

APPENDIX "B"

MUTUAL CONFIDENTIALITY, NON-DISCLOSURE AND NON-CIRCUMVENTION AGREEMENT

INTRODUCTION

This Mutual Confidential Evaluation Agreement, Non-Disclosure and Non-Circumvention Agreement (the "Agreement") is entered into between Special Opportunities Partners 1, a Colorado Limited Liability Partnership (hereinafter "SOP1") and the recipient of disclosure whose name is set forth below ("Recipient") and is meant to be mutually protecting to both parties and their networks, resources, ideas, and proprietary information, per 8.09

The parties contemplate that SOP1 will disclose Confidential and/or Proprietary Information (as defined below) to Recipient, and they have entered into this Agreement to define the rights and duties of the parties concerning such disclosure.

1 Definition of Confidential Information

As used in this Agreement, "Confidential Information" shall mean:

- 1.01 All information (whether written, oral or electronic) and contacts furnished to Recipient by SOP1. It shall include, but not be limited to all computer software, knowledge bases, grant databases, consultant databases, specific company contacts and key personnel, content and products of various types, businesses or companies that may be potential merger, acquisition, and strategic alliance and/or partnership and/or exempt transaction and/or strategies and/or candidates, key legal, financial, marketing, wholesaling, consulting, cataloging and related business contacts, certain public and private companies interested in joint venturing and/or consulting and/or strategically partnering and/or merging and/or acquiring and/or being acquired in whole or in part and related assets, databases, computer source code, prototypes, product research and development, processes, formulas, materials, unique and/or specific, use of various fields, wavelengths, spectrums, waveform geometries, acoustic and/or optical principles/applications, performance specifications, techniques, parameters, principles, learning and teaching healing, psychological, biological, and integrating methods/applications, delivery systems/communication systems, know-how, engineering and other data compilations, analyses, forecasts, studies, marketing plans, pricing, financial information, designs, technology, business plans, financial and/or business transactions, intellectual plans and strategies, product dimensions, manufacturing methods, product functionality, concepts, processes, structures, external elements, product uses, documentation, market and financial plans, customers, prospects, sales techniques, and information relating to markets or other documents provided to or prepared by Recipient in furtherance of the development and commercialization of SOP1 products or services, new commercial, military or other applications not yet published by businesses seeking to expand.
- 1.02 Proprietary information includes software, web sites, patent applications, trade secrets, know-how, and working prototypes and components thereof, various programming and other content, various contacts and networks, various key business, all of which SOP1 considers to be confidential and proprietary.
- 1.03 All other information that relates to SOP1's operations, opportunities, finances, media, legal and business contacts and referral networks, personnel, or any third party confidential information disclosed to Recipient.
- 1.04 The terms and conditions of this Confidential Agreement, and the existence and content of the discussions between Recipient and SOP1.
- 1.05 SOP1 agrees that the confidentiality and use provisions of this Agreement shall not apply to any portions of the systems:
 - A That appears in issued patents or printed publications in possession of recipient in integrated form or that otherwise is or becomes generally known in the trade other than through the fault of Recipient or its agents.
 - B That Recipient can show by written records was in Recipient's possession prior to its disclosure by SOP1; or
 - C That Recipient can show by written records came into its possession, without covenants of secrecy, from another party who is under no confidentiality obligation to SOP1 prior to recipients' contact with SOP1.
- 1.06 Specific aspects or details of the System(s), methods or contacts shall not be deemed to be published, generally known in the trade, or otherwise within the public domain, or to be in the possession of Recipient merely because the aspects of the System(s) are embraced by general disclosures in the public domain or in Recipient's possession. In addition, any combination or aspects of the System(s) shall not be considered in the public domain or in the possession of Recipient merely because individual elements thereof are in the public domain or in Recipient's possession unless the combination and its principles are in the public domain or in Recipient's possession. The burden of proving these exceptions to the confidentiality and use provisions of this Agreement resides with Recipient.
- 1.07 Certain media contacts, businesses and key owners, officers, directors, publications, writers, editors and referral networks will still be covered under non-circumvention, even if in print, as part of referral or public relations networks. Use of specific reporters at specific networks to be first to break stories, as requested by SOP1 will be honored, per mutual agreement, on a case by case basis, with the understanding that SOP1 gets to pick the first two reporters from its own preferred list (most especially the first one).

2 Nondisclosure and Nonuse of Confidential Information

- 2.01 Recipient acknowledges that Confidential Information is proprietary and trade secret information of SOP1, shall not disclose Confidential Information and if information gets disclosed, due to recipients action or inaction, will save harmless and correct any related problems and pay any related damages.
- 2.02 Recipient shall safeguard Confidential Information with reasonable security means at least equivalent to measures that it uses to safeguard its own proprietary information. Recipient shall store Confidential Information in a safe and secure location.

- 2.03 The fact conversations and negotiations between SOP1 and Recipient are taking place is Confidential Information and this fact is not to be disclosed. The subject or nature of the conversations and negotiations are not to be disclosed even without the mention of SOP1 as a party to the conversations.
- 2.04 Recipient agrees to receive and use Confidential Information solely for evaluation purposes related to its discussions with SOP1 and not to use Confidential Information for its own or any third party's benefit at any time. Recipient agrees to have each question, objections or concern full addressed by SOP1 to the satisfaction of SOP1 or else reimburse SOP1 for estimated time and expenses. Recipient may not use Confidential Information for any other purpose, and in particular, may not use it for the purpose of developing concepts, functions, or operations like those disclosed in Confidential Information.
- 2.05 Recipient may make copies of Confidential Information only as is necessary for its evaluation process. Recipient shall duplicate on any copy of Confidential Information all copyright, trademark, trade secret, confidentiality, and patent notices found on Confidential Information.
- A Recipient will designate evaluators who may be employees of or consultants contractually retained by Recipient and who shall be reasonably acceptable to SOP1. SOP1 will make an initial disclosure of the System(s) or contacts within referral networks to the evaluators for the sole purpose of permitting them to reach an initial opinion of the commercial worth of entering a relationship with SOP1 and to make a recommendation to Recipient.
 - B Recipient agrees that any employees, council or consultants evaluating Confidential Information disclosed by SOP1 do so only with permission of SOP1 and signed copies of this Agreement executed accordingly and received by SOP1.
 - C SOP1 will disclose to the evaluators the details of the Systems and situations including design and manufacturing information, manufacturing and operation cost estimations, financing contacts and other information necessary to permit them to make an initial recommendation to Recipient concerning the System(s). Recipient recognizes that significant aspects of the System(s) are likely to be disclosed orally and, therefore, agrees that all or any part of the initial disclosure may be videotaped by SOP1 or otherwise recorded.
 - D After the initial disclosure, the evaluators may disclose to Recipient their opinion and recommendation but shall have no right to disclose details of the System(s).
 - E Recipient and the evaluators shall use their best efforts, including efforts fully commensurate with those employed by Recipient for the protection of its own trade secrets, to protect SOP1's technology disclosed to Recipient pursuant to this Agreement. Recipient and the evaluators shall be separately and collectively responsible for maintaining the technology in confidence.

3 **No Right in Confidential Agreement**

3.01 Nothing herein grants the Recipient any right in Confidential Information.

3.02 To the extent information is disclosed and concurrently or later identified as confidential in accordance with the terms of this Agreement, the information shall be subject to this Agreement

4 **No Warranty**

ALL CONFIDENTIAL INFORMATION IS PROVIDED "AS IS", WITHOUT ANY EXPRESS OR IMPLIED WARRANTY OF ANY KIND.

5 **Mutual Non-Circumvention and Non-Contact of Individuals and Entities**

Recipient agrees not to contact any individuals or entities listed within confidential information provided by SOP1 without SOP1's written permission from a principal of SOP1. Both parties agree to mutual non-circumvention of clients, financial and other related contacts.

6 **Return of Confidential Information**

6.01 Immediately upon receipt of SOP1's written request or when negotiations between SOP1 and Recipient cease (whichever is earlier), Recipient shall return to SOP1 all documents containing Confidential Information, including personal notes and memos.

6.02 Upon termination of this relationship or upon SOP1's request, Recipient shall promptly deliver to SOP1 all copies of the written or recorded information in whatever form, including but not limited to documents, electronic information, files, or other materials containing confidential information to SOP1 in its or its employees', consultants', or representatives' possession. Any oral information will continue to be subject to the term of this Agreement. Recipient will also provide a written statement attesting that Recipient has returned all such confidential information to SOP1.

7 **Equitable Relief**

7.01 Recipient hereby acknowledges that unauthorized disclosure or use of Confidential Information will cause immediate and irreparable harm to SOP1. Recipient will save SOP1 and its key partners harmless and reimburse partnership and others affected for any related harm or damage Recipient will make full restitution and their costs would service any bankruptcy or closure of partnership by Recipients, thus allowing Recipients heirs, successors, assignees, etc. until SOP1, et. al. is made fully and satisfactorily whole. Accordingly, SOP1 will have the right to obtain preliminary and final injunctive relief to enforce this Agreement in case of any actual or threatened breach, in addition to other rights and remedies that may be available to SOP1.

7.02 Recipient acknowledges that remedies at law may be inadequate to protect SOP1 against any actual or threatened breach of this Agreement, and, without prejudice to any other rights and remedies otherwise available to SOP1, agrees to the granting of injunctive relief in SOP1's favor upon proof of breach of this Agreement or proof of other misappropriation of the Confidential Information. In the event of litigation to enforce or interpret this Agreement, the prevailing party may be awarded its reasonable attorney's fees and court costs so incurred.

7.03 If breach of Non-Disclosure results in damages of any type to SOP1 or any of SOP1's holdings, owners, employees, consultants, agents or projects, the Recipient agrees to immediate and complete reimbursement of damages to the satisfaction of SOP1 unless deemed otherwise in a court of law.

8 General Provisions

- 8.01** This agreement and the "Transaction Review Pre-conditions" (for prospective owners of SOP1 only) and "Non-Circumvention Agreement" constitutes the entire agreements of the parties (related to non-circumvention), together with any necessary schedules, concerning disclosure of Confidential Information and they supercede all prior or contemporaneous oral or written agreements concerning this subject. Compensation agreements are separate and negotiated case by case, with the understanding that all steps will be taken, as appropriate and available, for SOP1 and it's networks, partners and affiliates will be adequately and fairly compensated, in accordance with favorable standards, as relating to appropriate industries and compensation commensurate with providing appropriate benefits, as favorably as reasonably justified, including consulting fees, and/or equity and/or royalties, bonuses, etc. in accordance with highest industry standards on a best efforts basis.
- 8.02** In case of Recipient's breach of this Agreement, Recipient agrees to save SOP1 harmless and pay all of SOP1's and related partners costs of enforcing this Agreement, including court costs and reasonable attorneys fees.
- 8.03** This agreement may not be assigned by the Recipient and its obligations under these agreements may not be delegated, although others in recipients' networks (including employees, consultants, principals, assignees, alter-ego's, nominees, trustees, etc.) will be bound by the agreement and should sign copies, as needed.
- 8.04** This Agreement is binding on the successors, alter egos, etc. and assigns of the Recipient inures to benefit of SOP1's successors and assigns and is valid for five years after termination of relationships, unless agreed by SOP1 otherwise.
- 8.05** This Agreement may be amended only in writing and signed by both parties.
- 8.06** This Agreement will be governed by the substantive laws of the State of California. The parties agree to and waive all objections to venue and personal jurisdiction in this state.
- 8.07** This Agreement is effective as of the date signed by the Recipient. However, it shall apply with equal effect to any Confidential Information disclosed to Recipient before or after its effective date.
- 8.08** Should any provision of this Agreement be held invalid or unenforceable, the parties desire that it be modified by the court to conform as closely as possible to its original intent without being invalid or unenforceable, and that in such form it be enforced. Invalidity or unenforceability of a provision herein shall not affect the validity or enforceability of any other provision herein. Failure to enforce one part of this Agreement shall not be deemed a waiver of the entire Agreement or of other sections, terms or conditions of this Agreement.
- 8.09 Mutual Non-Disclosure, Non-Circumvention & Confidentiality** – Both parties agree that any information, concepts or contacts shared in due diligence by either side are to have reciprocal and mutual protections from both sides with equal terms, rights and enforceability and not to contact or in any way circumvent any applicable contacts without permission from whoever furnished the contact.

Agreed to by the parties:

Special Opportunities Partners 1 LLP

Recipient: _____

(Street Address)

(City, State, Zip)

(Phone/Fax/E-mail)

By: _____

By: _____

(Signature)

(Signature)

(Print Name and Title)

(Print Name and Title)

Date: _____

Date: _____