

## Notice

Pursuant to Colorado Revised Statute § 8-2-113, Wichita Water Conditioning, Inc., its subsidiaries, affiliates, or related interests (“EMPLOYER”) provides \_\_\_\_\_ (“EMPLOYEE”) notice that EMPLOYER has attached to this document a copy of EMPLOYER’s Protection of Trade Secrets Agreement (“attached Agreement”), which contains, among other things, covenants that could restrict EMPLOYEE’s options for subsequent employment following his/her separation from EMPLOYER. Specifically, paragraphs 4 and 5 of the attached Agreement contain confidentiality, non-solicitation, and non-competition covenants that are intended to protect EMPLOYER’s trade secrets. EMPLOYER has provided EMPLOYEE with a copy of the attached Agreement prior to EMPLOYEE accepting employment with EMPLOYER or, if EMPLOYEE is an existing worker, fourteen days prior to the earlier of: (i) the effective date of the attached Agreement or (ii) the effective date of any additional compensation or change in the terms or conditions of employment that provides consideration for the covenant.

EMPLOYEE acknowledges that:

- (1) He or she has read and understands each provision of this Notice and attached Agreement;
- (2) He or she has had the opportunity to ask any questions regarding this Notice and attached Agreement and to seek legal advice regarding both;
- (3) He or she has executed the attached Agreement voluntarily and with full knowledge of its significance;
- (4) He or she intends to be fully bound by the terms of the attached Agreement;
- (5) EMPLOYEE received this Notice and attached Agreement prior to accepting EMPLOYER’s offer of employment or, if EMPLOYEE is continuing his or her employment with EMPLOYER, at least fourteen days before the earlier of (i) the effective date of this Agreement, or (ii) the effective date of any additional compensation or change in the terms or conditions of employment that provides consideration for this Agreement.

### **EMPLOYEE**

/Signature/ \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

**PROTECTION OF TRADE SECRETS AGREEMENT-Colorado**

This Protection of Trade Secrets Agreement (the "Agreement") is entered into effective this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, between Wichita Water Conditioning, Inc., a Corporation authorized to do business in Colorado ("Employer"), and \_\_\_\_\_ ("Employee").

WHEREAS, Employer is engaged in the highly competitive industry of marketing and sale of commercial and residential water conditioning systems, services, and products in Colorado and other States ("Employer's business").

WHEREAS, Employer has, at great expense and over a significant period of time, obtained and developed certain information not known to those outside the business that gives Employer a competitive advantage in those markets in which it does business, all of which Employer considers and treats as Employer's trade secrets.

WHEREAS, Employee desires to become employed with Employer, or remain employed with Employer, on an at-will basis, and Employer desires to employ or continue to employ Employee on an at-will basis, all subject to the terms of this Agreement.

WHEREAS, Employer will disclose certain of its trade secrets to Employee in order for Employee to perform his or her duties as an employee of Employer.

WHEREAS, Employer desires to prevent unfair competition with its business by prohibiting Employee from using or disclosing Employer's trade secrets to others outside the business without prior authorization by Employer.

NOW, THEREFORE, in consideration of Employee's employment, the parties agree as follows.

1. Employee acknowledges that it is reasonable and necessary for the protection of Employer's trade secrets that Employee make the covenants described in this Agreement, and that Employer will suffer irreparable injury if Employee engages in conduct prohibited by this Agreement. Employee acknowledges and agrees that the covenants restricting Employee's conduct described in this Agreement are reasonable, necessary, and appropriately limited with respect to time and scope in a manner that is not greater than necessary to protect the unauthorized use and disclosure of Employer's trade secrets, which will be provided to Employee during his or her employment by Employer.

2. Employee acknowledges that he or she is being provided good and adequate consideration, including, but not limited to, initial employment by Employer and/or continued employment with Employer, for Employee's covenants described in this Agreement, and that Employee's experience and/or abilities are such that complying with the covenants will not cause Employee any undue hardship nor unreasonably interfere with his or her ability to earn a livelihood. Employee understands that he or she will be obligated to comply with the covenants described in this Agreement after the termination of his or her employment with Employer for any reason.

3. Employee acknowledges that during the term of his or her employment, because of the nature of his or her responsibilities, Employee will acquire or otherwise be provided with, or privy to, Employer's trade secrets as described in paragraph 4.

4. The Parties hereby acknowledge that “trade secrets” as used herein means information: (A) developed and obtained by Employer over a significant period of time and through substantial expenditure of resources and which creates a competitive advantage for Employer in the markets in which it does business; (B) that is not known outside Employers’ business because of Employer’s precautions to prevent unauthorized use and disclosure thereof; (C) that cannot be acquired or duplicated by those outside Employer’s business without the substantial expenditure of resources over a significant period of time; and (D) the access to which is limited to those within Employer’s business with a legitimate need to know the information in order for them to perform their responsibilities on behalf of Employer. Examples of Employer’s trade secrets include, but are not limited to: lists of customers, customer contacts, and information describing customer requirements, lists of suppliers, specifications and designs of products and services, costs, methods of operation, marketing, sales and management techniques, administrative procedures, methods of determination of prices, financial condition, profits, sales, net income, indebtedness, future plans, formulae, patterns, compilations, programs, devices, methods, techniques, and processes, and all other information as to the business affairs of Employer or Employer’s customers that is not generally known to the public or outside of Employer’s business as the same may exist from time to time.

Therefore, Employee agrees that Employee will, during or after Employee’s employment, never:

A. Use any of Employer’s trade secrets, or any part thereof, for Employee’s own benefit except, and only to the extent necessary in performing services for Employer.

B. Disclose any of Employer’s trade secrets, or any part thereof, to any person, firm, corporation, association, or other entity for any reason or purpose whatsoever, except, and only to the extent as necessary in performing services for Employer, or as may be required by judicial order or applicable law.

Employee further represents and warrants that upon termination of Employee’s employment, for any reason, Employee will immediately deliver to Employer, without copying or retaining any copies thereof, all of Employer’s trade secrets, regardless of the format in which such exists and regardless of whether prepared by Employee or otherwise.

5. In order to protect Employer’s trade secrets, Employee agrees that during the course of his or her employment with Employer and for one year from the date Employee’s employment with Employer terminates, regardless of the reason or circumstances thereof, neither Employee nor any person or entity with Employee’s assistance, will, directly or indirectly:

A. Own, manage, operate, control, solicit customers for, negotiate or solicit contracts for, invest in, advise, consult with, or be connected with the ownership, management, operation, or control of any business that is engaged, in whole or in part, in any business that is competitive to Employer’s business. Provided, however, that this clause 5.A. will only be effective if Employee’s annual compensation is at least at the level set by the Colorado Department of Labor and Employment (“CDLE”) to be considered a highly compensated employee (\$112,500 in 2023, and as adjusted by CDLE thereafter), with such amount measured both at the time this Agreement is executed and at the time it is to be enforced.

B. Attempt to encourage, persuade, convince, or otherwise influence:

i. Any licensor, licensee, vendor, manufacturer or other source of supply of Employer to discontinue or otherwise reduce the nature, extent, manner, or amount that such entity does business with Employer; and/or

- ii. Any customer (including distributors) with whom Employee had actual contact, to discontinue or otherwise reduce the nature, extent, or amount in which such customer does business with Employer; provided however, that this clause 5.B.ii. will only be effective if Employee's annual compensation is at least at sixty percent (60%) of the level set by CDLE to be considered a highly compensated employee (\$67,500 in 2023, and as adjusted by CDLE thereafter), with such amount measured both at the time this Agreement is executed and at the time it is to be enforced.

6. Employee agrees that Employer is entitled to injunctive or other equitable relief enjoining and restraining Employee from any actual or threatened breaches of the provisions of Sections 4 and/or 5. However, nothing in this section is to be construed as prohibiting Employer from pursuing any other remedies available to Employer for such breach or threatened breach, including, but not limited to, the recovery of damages (both actual and punitive) from Employee and others. In the event of an action to enforce this Agreement in which a court of competent jurisdiction finds that Employee willfully breached his obligations herein, Employer shall be entitled to an award of its attorneys' fees and reasonable costs incurred in enforcing this Agreement.

7. This Agreement is to be interpreted, construed and governed according to the laws of the State of Colorado without regard to conflict of laws, and any suit or action arising out of or related to this Agreement is to be brought first in the United States District Court for the District of Colorado or, absent jurisdiction in that court, in the Colorado state district court that is closest to the facility of Employer to which Employee is assigned (or was assigned if after employment termination). The Parties consent to such venue and jurisdiction and agree that if suit be brought in any other jurisdiction, the same must be removed promptly to either such Court, as the case may be. Notwithstanding the above, Employer retains the right, in its sole discretion, to first seek injunctive or other equitable relief, in any court of competent jurisdiction, enjoining and/or restraining any actual or threatened breaches by Employee of the provisions of Sections 4 and/or 5 of this Agreement.

8. The waiver of a breach of any provision of this Agreement will not operate or be construed as a waiver of any subsequent breach.

9. The provisions of this Agreement are severable. If any court with proper jurisdiction should construe any portion of this Agreement to be too broad to enforce to its fullest extent, then the Parties agree that such restrictions are to be enforced to the maximum extent that the court finds reasonable and enforceable. In the event that any of these provisions, clauses, sentences, or paragraphs, or portions thereof (collectively hereafter referred to as "provisions") are held to be invalid or unenforceable, the remaining provisions of the Agreement nevertheless continue to be valid and enforceable as though the invalid or unenforceable parts had not been included herein.

10. This Agreement shall be binding upon and shall be to the benefit of the Parties, their successors and permitted assigns. As such, it is thus expressly agreed that this Agreement shall be assignable only by Employer to any purchaser or assignee of Employer's business or any part thereof, and shall be binding upon Employee, and therefore, have the same force and effect between Employee and any such assignee or purchaser as hereby created between Employee and Employer.

11. Immunity from Liability for Confidential Disclosure of a Trade Secret to the Government or in a Court Filing:

(1) Immunity—Employee shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that—(A) is made—(i) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

(2) Use of Trade Secret Information in Anti-Retaliation Lawsuit—An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual—(A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order.

12. This Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof, and supersedes all prior agreements, communications, and understandings relating to the subject matter hereof. No amendments or additions to this Agreement will be binding unless in writing and signed by both Parties. Nothing in this Agreement may be construed or interpreted to create an employment relationship between the Parties for any specified period of time. The Parties agree and acknowledge that the employment relationship between them is “at-will” in nature, and, as such, may be terminated by either Party at any time with or without prior notice.

IN WITNESS WHEREOF, the parties have executed this Agreement to first be effective on the day, month and year first above written.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Employee

Wichita Water Conditioning, Inc.

\_\_\_\_\_  
Date

\_\_\_\_\_  
HR Representative