily calculable, and that the Company would not have an adequate remedy at law therefor, the Team Member acknowledges, consents and agrees that in the event of such breach, or the threat thereof, the Company shall be entitled, in addition to any other legal remedies and damages available, to (a) specific performance thereof and to temporary and permanent injunctive relief (without the necessity of posting a bond) to restrain the violation or threatened violation of such obligations by the Team Member and persons acting for or in connection with the Team Member and (b) recovery of all reasonable sums and costs, including attorneys' fees, incurred by the Company in investigating or seeking to enforce the provisions of this Agreement.

The restrictive periods set forth in this Agreement (including those set forth in Sections 1, 2 and 5 hereof) shall not expire and shall be tolled during any period in which Team Member is in violation of such restrictive periods, and therefore such restrictive periods shall be extended for a periods equal to the durations of Team Member's violations thereof.

#### **9. Severability**

The parties agree they have attempted to limit the scope of the post-employment restrictions contained herein to the extent necessary to protect Confidential Information and Trade Secrets, client relationships and good will. It is the desire and intent of the parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under applicable laws and public policies. Accordingly, if any particular portion of this Agreement shall be adjudicated to be invalid or unenforceable, this Agreement shall be deemed amended to delete therefrom such invalid portion, and reformed to render such provision valid and enforceable. Such deletion and reformation shall apply only with respect to the operation of this Agreement in the particular jurisdiction in which such adjudication is made.

#### **10. Other Agreements Survive**

The obligations of the Team Member under this Agreement shall be independent of, and unaffected by, and shall not affect, other agreements, if any, binding the Team Member which apply to the Team Member's business activities during and/or subsequent to the Team Member's employment by the Company, including but not limited to any agreements Team Member executed with the Company, containing non-solicitation of clients, non-solicitation of team members, non-disclosure of confidential information, or

similar provisions (referred to as the "Cosmos Granite North East, Restrictive Covenant Agreements"). Team Member hereby agrees that the Cosmos Granite North East, Restrictive Covenant Agreements may be assigned to the Company, acknowledges that they have been assigned to the Company, and agrees that they may be enforced by the Company. The obligations under this Agreement also shall survive any changes made in the future to the employment terms of Team Member, including but not limited to changes in salary, benefits, bonus plans, job title and job responsibilities.

**11. No Employment Contract**

The Team Member understands that this Agreement does not constitute a contract of employment for a specific period of time, and does not promise or imply that employment with the Company will continue for any period of time. Unless otherwise agreed to under a separate employment contract between the Team Member and the Company, employment with the Company is "At-Will," and may be terminated either by Team Member or the Company at any time, with or without cause, and with or without notice.

**12. Binding Effect: Assignment**

The Team Member expressly consents to be bound by the provisions of this Agreement for the benefit of the Company or any of its subsidiaries or affiliates to whose employ he may be transferred without the necessity that this Agreement be re-signed at the time of such transfer. Further, the rights of the Company hereunder may be assigned, without consent of the Team Member, at any time, to any successor in interest of the Company, or any portion thereof, by reason of merger, consolidation, sale, lease or other disposition of any or all of the assets or stock of the Company.

**13. Governing Law and Choice of Forum**

This Agreement shall be governed by, and construed in accordance with, the laws of the State of North Carolina, without regard to its conflict of laws provisions. The parties being desirous of having any disputes resolved in a forum having a substantial body of law and experience with the matters contained herein, the parties agree that any action or proceeding with respect to this Agreement and Team Member's employment shall be brought exclusively in the Supreme Court of the State of North Carolina, Wake County, or in the United States District Court for the Eastern District of North Carolina, or in such other courts of appropriate jurisdiction sitting in the State of North Carolina and the parties agree to the personal jurisdiction thereof. The parties hereby irrevocably waive any objection they may now or hereafter have to the laying of venue of any such action in the said court(s), and further irrevocably waive any claim they may now or hereafter have that any such action brought in said court(s) has been brought in an inconvenient forum. Team Member recognizes that, should any dispute or controversy arising from or relating to this agreement be submitted for adjudication to any court, arbitration panel or other third party, the preservation of the secrecy of Confidential Information or Trade Secrets may be jeopardized.

Consequently, Team Member agrees that all issues shall be tried without a jury.

**14. Non-Waiver**

The failure of either the Company or Team Member, whether purposeful or otherwise, to exercise in any instance any right, power, or privilege under this Agreement or under law shall not constitute a waiver of any other right, power, or privilege, nor of the same right, power, or privilege in any other instance. Any waiver by the Company or by Team Member must be in writing and signed by either Team Member, if Team Member is seeking to waive any of his rights under this Agreement, or by the President or highest executive officer of the Company, if the Company is seeking to waive any of its rights under this Agreement.

**15. Modification**

No modification of this Agreement shall be valid unless made in a writing signed by both parties hereto, wherein specific reference is made to this Agreement.

**16. Cooperation**

Both during the Team Member's employment with the Company and after the termination thereof for any reason, Team Member agrees to provide the Company with such information relating to his work for the Company or others, as the Employer or Company may from time to time reasonably request in order to determine his compliance with this Agreement.

**17. Disclosure**

For a period of two (2) years after termination of employment with the Company, Team Member agrees to provide his new employer with a copy of this Agreement prior to taking a position with such new employer. Team Member also hereby specifically authorizes the Company or the Company to contact his future employers to determine his compliance with the Agreement or to communicate the contents of this Agreement to such employers. Team Member further specifically authorizes the Company to, in its sole discretion and without further permission from Team Member, furnish copies of the Agreement to any client or prospective client of the Company and indicate that Team Member has entered into this Agreement with the intention that the Company and each of its clients or prospective clients may rely upon his compliance with this Agreement.

**18. Headings**

Section headings are used herein for convenience or reference only and shall not affect the meaning of any provision of this Agreement.



*[signature page follows]*

In Process

**NON-SOLICITATION AND  
CONFIDENTIALITY AGREEMENT  
FOR COSMOS GRANITE NORTH EAST, LLC**  
*[signature page]*

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first hereinabove set forth.

By: Vamsi Nallapati, President  
Cosmos Granite North East, LLC

Team Member Name (Printed)

\_\_\_\_\_

In Process

Team Member Signature

\_\_\_\_\_

Date

\_\_\_\_\_