



NON-DISCLOSURE AGREEMENT

THIS NONDISCLOSURE AGREEMENT (this "**Agreement**") is made and entered into as of this ____ day of _____, 2011, by and between SENSORY WORKS, INC. (the "**Disclosing Party**") and _____ and _____ a _____ corporation (each, a "**Recipient Party**"), and governs the disclosure of Proprietary Information (as defined below).

Each **Recipient Party** understands that the **Disclosing Party** has disclosed and may continue to disclose to the Recipient Party information that is confidential or proprietary in nature, whether explicitly designated as such or which in good faith ought to be treated as such given the nature of its disclosure, relating to the Disclosing Party's business and/or concepts (which to the extent previously, presently or subsequently obtained by the Recipient Party is hereinafter referred to as "**Proprietary Information**"). Proprietary Information shall include, but is not limited to, the following: (i) contracts, licenses, business records, financial records, trade secrets, trade contacts, client lists, supplier lists, licensors, licensees, strategic partners, lenders (ii) know-how, show-how, plans, designs, concepts, ideas, (iii) names of shareholders, directors, officers, employees, consultants, agents, licensors and licensees; and persons related to or connected with any of the foregoing mentioned; (iv) business, technical, legal, financial, marketing, licensor, licensee, customer, supplier and product development plans, schedules, forecasts, strategies and materials. Without limiting the foregoing, Proprietary Information shall specifically include the projects known as, and/or affiliated with, "SENSORY WORKS, INC.".

In consideration of any access the Recipient Party may have to Proprietary Information and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The Recipient Party agrees: (i) to hold Proprietary Information in strict confidence and to take all reasonable precautions to protect such Proprietary Information, including all precautions it takes with respect to the protection of its own confidential information; (ii) not to divulge any Proprietary Information or any information derived therefrom to any third party, including, but not limited to, any affiliated entity (even if owned or controlled by the Recipient Party); (iii) not to make any use whatsoever at any time of Proprietary Information except to evaluate whether to proceed into the potential business relationship with, investment in or other transaction with the Disclosing Party presently being considered by the parties (the "**Transaction**"); and (iv) not to copy or create derivative works of any Proprietary Information. The Recipient Party agrees not to circulate Proprietary Information within its organization except to those employees, agents, officers and/or directors or key shareholders of the Recipient Party who have a legitimate "need to know" such Proprietary Information and who are obligated by appropriate written agreements to keep the Proprietary Information confidential in a manner no less restrictive than set forth in this Agreement, and the Recipient Party acknowledges and agrees that it is responsible and liable for such persons compliance with such confidentiality obligations. The parties agree



that the foregoing clauses (i), (ii), (iii), and (iv) shall not apply with respect to any information the Recipient Party can show: (a) was rightfully in the Recipient Party's possession as a matter of record or known by it without restriction prior to disclosure by the Disclosing Party, (b) is rightfully obtained from a third party who is not prohibited from transmitting the information to the Recipient Party by a contractual, legal or fiduciary obligation to the Disclosing Party, or (c) is or (through no improper action or inaction by the Recipient Party or any employee, agent, officer and/or director of the Recipient Party) becomes generally available to the public without restriction; *provided, however*, that should any information come within any circumstance listed in this sentence, this sentence does not authorize the Recipient Party to infringe any proprietary rights of the Disclosing Party. Notwithstanding the foregoing mentioned the Recipient Party acknowledges and agrees that prior to being informed of SENSORY WORKS, INC. by the Disclosing Party, it possessed no knowledge and/or information, same or similar, of SENSORY WORKS, INC. The Recipient Party may make disclosures of Proprietary Information required by court order, provided the Recipient Party promptly notifies the Disclosing Party of the disclosure requirement and cooperates with the Disclosing Party's reasonable efforts to resist or narrow the disclosure and to obtain an order or other reliable assurance that confidential treatment will be afforded the Proprietary Information.

2. Immediately upon (i) the decision by either party not to enter into the Transaction or (ii) the request of the Disclosing Party, the Recipient Party will turn over to the Disclosing Party or destroy (at the Disclosing Party's discretion) all Proprietary Information and all documents or media containing any such Proprietary Information and any and all copies or extracts thereof. Upon the Disclosing Party's request, the Recipient Party will provide the Disclosing Party with a certificate signed by an authorized representative of the Recipient Party attesting that all Proprietary Information has been so returned and/or destroyed.

3. Each party understands and agrees that nothing herein requires the Disclosing Party (i) to disclose any Proprietary Information, which shall be disclosed, if at all, solely at the option of the Disclosing Party, or (ii) to proceed with the Transaction or any relationship in connection with which Proprietary Information may be disclosed.

4. ALL PROPRIETARY INFORMATION IS PROVIDED "AS IS." THE DISCLOSING PARTY MAKES NO WARRANTY, EXPRESS OR IMPLIED, REGARDING THE TIMELINESS, ACCURACY OR COMPLETENESS OF ANY PROPRIETARY INFORMATION.

5. This Agreement does not grant any rights to the Recipient Party under any patent, copyright or other intellectual property right of the Disclosing Party or in any Proprietary Information, and, as between the Recipient Party and the Disclosing Party, all Proprietary Information shall remain the sole property of the Disclosing Party.

6. The Recipient Party acknowledges and agrees that due to the unique nature of the Proprietary Information, there may be no adequate remedy at law for any breach of the Recipient Party's obligations hereunder and that any such breach may result in irreparable harm to the Disclosing Party. The Recipient Party agrees that upon any such



breach or any threat thereof, the Disclosing Party shall be entitled to seek appropriate equitable relief in addition to whatever remedies it might have at law (without being required to post a bond or other security) and to be indemnified by the Recipient Party from any loss or harm, including, without limitation, attorneys' fees, in connection with any breach or enforcement of the Recipient Party's obligations hereunder or the unauthorized use or release of any Proprietary Information. The Recipient Party shall notify the Disclosing Party in writing immediately upon the occurrence of any such unauthorized release or other breach of which it is aware and shall cooperate with the Disclosing Party in every reasonable way to help the Disclosing Party regain possession of such Proprietary Information and prevent its further unauthorized use or disclosure.

7. In the event any of the provisions of this Agreement shall be held by a court or other tribunal of competent jurisdiction to be illegal, invalid or unenforceable, such provisions shall be limited or eliminated to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect. This Agreement shall be governed by the laws of the State of California without regard to the conflicts of law provisions thereof, and the parties consent to the exclusive jurisdiction and venue of the state and federal courts having within their jurisdiction Orange County, California and agree to waive all objections to personal jurisdiction, venue and *forum non conveniens*. This Agreement supersedes all prior discussions and writings and constitutes the entire agreement between the parties with respect to the subject matter hereof. Neither party shall assign this Agreement or its rights hereunder without the other party's prior written consent, which consent shall not be unreasonably withheld or delayed. This Agreement shall bind the respective officers, agents, employees and representatives of the parties and shall inure to the benefit of the parties, their successors and permitted assigns. No waiver, modification or amendment of this Agreement will be binding upon either party unless made in writing and signed by a duly authorized representative of such party, and no failure or delay in enforcing any right will be deemed a waiver thereof. Notices hereunder will be effective only if in writing and upon receipt if delivered personally or by overnight mail carrier or facsimile transmission confirmed by mailing, or three (3) days after deposit in the United States mail, first class postage prepaid, addressed with the applicable address set forth in the signature block below. The prevailing party in any action to enforce this Agreement shall be entitled to costs and fees (including attorneys' fees and expert witness fees) incurred in connection with such action. The individual executing this Agreement on behalf of a corporation or other legal entity personally represents that he or she is duly authorized to execute this Agreement on behalf of such entity and that this Agreement is binding upon such entity.

IN WITNESS WHEREOF, the undersigned have executed this Agreement or have caused this Agreement to be executed on their behalf, as of the Effective Date.

ROSSELLA MAZZUCHELLI



Signature

[Rossella Mazzucchelli](#)

Printed Name

Title, Company

Address

[1-949-858-1801](#)

Facsimile Number

Date

Signature

Printed Name

Title, Company

Address

Facsimile Number

Date