NONDISCLOSURE AGREEMENT

This Mutual Nondisclosure Agreement (the "Agreement") is made as of the ___ day of _____, 20____ (the "Effective Date"), by and between DesignStein Studios, LLC, a California limited liability company ("Company") and _________________ ("Client"), individually referred to herein as a “Party” and collectively as “Parties.” As used herein, the term "Party" and “Parties” shall include the Company and the Client, together with their respective directors, officers, members, partners, shareholders, owners, employees, contractors, agents, affiliate(s), representatives (including attorneys, accountants, and financial advisors) and/or employees (collectively, "Representatives").

RECITALS

WHEREAS, the Parties hereto intend to enter into discussions concerning the possibility of entering into an agreement relating to the design, development, production, sale and marketing of a specific new product ("Proposed Transaction");

WHEREAS, in the course of such discussions and/or the Proposed Transaction, the Parties certain confidential information, trade secrets, supplier information and/or otherwise proprietary information may be disclosed between the Parties; and

WHEREAS, the Parties intend and desire, by and through this Agreement, to protect such information from dissemination on the terms and conditions set forth herein.

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. Incorporation of Recitals.

The Recitals set forth above are expressly incorporated into the Agreement set forth herein.

2. Definition of Confidential Information

(a) The term "Confidential Information" shall mean all information, knowledge, data, pricing, formulations, technical details, and materials of any kind whatsoever, whether disclosed orally or in written, graphic, schematic or electronic form, furnished directly or indirectly by the Parties arising out of and/or related to the Proposed Transaction, whether furnished before, on or after the Effective Date. In the case of disclosures made orally, by visual inspection, or in electronic form, the Parties shall have the right to confirm in writing within thirty (30) days after any such disclosure is made the nature of the disclosure and whether such disclosure contained Confidential Information intended to be protected by this Agreement.

(b) The term Confidential Information does not include information which (i) was or
becomes available to the public other than as a result of any action or inaction of the Parties and/or their representatives; (ii) was or becomes available to the Parties on a non-confidential basis from a source other than the Parties or its Representatives, provided that such source is not bound by a confidentiality agreement with respect to such information; or (iii) was within the Parties’ possession prior to it being furnished to the other Party, provided that the source of such information was not bound by a confidentiality agreement with the disclosing Party; or (iv) is independently developed by either Party, as demonstrated by contemporaneously maintained written records.

3. Nondisclosure

(a) The Parties shall keep the Confidential Information confidential and shall not, without the prior written consent of the disclosing party, use the Confidential Information directly or indirectly in any manner, other than in connection with the Proposed Transaction. The recipient Party may reveal Confidential Information only to its Representatives who need to know such information for the Proposed Transactions in order to assist or advise the recipient Party in connection with the Proposed Transaction. The recipient Party agrees that such Representatives shall (i) be informed of the confidential nature of such information; (ii) be directed to treat such information confidentially and not to use it other than for Proposed Transactions permitted by this Agreement; and (iii) agree to terms substantially the same as the terms of this Agreement that are applicable to them. The Parties agree to take all reasonable measures to protect against the disclosure or release of the Confidential Information into the public domain or to any persons, other than its Representatives authorized by this Agreement to have the Confidential Information, and the recipient Party shall be responsible for any breach of this Agreement by any of its Representatives. In addition, the Parties hereto agree that they will not disclose to any person (other than its Representatives) the fact that Confidential Information is being disclosed, that discussions or negotiations are taking place among the parties concerning the Proposed Transaction, or any of the terms, conditions or other facts with respect to the Proposed Transaction.

(b) The Parties acknowledge and agree that they are not entitled to rely on the accuracy or completeness of the Confidential Information and that they shall be entitled to rely solely on such representations and warranties as may be made in any definitive agreement, if such agreement is entered into, subject to the terms and conditions of such agreement. Accordingly, each Party acknowledges that neither Party nor its Representatives are making any representation or warranty, express or implied, as to the accuracy or completeness of the Confidential Information, and neither Party nor its Representatives will have any liability to the other Party or to any other person resulting from the use of the Confidential Information or any errors or omissions contained in the Confidential Information.

(c) Notwithstanding any provision in this Agreement, a recipient Party may disclose Confidential Information or portions thereof to the extent required by an applicable law or regulation, or by an order issued by a court or governmental agency of competent jurisdiction; provided, however, that prior to disclosing any Confidential Information as required by law or regulation or by such court or governmental agency, the recipient Party shall give the disclosing
Party reasonable prior written notice to permit the disclosing Party to challenge or limit such disclosure.

(d) The terms of confidentiality under this Agreement shall not be construed to limit the recipient Party’s right to independently develop or acquire products or services without use of the other party's Confidential Information.

(e) Notwithstanding the above, the recipient Party may retain a record copy solely for the Proposed Transaction of determining either party's rights, obligations, and/or disclosures made under this Agreement, and the recipient Party shall not be required to destroy any computer files created during automatic system back-ups that are subsequently stored securely and not accessible to employees.

4. Return of Confidential Information

The recipient Party of any Confidential Information hereunder acknowledges that all Confidential Information disclosed to a recipient Party is and shall remain the property of the disclosing Party. If either Party elects to refrain from proceeding with the Proposed Transaction, or if at any time a disclosing Party shall so request, (i) the recipient Party shall promptly redeliver to the disclosing Party or destroy all tangible material of any type containing or reflecting any information contained in the Confidential Information (whether prepared by the recipient Party or otherwise, and whether in the recipient Party's possession or the possession of any of its Representatives), and will not retain any copies, extracts or other reproductions, in whole or in part, of such material; and (ii) all documents, notes, summaries, analyses, memoranda and other writings whatsoever (including copies, extracts or other reproductions) prepared by the recipient Party or its Representatives based on the information contained in the Confidential Information shall be destroyed, and such destruction shall be certified in writing to disclosing Party by an authorized officer supervising such destruction. The delivery or destruction of any such material shall not relieve the recipient Party's obligations under this Agreement and any oral Confidential Information will continue to be subject to the terms of this Agreement for the time period stated herein.

5. Representations and Warranties

Each Party represents and warrants to the other Party that (i) this Agreement is a valid and binding obligation, enforceable against such Party in accordance with its terms, and (ii) the execution and delivery of this Agreement by such Party does not conflict with or constitute a violation of or default under any of its organizational documents, any statute, law or regulation, order or decree applicable to it, or any contract, commitment, agreement, arrangement or restriction of any kind to which it is a party or by which it is bound.

6. No Obligation

Nothing in this Agreement shall obligate either Party to proceed with any transaction between them. Each Party acknowledges and agrees that, until a definitive agreement regarding the Proposed Transaction has been executed, that neither Party nor its Representatives shall have
any liability to the other Party or its Representatives of any nature whatsoever with respect to a possible transaction by virtue of this Agreement or otherwise.

7. **No Ownership.**

No rights or licenses to trademarks, copyrights, patents or any other proprietary rights of a disclosing Party are implied or granted under this Agreement. All Confidential Information (including all copies thereof) shall at all times remain the property of the disclosing Party.

8. **No Transfer.**

The Parties hereby agree that nothing in this Agreement shall impact or cause a transfer or license of the rights to any and all technical information, works of authorship, trade secrets and know-how ("Inventions") invented or developed by the disclosing Party. All test materials and samples furnished by the disclosing Party shall remain the property of the disclosing Party. All test and performance results shall become the property of the disclosing Party and shall be Confidential Information subject to the terms of this Agreement.

9. **Specific Performance**

Each Party hereto agrees that money damages would not be a sufficient remedy for any breach of this Agreement by a Party and that the other Party shall be entitled to seek equitable relief, including injunctive relief and specific performance, and no bond or other security shall be required in connection with any such equitable relief. In the event of any such breach, in addition to all other remedies available to the other Party at law or in equity, each Party hereto agrees to indemnify the other Party for, and to hold the other Party harmless against, any and all liabilities, costs, expenses, losses, damages and claims arising out of its or any of its Representatives' breach of this Agreement.

10. **No Use or Circumvention.**

The recipient Party shall not use any Confidential Information to invent, reverse engineer, create, modify, adapt, or manufacture any products or services which would or could compete with or be used in lieu of disclosing Party's products or services, and shall be used only for the Proposed Transactions for which it was disclosed.

11. **Title.**

The disclosing Party shall retain title to all forms of the Confidential Information delivered pursuant to this Agreement and to all copies thereof. Recipient Party shall not copy or reproduce any Confidential Information in whole or in part without the disclosing Party's written authorization.

12. **Indemnification.**

The recipient Party shall indemnify, defend (with counsel selected by the disclosing Party), protect, and hold harmless the disclosing Party and disclosing Party's officers, directors,
shareholders, employees, contractors, agents, insurers, customers, and potential customers from and against any and all cost, expense, liability, claim, damage, and/or loss incurred as a result of and any breach by the recipient Party of recipient Party's obligations in this Agreement and any misuse or disclosure by the recipient Party or its Representatives of any Confidential Information.

13. **Attorney’s Fees and Costs.**

In the event that an action is filed to interpret or enforce this Agreement, the prevailing Party in any such action shall be entitled to recover its reasonable attorney’s fees and costs arising out of and/or related to any such action.

14. **Governing Law; Venue.**

This Agreement shall be governed by and construed and enforced in accordance with California law and the federal laws of the United States, without reference to conflicts of law principles that might cause the laws of another jurisdiction to apply. The jurisdiction for any legal action under this Agreement shall be the Superior Court of the State of California and to any Federal District Court in the State of California. Venue for any legal action relating to or arising out of this Agreement shall be in Orange County, California.

15. **Severability**

If any provision of this Agreement is found to violate any statute, regulation, rule, order or decree of any governmental authority, court, agency or exchange, such invalidity shall not be deemed to affect any other provision hereof or the validity of the remainder of this Agreement and such invalid provision shall be deemed deleted here from to the minimum extent necessary to cure such violation.

16. **Term**

This Agreement shall remain in place until five years (5) following the date upon which one Party provides the other Party written notice of termination. Even upon termination, the obligations of confidentiality and non-use under this Agreement shall continue until such time as all of the disclosing Party's Confidential Information disclosed hereunder becomes publicly known and generally available through no action or inaction of the recipient Party in breach of its obligations under this Agreement.

17. **Additional Terms**

This Agreement constitutes the entire agreement between the Parties and supersedes all previous agreements, understandings and communications between the parties related to the Proposed Transaction, and may be modified only in a writing signed by duly authorized representatives of the Parties. Failure to insist upon strict compliance with any provision of this Agreement shall not be deemed waiver of such provision or any other provision hereof. If any provision of this Agreement shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions shall remain in full force and effect. This Agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors.
and permitted assigns; provided, however, that this Agreement may not be assigned by either Party without the prior written consent of the other Party, except that a Party may assign this Agreement to its successor in connection with the sale of all or substantially all of its assets. The execution of this Agreement shall not create any agency, partnership, joint venture, association or any other relationship between the Parties other than as independent contracting parties.

18. **Counterparts.**

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same instrument.

19. **Authority.**

Each person signing this Agreement represents and warrants that he or she has full authority to do so and that no other party’s signature, consent or approval is necessary in order for this Agreement to be binding on such party.

IN WITNESS WHEREOF the Parties hereto have caused this Nondisclosure Agreement to be executed as of the date set forth above by their duly authorized representatives.

"**COMPANY**"

DesignStein Studios, LLC, a California limited liability company

By: _______________________
Name: _____________________
Title: ______________________

"**CLIENT**"

________________________________________

By: _______________________
Name: _____________________
Title: ______________________