

MUTUAL NON-DISCLOSURE/ CONFIDENTIALITY AGREEMENT

This Mutual Non-Disclosure/Confidentiality Agreement (the "Agreement") is entered into and is effective as of date set forth on the signature page below and is by and between Quantum Automation, Inc., a California corporation (hereinafter referred to as "Quantum") and the party or parties listed on the signature page below (hereinafter referred to as "Signator(s)"). Quantum and Signator(s) are hereinafter referred to as "party" or collectively as "parties."

WHEREAS, each party hereto is and will be the owner of certain valuable Confidential Information (as defined below); and

WHEREAS, each party wishes to keep confidential all Confidential Information it owns; and

WHEREAS, in the course of discussions between the parties for the purpose of evaluating the desirability of entering into one or more business ventures or transactions together, and in the course of any such ventures or transactions, certain of such Confidential Information of each party has already been, or in the future will be, accessed by, furnished to, or obtained by the other party; and

WHEREAS, each of the parties acknowledges that but for the execution of this Agreement by the other, it would not enter into or continue in such business ventures or transactions together, and each of the parties agrees to comply with the terms of this Agreement.

NOW THEREFORE, in consideration of the foregoing premises, the mutual covenants and agreements set forth below, and for other good and valuable consideration, the receipt, adequacy and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITION OF CONFIDENTIAL INFORMATION.

(a) With respect to its owner ("Disclosing Party") "Confidential Information" includes all disclosures, information and materials, whether oral, written or otherwise, about the Disclosing Party which is confidential and proprietary to the Disclosing Party (including but not limited to information learned by the other party ("Recipient") from the Disclosing Party, its employees or agents, or through inspection of property owned or controlled by the Disclosing Party, including software and documents, or the premises of any facility of the Disclosing Party) which have already been or will be accessed by, furnished to or obtained by the Recipient, including, but not limited to: (i) information of a business nature (including, without limitation, asset and liability information, business plans, costs, customer lists, financial statements, forecasts, market information, prices, product information, projections, purchasing information, sales information and supplier lists); (ii) information of a technical nature (including, without limitation, computer software, programs, source or object code, user manuals, documentation, designs, discoveries, drawings, formulas, inventions, know-how, labeling, manufacturing information, methods, packaging, processes, proprietary information, specifications, techniques, testing data and trade secrets); and (iii) information related to future developments (including, without limitation, future marketing or merchandising plans or ideas, new product ideas or development and research and development). Confidential Information that is disclosed orally or visually may be identified as such in writing within thirty (30) days of disclosure.

(b) Confidential Information does not include information that, as shown by written documentation or other tangible evidence: (i) is either now or by the time of disclosure available to the trade or to the general public, through no fault or breach on the part of the Recipient; (ii) subsequently becomes available to the trade or to the general public through no fault or breach on the part of the Recipient, and then only after said later date; (iii) was rightfully possessed by Recipient prior to disclosure to Recipient by the Disclosing Party; (iv) is independently developed by Recipient without the use of any Confidential Information; or (v) is obtained by Recipient in good faith from a third party who has the independent right to transfer or disclose such information.

(c) For purposes of Section 1(b) above, Confidential Information disclosed by one party to the other party shall not be deemed to be within the exceptions of Section 1(b) above merely because any part of the same is embodied by general information in the public domain or in the possession of the receiving party.

2. RESTRICTIONS ON USE AND DISCLOSURE.

(a) Each party agrees to be the Recipient of Confidential Information only for the purposes of evaluation in connection with prospective ventures or transactions between the parties, or for the purposes of such ventures or transactions. Except in connection with such purposes, each party agrees as Recipient not to use the Confidential Information of the Disclosing Party for its own benefit or that of any third party, or to the detriment of the Disclosing Party or any third party without prior written approval of an authorized representative of the Disclosing Party in each instance.

(b) Each party covenants and agrees that as Recipient, neither it nor any of its directors, officers, agents, affiliates, employees, in-house contractors, lenders, advisors or representatives (collectively, "Representatives") will disclose, publish, or disseminate the Confidential Information of the Disclosing Party to any third party. Each party also covenants and agrees that as Recipient, it and all of its Representatives shall limit disclosures of Confidential Information of the Disclosing Party within its own organization to only those of its Representatives who have a need to know Confidential Information in furtherance of the above stated purpose and who have been advised of restrictions on disclosure and use at least as stringent as those set forth herein.

(c) Each party further agrees as Recipient to take reasonable precautions to prevent any unauthorized use, disclosure, publication, or dissemination of the Confidential Information of the Disclosing Party and to treat the Confidential Information of the Disclosing Party with at least the same degree of care the Recipient normally uses to prevent any unauthorized use, disclosure, publication, or dissemination of its own information of a like nature (no less than reasonable care).

(d) In the event either party receives a subpoena or other validly issued administrative or judicial process demanding disclosure of Confidential Information of the other party, the Recipient shall immediately notify the Disclosing Party and tender to it the defense of such demand, and shall timely serve a written objection to the subpoena or other process on the grounds that the information is Confidential Information subject to a written non-disclosure agreement, unless instructed by the Disclosing party to the contrary. If requested by the party to whom the defense has been tendered, the Recipient shall cooperate (at the expense of the requesting party) in the defense of any such demand.

(e) Recipient shall be relieved of the obligations of nondisclosure set forth herein with respect to Confidential Information that is required to be disclosed by a valid court order or other lawful governmental action, but only to the extent so ordered and provided that the Recipient shall immediately notify the Discloser of the order or action so that the Discloser may attempt to obtain a protective order before disclosure thereof.

3. RETURN. Upon the request of a Disclosing Party at any time, each party as Recipient agrees to immediately deliver to the Disclosing Party all of its Confidential Information (other than analyses, copies, extracts or summaries thereof or based thereon and all other like documents or information related to or derived from such Confidential Information) in the Recipient's possession or in the possession of any of its Representatives. Upon the request of a Disclosing Party at any time, each party as Recipient agrees to immediately destroy all of its Confidential Information comprised of analyses, copies, extracts or summaries thereof or based thereon and all other like documents or information related to or derived from such Confidential Information in the Recipient's possession or in the possession of any of its Representatives and to certify to the Disclosing Party that such destruction has occurred. Redelivery shall not relieve either party as the Recipient of its obligations of confidentiality under this Agreement.

4. NONDISCLOSURE OF RELATIONSHIP. Except as provided in Section 2(d) hereof, neither party shall make any public announcement, statement or release to any third party (including, without

limitation, any competitor, customer, supplier, the press or any trade publication) in connection with or in any way relating to the fact that the parties are in discussions with each other, or have concluded an agreement, without prior written approval by the other party, or as otherwise specified in any subsequent agreement between the parties. The terms of this Agreement shall be subject to the restrictions of use and disclosure set forth in this Agreement.

5. OWNERSHIP. All Confidential Information of a Disclosing Party shall remain, and any Derivatives thereof shall become, the property of the Disclosing Party; and no license or other right to Confidential Information or Derivatives thereof is granted or implied by this Agreement. For purposes of this Agreement, "Derivatives" of Confidential Information shall mean: (a) all "derivative works" of Confidential Information (or any Derivatives thereof) under U.S. copyright law, as currently defined by 17 U.S.C. § 101 and associated case law, including but not limited to any translation, abridgment, revision or other form in which an existing work may be recast, transformed or adapted; (b) all discoveries, ideas, inventions, and improvements relating to or embodying Confidential Information or any Derivatives thereof that are conceived or first reduced to practice by a party as Recipient or its Representatives as a consequence of receiving Confidential Information or any Derivatives thereof from the Disclosing Party; and (c) any new material derived from Confidential Information, or any Derivatives thereof, including new material which may be protected by copyright, patent and/or trade secret.

All Derivatives of Confidential Information of a Disclosing Party (and all Derivatives of any Derivatives) shall be subject to the same restrictions on use and disclosure, and subject to the same provisions herein, as Confidential Information of that Disclosing Party under this Agreement. Recipient shall promptly disclose to the Disclosing Party all Derivatives of Confidential Information of the Disclosing Party (and all Derivatives of any Derivatives). If requested, a Recipient shall cooperate with the Disclosing Party and shall execute or cause to be executed any and all documents reasonably requested by the Disclosing Party in order for the Disclosing Party to obtain, maintain, enforce or transfer patents or otherwise protect, maintain, enforce, or exploit the Disclosing Party's rights in Derivatives of Confidential Information of the Disclosing Party (and all Derivatives of any Derivatives).

6. EQUITABLE RELIEF. Each party hereby acknowledges that unauthorized disclosure or use of Confidential Information would cause irreparable harm and significant injury to the Disclosing Party in an amount that may be difficult to ascertain. Accordingly, each party agrees that the other will have the right as Disclosing Party to obtain immediate injunctive relief to enforce obligations under this Agreement in addition to any other rights and remedies it may have.

7. SEVERABILITY. In the event that any provision of this Agreement is held to be invalid or unenforceable, the remainder of the Agreement shall continue to be valid and enforceable as though the invalid or unenforceable parts had not been included; except that in the event that any provision relating to a time period shall be declared by a court of competent jurisdiction to exceed the maximum time period such court deems reasonable and enforceable, the agreed-upon time period shall be deemed to be the maximum time period which such court deems reasonable and enforceable.

8. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement with respect to the Confidential Information and supersedes all prior contemporaneous oral or written agreements concerning the Confidential Information. This Agreement may not be amended except by written agreement signed by authorized representatives of both parties.

9. TERM. This Agreement is terminable at will by either party by providing written notice of termination to the other party. The parties shall return the Confidential Information of the other party pursuant to Section 3 hereof promptly after receipt of notice of termination. The provisions herein shall survive the expiration or termination of this Agreement and shall remain in force for a period of five (5) years after any expiration or termination thereof.

10. AUTHORITY. Each party and any individual executing this Agreement on its behalf expressly represents to the other that such individual is authorized to execute this Agreement on behalf of

and to bind it, and agree that in consideration of the disclosure of Confidential Information it will be bound by the terms of this Agreement and will do any act or thing and will execute any instruments necessary or proper to make the provisions of this Agreement effective.

11. ASSIGNMENT. This Agreement and the rights and obligations hereunder may not be conveyed, assigned or otherwise transferred in whole or in part by either party without the prior written consent of the other party; except either party may assign this Agreement and its rights and obligations hereunder to the successor in interest by merger or acquisition of the entire business to which this Agreement pertains without the consent of the other party; provided that such successor assumes all obligations of the assigning party; and further provided that the assigning party promptly notifies the other party of such assignment. This Agreement and the rights and obligations hereunder are binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. The terms of this Agreement are binding upon each of the successors and permitted assigns of a party as if such successor or assign had been a party hereto on the effective date of this Agreement.

12. COUNTERPARTS. This Agreement may be executed in two or more counterparts (including executed counterparts delivered by facsimile transmission), each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement.

13. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to its choice of law provisions.

14. VENUE. The venue for any disputes under this Agreement shall be Orange County, California.

15. ATTORNEYS FEES. In any action to enforce any of the provisions of this Agreement, the prevailing party shall be entitled to recover its costs and expenses, including reasonable attorneys' fees.

INTENDING TO BE LEGALLY BOUND, the parties have executed this Agreement effective on _____.

“Quantum”

Quantum Automation, Inc.

By: _____
Kathleen Falcetti, its President

“Signator(s)”

By: _____

Name: _____

By: _____

Name: _____

By: _____

Name: _____