

MUTUAL CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

This Agreement, effective as of ___/___/___ (“Effective Date”), is made by and between Laut Design Inc, a North Carolina corporation having a principal place of business at 3801 Beryl Road, Raleigh, NC 27607 and _____ (the “Other Party”), a(n)

Individual Partnership Corporation Other _____

Having a principal place of business at _____.

1. Background

The parties are exploring a possible business opportunity of mutual interest (the “Relationship”) in connection with which each party may disclose Confidential Information (as defined below) to the other. This Agreement is intended to allow the parties to discuss and evaluate the Relationship while protecting Confidential Information against unauthorized use or disclosure, as hereinafter provided.

2. Definition of Confidential Information

“Confidential Information” as used in this Agreement means any and all technical and non-technical information disclosed by a party (each a “Discloser”) to the other party (each a “Recipient”), provided: (i) if such information is disclosed in tangible form, it is conspicuously marked to identify its confidential or proprietary nature, or (ii) if such information is disclosed orally or by other intangible means, it identified as confidential at the time of disclosure and confirmed in writing within thirty (30) days of disclosure. Notwithstanding the above, Confidential Information shall not include information that:

- (a) was in the public domain at the time it was disclosed or has subsequently entered the public domain through no fault of the Recipient;
- (b) was rightfully in Recipient’s possession free of any obligation of confidence at or subsequent to the time it was communicated to Recipient by Discloser;
- (c) is independently developed by Recipient by persons without use of Discloser’s Confidential Information as documented by competent records;
- (d) is disclosed pursuant to a valid order by a court or other governmental body, as otherwise required by law, or as necessary to establish the rights of either party under this Agreement; or
- (e) is disclosed with the prior written approval of Discloser.

3. Use Limitations / Nondisclosure Obligation / Duty of Care

Each party agrees as a Recipient:

- (a) not to use any Confidential Information of the other party or any purpose except to evaluate and carry out discussions and negotiations concerning, and the potential undertaking of the Relationship;
- (b) it shall disclose Confidential Information of the other party only to those of its employees or contractors who need to know such information in order to carry out the discussions regarding the Relationship, and certifies that such individuals have previously agreed, either as a condition to employment or in order to obtain the Confidential Information, to be bound by terms and conditions substantially similar to those of this Agreement; and
- (c) to treat all Confidential Information of the other party with the same degree of care as it accords its own Confidential Information of a similar nature, but in no case less than reasonable care.

4. Remedies / Injunctive Relief

A breach of any of the terms contained herein may result in irreparable and continuing damage to the Discloser for which there may be no adequate remedy at law, and Discloser shall be entitled to seek injunctive relief and/or a decree for specific performance and such other relief as may be proper.

5. Ownership of Confidential Information

All Confidential Information remains the property of Discloser, and except for the limited right to use Confidential Information to evaluate the potential Relationship, no other license or conveyance of any such rights is granted or implied under this Agreement.

6. No Commitment

The providing of Confidential Information hereunder does not and is not intended to represent an inducement or a commitment by either party to enter into any business relationship with the other party. If the parties desire to pursue the Relationship, the parties will execute a separate written agreement to govern such arrangement. Nothing in this Agreement shall prohibit either party from entering into any discussions or similar business relationship with any competitor of the other party or competing directly with the other party.

7. Independent Development / Freedom of Action

Discloser understands that Recipient may currently or in the future be developing information internally, or receiving information from other parties that may be similar to Discloser's information. Accordingly, nothing in this Agreement will be construed as a representation or inference that Recipient will not develop products, Of have products developed for it, that, without violation of this Agreement, compete with the products or systems contemplated by Discloser's Confidential Information. This Agreement is not intended to prevent Recipient from using information that is standard or generic, nor shall the mere exposure or access by Recipient of its personnel to Discloser's Confidential Information be construed to restrict Recipient (or otherwise be deemed a breach of any provision hereof) from reassigning or otherwise deploying its personnel in its sole discretion.

8. No Warranty

All Confidential Information is provided "AS IS" and without any warranty, express, implied or otherwise, regarding its accuracy or completeness. Notwithstanding, neither party shall communicate any information to the other in violation of the proprietary rights of any third party.

9. No Export

Neither party shall export, directly or indirectly, any technical data acquired from the other pursuant to this Agreement or any product utilizing any such data to any country for which the U.S. Government or any agency thereof at the time of export requires an export license or other government approval without first obtaining such license or approval.

10. Term and Termination; Return of Documents

This Agreement shall govern all communications between the parties that are made from the Effective Date of this Agreement and for one (1) year thereafter. Either party may terminate this Agreement at any time by giving written notice thereof; provided each party's obligations under Section 3 with respect to Confidential Information of the other party shall continue for three (3) years from the Effective Date. The Recipient shall, upon the termination of this Agreement, either destroy or, at the request of the Discloser, return to the Discloser all drawings, documents, and other tangible manifestations of Confidential Information received by the Recipient pursuant to this Agreement.

11. General

This Agreement constitutes the entire agreement with respect to the subject matter hereof supersedes and merges all prior negotiations and drafts of the parties with regard to the transactions contemplated herein, and may only be modified by written mutual agreement of the parties. This Agreement may not be assigned without the prior written consent of the other party, not to be unreasonably withheld. Subject to the foregoing, the parties rights and obligations hereunder shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns. This Agreement shall be governed by the laws of the State of North Carolina, without giving effect to principles of conflicts of law. Each of the parties hereto consent to the exclusive jurisdiction and venue of the courts of Wake County, North Carolina. Should any provision of this Agreement be found unenforceable, the remaining provisions shall not be affected or impaired thereby. The failure of any party to require performance by another Party of any provision of this Agreement shall in no way affect the full right to require such performance at any time thereafter. All notices under this Agreement shall be deemed to have been duly given upon the mailing of the notice, postpaid, to the party entitled to such notice at the address set forth above.

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

Laut Design

"Other Party"



Michael Laut, *President & Lead Designer*

Name, Title

Signature

Date