

CONFIDENTIALITY AGREEMENT

WHEREAS, _____ (hereinafter "Company") and **Mitchell O'Donnell Lodge & Cottages LLC** (hereinafter "Seller") desire to enter into discussions and negotiations regarding the potential purchase of **Mitchell Lodge & Cottages** by Company.

WHEREAS, Company has requested, in conjunction with its efforts to evaluate the feasibility of purchasing **Mitchell Lodge & Cottages**, information which Seller considers confidential and proprietary; and

WHEREAS, Seller is agreeable to providing Company with certain information only under the strict guidelines and provisions of this agreement and solely for the purpose of facilitating the purchase discussions and negotiations between the parties and for no other reason whatsoever.

NOW, THEREFORE, for and in consideration of Seller furnishing to Company certain information, all of which Seller regards as confidential and proprietary, Company, on behalf of itself and all affiliates, directors, officers, shareholders, employees, agents, and representatives (hereinafter collectively referred to as "Personnel") of Seller, and Company hereby covenant and agree as follows:

1. As used in this Agreement:
 - (a) "Confidential and Proprietary Information" shall mean any and all information disclosed or made available to Company and its Personnel, or known by Company and its Personnel as a direct or indirect consequence of or due to Company access to all or part of Seller's plants or facilities, and not generally known in the industry in which Seller is engaged, including, but not limited to, customers and brokers, marketing plans, product, product development, plans,

publications, equipment, contract rights, pricing, patents, trade secrets and financial information, or any information related to Seller's and its Affiliate's products, devices, structures, processes, procedures, methods, formulae, techniques, services, specifications, or finances, including, but not limited to, information relating to research, development, inventions, manufacture, purchasing, accounting, engineering, marketing, merchandising, or selling.

(b) "Affiliate" shall mean any person, corporation, partnership or other entity with which joint enterprises are carried on with Seller or Company or in which Seller or Company has any interest.

2. Seller agrees to provide or allow Company and its Personnel access to certain Confidential and Proprietary Information regarding Seller's operations, processes, contracts and finances, the scope and timing of which shall be at the sole and absolute discretion of and under the supervision and control of Seller. Company and its Personnel agree to keep in strict confidence and shall not, directly or indirectly, use, disseminate, disclose, publish, or otherwise make available to any person, firm, corporation, unincorporated association or other entity or use to compete with or otherwise contrary to the interests of Seller any Confidential and Proprietary Information or any portion thereof. The Confidential and Proprietary Information shall not be disclosed to any person other than such of the Personnel of Company who have a need to know. Company shall inform such Personnel of the confidential nature of such information and shall direct such Personnel to hold such information in strict and absolute confidence.
3. Company will, and will require its Personnel to, maintain the confidentiality of any inquiries, investigations, discussions or negotiations that are taking place between

Company, Seller, and any third parties.

4. The restrictions set forth in paragraphs 2 and 3 above shall not apply to any information which (a) is, at the time of disclosure by Seller, a part of the public domain through no violation of this Agreement, (b) becomes available to Company on a non-confidential basis from a source other than Seller, provided, however, that Seller discloses to Company all pertinent information regarding the source and such source is not bound by a confidentiality agreement with Seller, or (c) is required to be disclosed in a filing required by law.
5. At any time, at the request of Seller, Company shall promptly return the Confidential and Proprietary Information to Seller and shall not retain any copies or other reproductions or extracts thereof. Company shall, at any time, at the request of Seller, destroy or have destroyed all memoranda, notes, reports and documents, and all copies and other reproductions and extracts thereof, prepared by Seller or its Personnel in connection with a review of the Confidential and Proprietary Information; and Company shall provide a certificate to Seller that the foregoing materials have in fact been destroyed or returned.
6. If Company is required, in any civil or criminal legal proceeding or any regulatory proceeding or any similar process, to disclose any part of the Confidential and Proprietary Information, Company shall give to Seller at its principal place of business prompt notice of such request so that Seller may seek an appropriate protective order or waive Company's compliance with the provisions of this Agreement.
7. Company acknowledges and agrees that Seller is not making any representation or warranty, express or implied, as to the accuracy or completeness of any Confidential and Proprietary Information provided or any warranty or representation, express or implied,

as to any of its machinery or equipment, including, but not limited to, design, suitability, or fitness for a particular purpose. Company agrees that neither Seller nor any of its affiliates, officers, directors, employees, shareholders, agents and representatives shall have any liability to Company or any of its Personnel resulting from the use of the Confidential and Proprietary Information by Company or any of its Personnel.

8. With regard to breach of this agreement,
 - (a) The parties hereto acknowledge that a suit for damages arising out of any breach or violation of any provision of this Agreement will be inadequate and in the event of any breach or violation, or threatened breach or violation, of this Agreement, Seller shall have the right, in addition to any other rights or remedies available at law or in equity, to obtain injunctive relief.
 - (b) Company agrees to indemnify and hold harmless Seller and its affiliates, officers, directors, employees, shareholders, agents and representatives from and against any and all loss, liability, cost or expense based upon, arising out of or otherwise in respect of any breach or violation, or threatened breach or violation, of this Agreement.
 - (c) If it becomes necessary for Seller to enforce this Agreement by employing an attorney, Seller shall be entitled to collect reasonable attorney's fees, and court costs from Company.
9. Nothing contained in this Agreement shall be construed or deemed to grant any right or give any authorization to Company or its Personnel to act on behalf of or as the agent of Seller or in any manner to assist Seller in effectuating a possible sale, merger or any other transaction involving Seller and nothing contained herein shall be construed or deemed to

constitute employment of Company or its Personnel by for any purpose.

10. This Agreement shall be governed by the laws of the State of North Carolina, notwithstanding the fact that one or more of the parties to this Agreement may become a resident or citizen of a different state. The invalidity, illegality, or unenforceability of any particular provision of this Agreement shall not affect the other provisions, and this Agreement shall be construed in all respects as if such invalid, illegal, or unenforceable provision had been omitted.
11. This Agreement shall not be amended or modified, and none of the provisions hereof shall be waived, except in a writing signed on behalf of the parties hereto or, in the case of a waiver, on behalf of the party making the waiver.
12. All the terms and conditions of this Agreement shall be binding upon the successors and assigns of the parties hereto and shall survive the execution of this agreement and the termination of the discussion and negotiations between the parties.
13. This Agreement may be executed in any number of copies, each of which shall be deemed an original and no other copy need be produced. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or persons may require.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date written below.

By Company: _____

Date: _____

By Seller: _____

Date: _____