

EXHIBIT A

KS Draft 3/17/04

CO-DEVELOPMENT AGREEMENT

THIS CO-DEVELOPMENT AGREEMENT (as amended, supplemented or otherwise modified from time to time, this "Agreement"), is entered into as of March 9, 2004, by and among Anthony Doors, Inc., a Delaware corporation ("Anthony"), Energex Enterprises, Inc., a Colorado corporation (together with its permitted assigns, "Energex"), and Brad Geuke ("Geuke," and together with Energex, the "Product Developers").

WITNESSETH:

WHEREAS, the Product Developers are in the business of marketing energy controllers for anti-sweat controllers which are used in doors and frames for refrigerated freezer and cooler doors ("Anti-Sweat Controllers");

WHEREAS, on November 6, 1989, a corporation was formed in the state of Colorado under the name "Colorado Energy Controls, Inc." ("Original Energex"), and Original Energex subsequently changed its name to "Energex Enterprises, Inc.";

WHEREAS, Original Energex was dissolved on May 1, 1998 by the Colorado Secretary of State;

WHEREAS, Original Energex continued to conduct business and entered into a Confidential Disclosure Agreement, dated February 29, 2000, with Anthony;

WHEREAS, on May 17, 2001, Energex was incorporated in the state of Colorado;

WHEREAS, Original Energex commenced an action in the United States District Court for the District of Colorado, captioned Energex Enterprises, Inc. v. Anthony Doors, Inc. d/b/a Anthony International, Anthony Doors, Anthony, Inc. a/k/a Anthony Manufacturing Co., Inc. Case No. 02-K-397, alleging, *inter alia*, breach of the Confidential Disclosure Agreement dated February 29, 2000, by and between Anthony and Energex, wrongful interference of business opportunity, bad faith breach, misappropriation of confidential information, and unfair competition (the "Civil Action");

WHEREAS, concurrently with the execution and delivery of this Agreement, Anthony and the Product Developers are entering into that certain Settlement Agreement and Mutual General Release, dated as of the date hereof (the "Settlement Agreement"), by and among Anthony and the Product Developers, pursuant to which the Product Developers and all past and present parents, affiliates, subsidiaries, predecessor and successor entities of Energex, including, without limitation, Original Energex, are releasing Anthony from any and all claims that they may have against Anthony; and

WHEREAS, pursuant to the terms of the Settlement Agreement, the parties have agreed to enter into this Agreement, pursuant to which the parties are agreeing to work together

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to design and develop an Anti-Sweat Controller which allows for efficiencies in the usage of energy in a manner to be mutually determined by the parties (the "Co-Developed Product"), on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual obligations and benefits set forth in this Agreement, the receipt and sufficiency of which are hereby acknowledged, Anthony, Energex and Geuke agree to the following terms and conditions:

1. Undertakings.

1.1 Undertakings of Anthony.

(a) Anthony shall make its testing facilities available to Energex to the extent reasonably requested by Energex for the testing and development of the Co-Developed Product, and shall make available to Energex such personnel as may be reasonably necessary to allow for such testing, in each case to allow Energex to perform its obligations under this Agreement; ~~provided, however~~, that any such usage of Anthony's testing facilities and/or personnel shall be conducted during regular business hours and shall not in any way interfere with Anthony's business operations, the existence of any such interference to be determined by Anthony in its reasonable discretion. Any such request shall be made in writing to Anthony a reasonable amount of time prior to the requested date of any contemplated usage of such test facilities and shall specify the nature of such usage.

(b) Anthony shall use commercially reasonable efforts to include any marketing materials provided by Energex relating to the Co-Developed Product in such comparable marketing materials as may be employed by Anthony in respect of its marketing efforts; ~~provided, however~~, that any marketing materials furnished by Energex shall meet such quality standards as may be reasonably determined by Anthony.

(c) Anthony shall use commercially reasonable efforts to (i) include information provided by Energex relating to the Co-Developed Product designed and developed by Energex in Anthony International (AI) catalogues and on the Web site located at "www.anthonydoors.com" maintained by Anthony or an independent service provider or, alternatively, a successor Web site which Anthony may develop or have developed in connection with its marketing efforts (the "Anthony Web Site") and (ii) provide a hypertext link to an URL specified by Energex in writing (the "Link"). The location and prominence of the "Link" on the Anthony Web Site shall be at the sole discretion of Anthony. The Product Developers acknowledge and agree that Anthony is not responsible or liable for any failure of the Internet, the Anthony Web Site or the Link or any other instrumentality preventing the proper resolution of the Link to the URL specified by Energex or any damage resulting from Anthony's provision of the Link. Anthony expressly reserves the right to immediately discontinue provision of the Link in the event Anthony believes the Link is causing or may cause any technical problems with the Anthony Web Site; ~~provided, however~~, that Anthony and Energex shall use all commercially reasonable efforts to correct any problems and continue provision of the Link.



(d) Anthony shall provide to Energex a list of its sales representatives for purposes of allowing Energex to contact such sales representatives to request that they serve as sales representatives for the Co-Developed Product.

(e) Anthony shall provide such additional services as the parties may mutually agree should be performed by Anthony in furtherance of any of the objectives contemplated by this Agreement.

1.2 Undertakings of Energex. In addition to Energex's supply obligations under Section 4 hereof:

(a) Energex shall use commercially reasonable efforts to design and develop the Co-Developed Product such that it will be manufactured, and available to be marketed, sold and delivered to end-users on or prior to the seven-month anniversary of the date of this Agreement (the date the Co-Developed Product is available for delivery to end-users, the "Initial Delivery Date"), but in no event shall the Initial Delivery Date be later than March 15, 2005 (the "Deadline Date"); provided, however, that the Deadline Date shall be extended to June 15, 2005, in the event that the Co-Developed Product has been manufactured, and is ready to be marketed, sold and delivered, on or prior to March 15, 2005, but has not been marketed, sold and/or delivered on or prior to March 15, 2005 as a result of the failure to have obtained all necessary regulatory approvals, all of which shall have been applied for and shall be pending, by such date.

(b) Energex shall use commercially reasonable efforts to patent the Co-Developed Product (the "Co-Developed Product Patent") and to obtain any other relevant intellectual property rights as may be necessary to allow for the exclusive ownership, development, marketing and sale of the Co-Developed Product and other products which are similar to, or use similar technology or processes to those used by, the Co-Developed Product (such rights, together with the Co-Developed Product Patent and any rights relating thereto, the "Co-Developed Product Intellectual Property"), and to take any and all such actions as may be reasonably necessary to ensure that the Co-Developed Product Patent is and remains valid and enforceable to the extent permitted by applicable law. Energex shall take all actions required to ensure that all of the Co-Developed Product Intellectual Property shall be co-owned by Energex and Anthony in accordance with Section 5 hereof.

(c) Energex shall use commercially reasonable efforts to maintain a competitive market price for the Co-Developed Product. The parties acknowledge that the initial cost of production of the Co-Developed Product shall be approximately \$60 per opening. Energex shall use commercially reasonable efforts to reduce such cost through alternate means of production, including without limitation, alternate materials, labor sources and locations for production.

(d) Except as set forth in Sections 1.1(b) and 1.1(o) hereof, Energex shall be responsible for all marketing and advertising of the Co-Developed Product.



(e) Energex shall be responsible for billing and invoicing any purchasers of Co-Developed Products, including any purchasers of refrigerated freezer and/or cooler doors sold by Anthony for which units of Co-Developed Products have been installed by Anthony.

(f) Energex shall provide such additional services as the parties may mutually agree should be performed by Energex in furtherance of any of the objectives contemplated by this Agreement.

1.3 Undertakings of Geuke. Geuke shall take any and all such actions as may be reasonably necessary to cause Energex to comply with its obligations under this Agreement.

2. Compensation.

2.1 Compensation Payable to Energex. As compensation for the performance of its obligations under this Agreement, Energex shall be entitled to compensation from Anthony (in addition to the right to receive payments for satisfaction of its obligations under Section 4 below) as follows:

(a) Anthony shall reimburse Energex for up to \$60,000 for any research and development expenses which Energex may incur in developing any Co-Developed Products ("Development Expenses"), including any applicable patent fees or engineering costs, payable by Anthony to Energex within twenty (20) business days following the delivery of documentation reasonable satisfactory to Anthony which evidences the incurrence of such Development Expenses;

(b) Anthony shall make additional payments to Energex, as follows:

(i) Beginning on the one month anniversary of this Agreement, and on each successive monthly anniversary of this Agreement up to and including the one-year anniversary of this Agreement, an amount equal to \$8,333.33 (for a total of 12 payments under this Section 2.1(b)(i) in the aggregate amount of \$99,999.96);

(ii) Beginning on the one month anniversary of the one year anniversary of this Agreement, and on each successive monthly anniversary of this Agreement up to and including the eighteen-month anniversary of this Agreement, an amount equal to \$16,666.67 (for a total of six payments under this Section 2.1(b)(ii) in the aggregate amount of \$100,000.02);

(iii) Amounts payable in accordance with this Section 2.1(b) shall be payable on the applicable monthly anniversary date by wire transfer of immediately funds to Account # _____ (or to such alternative account as Energex may designate by written notice to Anthony at least five days prior to the due date of the payment); provided, however, that in the event a monthly anniversary date shall occur on a day which is not a business day, amounts payable under this Section 2.1(b) shall be payable on that date which is the first business day immediately following such anniversary date; and



(iv) Upon failure of Anthony to make any payment provided for under this Section 2.1(b) within fifteen (15) days following receipt by Anthony of written notice from Energex demanding such payment, all remaining payments owing under this Section 2.1(b) shall accelerate and become due and payable by Anthony to Energex.

2.2 Royalty Payments. Energex shall pay to Anthony a royalty in respect of any sales by either of the Product Developers of Co-Developed Product that are factory installed by Anthony. The royalty payable to Anthony shall be an amount equal to twenty five percent (25%) of Energex's net profit from such sales. For purposes of this Section 2.2, "net profit" shall mean (a) the aggregate amount of such gross sales of Co-Developed Product, minus (b) the aggregate amount of costs of goods sold with respect to such sales (including without limitation, payments made by Energex to Anthony in respect of installation expenses relating to Anthony Installed Products pursuant to Section 3.2 hereof), minus (c) selling expenses which are directly incurred by Energex in connection with any such specific sales of Co-Developed Product (e.g., travel expenses incurred in traveling to meet a specific potential purchaser who actual purchases Co-Developed Product; it being understood that general advertising, marketing and administrative expenses of Energex shall not be deducted from "net profit"). Royalties under this Section 2.2 shall be payable quarterly by Energex to Anthony within fifteen (15) days following the end of each calendar quarter.

3. Supply and Installation of Co-Developed Product.

3.1 Supply of Co-Developed Product. Subject to Section 4.1(b) hereof, beginning on the Initial Delivery Date, and for a period of four years following the Initial Delivery Date, in order to fulfill all of its requirements for Anti-Sweat Controllers in respect of product warranties, Anthony shall purchase units of the Co-Developed Product from Energex at a price to be reasonably determined by the parties, such price not to exceed \$100 per Anti-Sweat Controller. Notwithstanding the foregoing, each of the parties hereto hereby acknowledges and agrees that Anthony shall be permitted to use any Anti-Sweat Controllers that it maintains in inventory in lieu of purchasing units of Co-Developed Product from Energex provided, however, that (i) prior to the Initial Delivery Date, Anthony shall maintain levels of inventory which are no greater than the levels of inventory maintained by Anthony as of the date hereof and (ii) from and after the Initial Delivery Date, Anthony shall no longer purchase additional Anti-Sweat Controllers other than Co-Developed Products purchased from Energex without the prior written approval of Energex, except that Anthony shall be permitted to purchase Anti-Sweat Controllers from persons or entities other than Energex in the event that Energex, for any reason, is unable or unwilling to provide Anthony on a timely basis with Co-Developed Product (or other Anti-Sweat Controllers that are competitive as to price and quality) that are compatible with the equipment used or purchased by any of Anthony's new or existing customers, and which satisfy the requirements of any applicable product warranties.

3.2 Installation. Anthony shall install units of Co-Developed Product sold by the Product Developers in refrigerated freezer and cooler doors sold by Anthony (any product in which the Co-Developed Product is installed by Anthony, an "Anthony Installed Product"). Energex shall pay to Anthony \$12.00 per door for each unit of Co-Developed Product installed at Anthony's factory. Any amounts payable by Energex pursuant to this Section 3.2 shall be

payable within twenty (20) days following receipt of an invoice and such other supporting documentation as may be reasonably necessary to evidence such payment obligations.

4. Non-Compete.

4.1 Non-Compete Agreement of Anthony.

(a) Subject to Section 4.1(b) below, Anthony covenants and agrees that it will not, during the term of this Agreement and, in the event that this Agreement terminates or expires other than (i) prior to the Initial Delivery Date or (ii) in accordance with Section 7.2 hereof, for a period of three (3) years following such termination or expiration, either directly or indirectly, manufacture Anti-Sweat Controllers or purchase Anti-Sweat Controllers, anywhere in the world, from any person or entity other than Energex, without the prior written consent of Energex. In the event of a breach of this covenant, Energex will, without affecting any other rights or remedies it may have, at law or in equity, be entitled to seek injunctive relief. If this covenant is adjudicated by an arbitrator or a court of competent jurisdiction to be invalid or unenforceable because of the duration or area covered thereby, the arbitrator or court making such determination will have the power to reduce the duration and/or area, and in its reduced form, such covenant will then be enforceable and will be enforced.

(b) Notwithstanding the provisions of Sections 3.1(a) and 4.1(a) hereof, Anthony shall be entitled to manufacture Anti-Sweat Controllers or purchase Anti-Sweat Controllers from persons or entities other than Energex (i) at any time prior to the Initial Delivery Date, and (ii) following the Initial Delivery Date, in the event that Energex, for any reason, is unable or unwilling to provide Anthony on a timely basis with Co-Developed Product (or other Anti-Sweat Controllers that are competitive as to price and quality) that are compatible with the equipment used or purchased by any of Anthony's new or existing customers, and which satisfy the requirements of any applicable product warranties.

4.2 Non-Compete Agreement of Energex and Genke. Each of Energex and Genke covenants and agrees that it/he will not, during the term of this Agreement, either directly or indirectly, manufacture for or sell to any manufacturer of refrigerated freezer and/or cooler doors other than Anthony, the Co-Developed Product, other Anti-Sweat Controllers or products that incorporate the Co-Developed Product or other Anti-Sweat Controllers or the technology used therein, anywhere in the world, without the prior written consent of Anthony. In the event of a breach of this covenant, Anthony will, without affecting any other rights or remedies it may have, at law or in equity, be entitled to seek injunctive relief. If this covenant is adjudicated by an arbitrator or a court of competent jurisdiction to be invalid or unenforceable because of the duration or area covered thereby, the arbitrator or court making such determination will have the power to reduce the duration and/or area, and in its reduced form, such covenant will then be enforceable and will be enforced.

5. Co-Developed Product Intellectual Property.

(a) Anthony and Energex hereby acknowledge and agree that any ownership right, if any, in and to Co-Developed Product Intellectual Property shall be shared equally by the

parties during the term of this Agreement. Anthony and Energex hereby further acknowledge and agree that any benefits arising out of or relating to the Co-Developed Product Intellectual Property shall be shared equally by the parties during the term of this Agreement.

(b) Upon termination of this Agreement in accordance with the terms hereof, Anthony shall transfer all right, title and interest that it has in and to any Co-Developed Product Intellectual Property to Energex. Energex shall bear any costs as may be reasonably incurred by Anthony in effectuating the transfer contemplated by this Section 5(b).

(c) Notwithstanding anything in this Agreement to the contrary, neither Anthony, on the one hand, nor Energex, on the other, shall sell, license or otherwise transfer any Co-Developed Product Intellectual Property without obtaining the prior written consent of the other.

(d) Subject to Sections 5(a) and (b) hereof, the parties hereto acknowledge that any existing or new intellectual property developed by the parties independently of each other shall reside exclusively with such respective parties.

6. Audit Rights.

6.1 Books and Records. Energex agrees to maintain complete and accurate records relating to sales of the Co-Developed Product, other Anti-Sweat Controllers and similar products.

6.2 Audit. Anthony shall have the right to audit the relevant books and records of Energex and to interview Energex personnel to ensure compliance with the terms of this Agreement. Any such audit or interview shall be conducted during regular business hours at Energex's offices upon at least three (3) days prior written notice. The audit or interview may be conducted by Anthony or Anthony's designated representatives or professionals who shall have the right to make copies of all relevant books and records. Anthony shall be responsible for the costs of such audit if third party sources are utilized. The parties shall attempt to resolve any discrepancies within twenty (20) days following written notice of such discrepancy from Anthony to Energex and if the parties are unable to resolve any discrepancy, any party may refer the matter to arbitration in accordance with Section 13.9 hereof.

7. Term and Termination. The term of this Agreement shall begin on the date hereof and end on the earlier of (i) that date which is forty-eight (48) months following the Initial Delivery Date or (ii) such date as this Agreement may be terminated in accordance with its terms. In the event this Agreement is not terminated on or prior to that date which is forty-eight (48) months following the Initial Delivery Date, this Agreement may be extended for additional twelve (12) month terms by the written agreement of the parties.

7.1 Termination for Cause. Anthony or Energex may suspend performance and/or terminate this Agreement immediately upon written notice at any time if the other party (or Geuke, with respect to Anthony's right of termination hereunder) is in material breach of any representation, warranty, term, condition or covenant of this Agreement, and fails to cure that breach within thirty (30) days after written notice thereof.

7.2 Termination by Anthony. Anthony may suspend performance and/or terminate this Agreement immediately upon written notice to Energex at any time in the event the Co-Developed Product is not ready to be manufactured, marketed, sold and delivered to end-users, or is not reasonably competitive as to price or quality with other Anti-Sweat Controllers then being marketed and sold by Anthony or third parties, in any such case on or prior to the Deadline Date, as determined by Anthony and Energex in good faith.

7.3 Termination in the Event of Bankruptcy. Anthony or Energex may suspend performance and/or terminate this Agreement immediately upon written notice at any time if an Event of Bankruptcy (as defined below) shall occur with respect to the other party (or Genloc, with respect to Anthony's right of termination hereunder) which, in the case of an involuntary Event of Bankruptcy, shall not have been dismissed within sixty (60) days. For purposes of this Section 7.3, an "Event of Bankruptcy" shall mean, with respect to any of the parties hereto, (i) that such party (a) shall generally not pay its debts as such debts become due, (b) shall admit in writing its inability to pay its debts generally or (c) shall make a general assignment for the benefit of creditors; (ii) any proceeding shall be instituted by or against such party seeking to adjudicate it as bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or any substantial part of its property; or (iii) such party or any subsidiary of such party shall take any corporate action to authorize any of the actions set forth in the preceding clause (i) or (ii).

7.4 Effect of Termination. From and after the effective date of the expiration or any termination of this Agreement in accordance with its terms, each party shall return to the other parties all property owned by such other party then in its possession. Termination of this Agreement shall not affect any other agreement between the parties. Except as provided above, the provisions of Sections 2.1(b), 2.2 (only with respect to royalty payments earned on account of periods prior to termination), 3.2 (only with respect to payments for installations made prior to termination), 4.1 (only in the event this Agreement terminates or expires other than (i) prior to the Initial Delivery Date or (ii) in accordance with Section 7.2 hereof, and in such case only for a period of three (3) years following such termination or expiration), 5(b), 6, 7.4, 8, 9, 10, 11, 12 and 13 shall survive termination of this Agreement.

8. Representations and Warranties: Covenants.

8.1 Each of Anthony and Energex hereby represents and warrants to the other party as follows:

- (a) It is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation;
- (b) It has the corporate power and authority to own its assets, carry on its business and execute and deliver this Agreement and to perform its obligations hereunder;

(c) It has taken all appropriate and necessary action to authorize the execution, delivery and performance of this Agreement;

(d) All consents, approvals, licenses and authorizations of, and all filings and registrations with, any governmental authority necessary for the due execution, delivery, performance and enforceability of this Agreement, have been obtained and are in full force and effect;

(e) This Agreement constitutes its legal, valid and binding obligation, enforceable in accordance with its terms; and

(f) The execution, delivery and performance of this Agreement (i) will not violate the provisions of its certificate of incorporation or by-laws or other constituent documents, (ii) will not violate any provision of any applicable laws, statutes, rules, regulations, instruments, orders, judgments or decrees to which it is subject to or any other agreement or instrument to which it is a party and (iii) will not require any filing with, or consent or approval of, or the giving of any notice to, any governmental authority.

8.2 Geuke hereby represents and warrants to Anthony as follows:

(a) He has the capacity to execute and deliver this Agreement and to perform his obligations hereunder;

(b) All consents, approvals, licenses and authorizations of, and all filings and registrations with, any governmental authority necessary for the due execution, delivery, performance and enforceability of this Agreement, have been obtained and are in full force and effect;

(c) This Agreement constitutes his legal, valid and binding obligation, enforceable in accordance with its terms; and

(d) The execution, delivery and performance of this Agreement will not violate any provision of any applicable laws, statutes, rules, regulations, instruments, orders, judgments or decrees to which he is subject to or any other agreement or instrument to which he is a party.

8.3 Energex hereby represents and warrants to Anthony that there are no pending or threatened lawsuits, proceedings, claims or governmental actions, prior contracts or investigations, including, without limitation, any claim of any of the defendants (the "Aztec Defendants") party to the case entitled Energex Enterprises, Inc., a Colorado corporation, v. Aztec Energy Systems, Inc., an Arizona corporation; Door Miter, LLC, an Arizona limited liability company; John A. Bunch, Jr., and Kelli A. Bunch, husband and wife; John Does and Jane Does I-V; ABC Corporations I-V; XYZ Partnerships I-V, which was commenced in the Superior Court of the State of Arizona in and for the County of Maricopa (the "Aztec Action"), against Energex or Geuke, which could in any way adversely affect the performance of its obligations under this Agreement, and that during the term of this Agreement: (i) it will maintain, at its own cost and expense, all licenses, permits and other authorizations necessary for



the design and development of Co-Developed Products pursuant to the terms of this Agreement, (ii) it will not be subject to any prior contractual rights of any third party, including, without limitation, any of the Aztec Defendants, which could in any way adversely affect the performance of its obligations under this Agreement and (iii) it will comply in all material respects with all applicable federal, state and local laws and regulations in carryout out its obligations hereunder.

8.4 Energex hereby represents and warrants to Anthony that (i) neither it nor Geuke has ever, in connection with any Anti-Sweat Controller, infringed upon, misappropriated, or otherwise come into conflict with any intellectual property rights of any third parties, and neither it nor Geuke has ever received (other than in connection with the Aztec Action) any charge, complaint, claim, demand, or notice alleging any such interference, infringement, misappropriation, or violation, (ii) the Co-Developed Product, and the technology employed to design and develop the Co-Developed Product, will not infringe upon, misappropriate, or otherwise come into conflict with any intellectual property right of any third parties and (iii) to the knowledge of Energex and Geuke, no third party has interfered with, infringed upon, misappropriated, or otherwise come into conflict with any intellectual property rights of Energex in connection with any Anti-Sweat Controller.

9. Independent Parties. Nothing in this Agreement shall be construed as creating an employer-employee relationship, a partnership or a joint venture between Anthony, on the one hand, and Energex and Geuke, on the other. All persons employed by a party hereto in the performance of services hereunder shall be under the sole and exclusive direction and control of such party, and for no purpose shall Anthony, on the one hand, or Energex or Geuke, on the other, be considered an employee of the other. Each party shall remain an independent contractor and shall be responsible for and shall promptly pay all federal, state and local taxes, chargeable or assessed with respect to its employees, including but not limited to social security, unemployment, federal and state withholding, and all other assessed taxes.

10. Confidentiality.

10.1 Confidential Information.

(a) The parties recognize that in the course of performance of the Agreement, any of them may make disclosures of information to the others about the disclosing party's business or activities which such party considers proprietary and confidential including, without limitation, intellectual property, patents, trade secrets, marketing and business plans, customer lists, and information concerning the operations of the parties (all of such proprietary and confidential information is hereinafter referred to as "Confidential Information"). The party who receives any Confidential Information (the "Receiving Party") from a disclosing party (the "Disclosing Party") agrees to maintain a confidential status for such Confidential Information, not to use any such Confidential Information for any purpose other than the purpose for which it was originally disclosed to the Receiving Party and not to disclose any such Confidential Information to any third party, unless such information:



(i) is or has become available to the public from a source other than the Receiving Party;

(ii) was already known to the Receiving Party from sources other than the Disclosing Party at the time it was disclosed to the Receiving Party and was not obtained by the Receiving Party in violation of a confidentiality or other similar obligation of such source that is known to the Receiving Party;

(iii) is required to be disclosed by law, regulation or legal process, and only after compliance with Section 10.1(b); or

(iv) was developed independently by the Receiving Party.

(b) The parties acknowledge that they may be requested or required (by applicable law or regulation, oral questions, interrogatories, requests for information or documents, subpoenas or similar process) to disclose Confidential Information. In the event that a Receiving Party or any of its representatives are so requested or required to disclose any Confidential Information, the Receiving Party shall notify the Disclosing Party (unless prohibited by law) so that the Disclosing Party may seek an appropriate protective order or other appropriate remedy or, in the Disclosing Party's sole discretion, waive compliance with the terms of this Section 10 (and if the Disclosing Party seeks such an order, the Receiving Party shall provide such cooperation as the Disclosing Party may reasonably request). In the event that no such protective order or other remedy is obtained or that the Disclosing Party waives compliance with the terms of this Section 10, the Receiving Party and its representatives shall furnish only that portion of Confidential Information which the Receiving Party is advised by counsel is legally required to be disclosed and give the Disclosing Party written notice (unless prohibited by law) of the Confidential Information to be disclosed as far in advance as practicable and exercise all reasonable efforts to obtain reliable assurance that confidential treatment will be accorded the Confidential Information.

(c) Each of the parties agree that the terms and conditions of this Agreement shall be kept and remain strictly confidential except to the extent that disclosure is required by applicable law or regulation, oral questions, interrogatories, requests for information or documents, subpoenas or similar process (in which case section (b) above shall apply as though such terms and conditions were deemed "Confidential Information"), or in connection with the conduct of such party's respective business.

10.2 Survival of Confidentiality. The provisions of this Section 10 shall survive the termination of this Agreement for any reason whatsoever. Upon such termination, the parties shall return or destroy any Confidential Information which may have been transmitted from another party, as well as any copy or other reproduction, including, without limitation, electronic data reproductions or representations.

11. Notices.

All notices and other communications required or permitted hereunder shall be given in writing by hand delivery, by facsimile, or by registered or certified mail, return receipt



requested, postage prepaid, addressed to the party to receive the same at its respective address set forth below, or at such other address as may from time to time be designated by such party to the other parties hereunder in accordance with this Section 11:

If to Anthony:

Anthony International
12812 Arroyo Street
San Fernando, California 91342-5301
Attn: Jeff Clark
Facsimile: (818) 332-2310

With a copy to:

Kaye Scholer LLP
425 Park Avenue
New York, New York 10022
Attn: Mark S. Kingsley, Esq.
Facsimile: (212) 836-8689

If to Energex or Geuke:

Energex Enterprises, Inc.
[Address] 10 Rwy 69
Silverdale, CO 80646
Attn: Brad Geuke
Facsimile: (970) 686-0851

With a copy to:

Jim Kreutz, Esq.
5445 DTC Pkwy #1036
Greenwood Village, CO 80111
Attn: _____
Facsimile: (303) 793-0923

All notices shall be effective when received. A notice is considered received if a written confirmation of receipt appears thereon or there exists a written facsimile confirmation. Any party may by notice to the other parties designate a new address for notices, such new address to be effective ten (10) days after receipt of designation.

12. Indemnity: Product Warranties.

(a) Indemnity. Anthony hereby agrees to indemnify and hold harmless each of Energex and Geuke, and Energex's shareholders, directors, officers and employees from and against any and all costs, losses, claims, actions, demands, damages and liabilities (including



attorneys' fees and disbursements) incurred by such person or entity arising out of or in respect of (i) any act, failure to act, or any assumption of any obligation or responsibility by Anthony, or by any of its directors, officers or employees, which is in contravention or violation of or in conflict with any of the terms or provisions of this Agreement, (ii) any product warranty claims for which Anthony is liable pursuant to Section 12(b) below or (iii) any breach of any of the representations, warranties, covenants or agreements made by Anthony under this Agreement. Each of Energex and Geuke hereby agrees, jointly and severally, to indemnify and hold harmless Anthony, and its shareholders, directors, officers and employees from and against any and all costs, losses, claims, actions, demands, damages and liabilities (including attorneys' fees and disbursements) incurred by such person or entity arising out of or in respect of (i) any act, failure to act, or any assumption of any obligation or responsibility by Energex or Geuke, or by any of Energex's directors, officers or employees, which is in contravention or violation of or in conflict with any of the terms or provisions of this Agreement, (ii) any product warranty claims for which Energex is liable pursuant to Section 12(b) below or (iii) any breach of any of the representations, warranties, covenants or agreements made by Energex or Geuke under this Agreement. Notwithstanding anything in this Section 12 to the contrary, none of Anthony, Energex or Geuke shall be entitled to indemnification with respect to any costs, losses, claims, actions, demands, damages and liabilities which were caused by such party's own gross negligence, willful misconduct, actual fraud or reckless disregard of its duties hereunder.

(b) Product Warranties. All products marketed and distributed by Anthony shall be provided with Anthony's standard warranty clauses. Notwithstanding the foregoing, (i) Anthony shall be liable for any and all third-party breach of warranty, product liability and other liability claims to the extent such claims are attributable to the installation by Anthony of any Co-Developed Product, other Anti-Sweat Controller or other similar product, and (ii) Energex shall be liable for any and all third-party breach of warranty, product liability and other liability claims to the extent such claims are attributable to any defect or failure of any Co-Developed Product, other Anti-Sweat Controller or other similar product which is provided to Anthony by Energex. In furtherance of the foregoing, Energex shall maintain product liability insurance written on a claims made basis in an amount of not less than \$2,000,000 annual aggregate which insurance shall name Anthony as an additional insured, and shall deliver to Anthony a certificate of insurance evidencing such insurance prior to the Initial Delivery Date.

(c) Limitation of Liability. In no event shall a party be liable for any indirect, punitive, special, consequential, or incidental damages, including but not limited to loss of profits, loss of reputation or interruption of business, to the fullest extent permitted by law, whether such damages are alleged in tort, contract, or otherwise, even if such party has been apprised of the possibility of such damages.

13. Miscellaneous.

13.1 Entire Agreement. This Agreement constitutes the entire agreement of the parties hereto as to the subject matter hereof and supersedes and terminates all prior arrangements and agreements, if any, with respect to the subject matter hereof.

13.2 No Waiver. No failure by any of the parties hereto to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder by any of the parties hereto preclude any other or future exercise of that right or any other right hereunder by such party.

13.3 Severability. In case any one or more of the provisions of this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

13.4 Assignment. This Agreement may not be assigned by any of the parties hereto without the prior written consent of the other parties. Notwithstanding the foregoing, Energex shall be permitted to assign all of its rights and obligations under this Agreement without the consent of Anthony, to an entity that is controlled by Geuke, provided that any such successor agrees in writing to be bound by this Agreement. Energex shall provide Anthony with reasonably prior written notice of any such assignment. Any such permitted assignee shall assume all obligations of Energex under this Agreement and no assignment shall relieve Energex of its responsibility for the performance of any obligation. For purposes of this Section 13.4, "controlled by Geuke" shall mean that Geuke is the owner of more than fifty percent (50%) of the voting securities of such entity or any other comparable equity or ownership interest.

13.5 Amendment. This Agreement may not be amended, modified, supplemented, terminated or superseded except by an agreement in writing signed by each of the parties hereto.

13.6 Survival. Termination or expiration of this Agreement shall not affect any liabilities or obligations, including, without limitation, payment and indemnification obligations, which arose pursuant to the terms of this Agreement prior to the effectiveness of such termination or expiration.

13.7 Expenses. Except as otherwise set forth herein, each party shall bear its own respective costs, including, without limitation, attorneys' fees and disbursements, and provide the resources necessary to fulfill its respective obligations pursuant to the terms of this Agreement.

13.8 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Colorado without regard to the conflict of law principles thereof.

13.9 Arbitration. If any dispute arises out of this Agreement, the parties will settle such dispute exclusively by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association in effect on the date of commencement of the arbitration. Arbitration may be commenced by written notice given by any of the parties to the others. The arbitration will be held in Denver, Colorado before a panel of arbitrators appointed by the American Arbitration Association. Judgment upon the award made in the arbitration may be entered by any court having jurisdiction. Each of Anthony, on

the one hand, and Energex and/or Geuke, on the other, will bear its or his own fees and expenses incurred in connection with the arbitration and shall equally share the fees and expenses of the arbitrators.

13.10 Further Assurances. Each of the parties hereto agrees that it will, from time to time after the date of this Agreement, execute and deliver such other certificates, documents and instruments and take such other action as may be reasonably requested by any of the other parties to carry out the transactions contemplated by this Agreement.

13.11 Counterparts: Facsimile Signature. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be deemed an original, and all of such counterparts taken together shall constitute one and the same instrument. The exchange of copies of this Agreement and of signature pages by facsimile transmission shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile shall be deemed to be their original signatures for all purposes.

[Signature Page Follows]

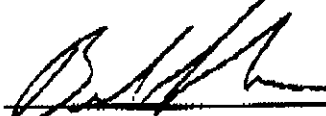
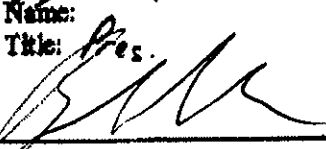
A handwritten signature in black ink, appearing to be a stylized 'J' or 'K' followed by a flourish.

IN WITNESS WHEREOF, the parties have caused this Agreement to be
examined as of the date first above written.

ANTHONY DOORS, INC.

By: 
Name: _____
Title: 

ENERGEX ENTERPRISES, INC.

By: 
Name: _____
Title: 

Brad Genke