

**MUTUAL CONFIDENTIAL
DISCLOSURE AGREEMENT**

This Confidential Disclosure Agreement is entered into this _____ (“Effective Date”), by and between HS Design, Inc. (“HS Design”), having offices at 17 Mendham Road, PO 613, Gladstone, NJ 07934, AND _____ having an address at _____.

WHEREAS, each of the parties possesses certain Confidential Information (defined below) that they deem confidential and proprietary; and

WHEREAS, the parties wish to explore a business opportunity of mutual interest and in connection with this opportunity, each party may disclose to the other Confidential Information which the disclosing party (“Disclosing Party”) desires the receiving party (“Receiving Party”) to treat as confidential.

NOW, THEREFORE, the parties agree as follows:

1. Acknowledgment. Receiving Party acknowledges that Disclosing Party is, or will be during the term of this Agreement, engaged in activities that involve, and will continue to involve, the use of skilled experts and the expenditure of substantial amounts of time and money. As a result of such investments of skill, time and money, Disclosing Party has developed or expects to develop certain Confidential Information and Trade Secrets, defined below, which give Disclosing Party significant advantages over its competitors. While discussing a possible future relationship, Receiving Party may have access to both Confidential Information and Trade Secrets. Such Confidential Information and Trade Secrets constitute valuable, special and unique assets of Disclosing Party and any disclosure thereof contrary to the terms of this Agreement would cause substantial loss of competitive advantage and other serious injury to Disclosing Party.

2. Definitions.

(a) Confidential Information. “**Confidential Information**” includes, without limitation: (i) all confidential and/or proprietary information (including, without limitation, functional and technical specifications, data, designs, methods, drawings, analysis, research, processes, concepts, computer programs, algorithms, methods, ideas, inventions, trade secrets, “know how,” improvements, discoveries, products, processes, and other works of authorship and the like), regardless of whether technical or non-technical and regardless of the form of information, such as written, graphic, oral, visual or other form; (ii) business information related to Disclosing Party including without limitation, knowledge, data or information relating to accounting and financial matters, investments, budgets, business plans, marketing plans, sales and marketing research, research and development activities, customers, clients, suppliers, personnel matters, business contacts; (iii) information or materials received by Disclosing Party from its affiliated entities, any of its investors, customers, strategic partners and any other third parties that Disclosing Party is under an obligation to keep confidential; and (iv) other information designated as confidential or proprietary expressly or by the circumstances in which it is provided or created.

(b) Trade Secret. “**Trade Secret**” shall mean any information of Disclosing Party, without regard to form, including but not limited to, technical or non-technical data, a formula, a pattern, a compilation, a program, a device, a method, a technique, a drawing, a process, financial data, financial plans, product plans, software programs (including the object and source code thereto) or a list (whether in written form or otherwise) of actual or potential customers or suppliers, which is not commonly known by or available to the public and which information both (i) derives economic value, actual or potential, from not being generally known to and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. Trade Secrets also include any information described in this paragraph which Disclosing Party obtains from another party which Disclosing Party treats as proprietary or designates as trade secrets, whether or not owned or developed by Disclosing Party. All Trade Secrets are Confidential Information.

(c) Exclusion. The terms Trade Secret and Confidential Information shall not include any materials or information of the types specified above to the extent that Receiving Party can document that such materials or information: (i) are now commonly known by or readily available to the public or subsequently become so without fault of Receiving Party; (ii) are known to Receiving Party without obligation of confidentiality prior to the receipt of such materials or information from Disclosing Party; or (iii) are furnished to others by Disclosing Party with no restriction on disclosure. Failure of Disclosing Party to mark any of the Trade Secrets or Confidential Information as “confidential” shall not affect its status as Trade Secrets or Confidential Information under this Agreement.

3. Covenant Not to Disclose. With respect to all Confidential Information, Receiving Party agrees that during the term of this Agreement and for such additional period as specified in Section 3(e), it shall hold in strictest confidence and not use or commercialize such Confidential Information other than for the exclusive benefit of Disclosing Party and as expressly authorized by Disclosing Party, or disclose such information to any person or entity unless specifically authorized in writing by the Board of Directors of Disclosing Party or at the discretion of the President of Disclosing Party for specific business purposes of Disclosing Party. Further:

(a) Receiving Party may use Confidential Information only for the limited purpose set forth above. Receiving Party shall not disclose or otherwise use Confidential Information or allow it to be used for its own benefit or for the benefit of others, except by written permission of Disclosing Party.

(b) Receiving Party agrees to hold in confidence and not to directly or indirectly use, copy, reveal, report, publish, disclose or transfer any of the Confidential Information to any person or entity, or utilize any of the Confidential Information for any purpose not explicitly authorized by Disclosing Party at any time whatsoever.

(c) Receiving Party shall protect any Confidential Information received by using the same degree of care, but no less than a reasonable degree of care, as Receiving Party uses to protect its own confidential information. In this regard, Receiving Party agrees that Disclosing Party’s Confidential Information shall only be disclosed to those officers and

employees of Receiving Party who are directly concerned with the use of said Confidential Information for the purpose specified above, and Receiving Party shall take all necessary and reasonable precautions to prevent the unauthorized disclosure of such information by such officers and employees. Notwithstanding the above, the obligations of this Agreement with respect to Confidential Information shall be binding upon all employees, officers, agents, subsidiaries or affiliates of Receiving Party, and Receiving Party shall be responsible for their compliance with this Agreement.

(d) Receiving Party shall not alter or remove from any Confidential Information or Trade Secret any proprietary, patent, copyright, trademark or trade secret legend, nor attempt to recompile or reverse engineer such Confidential Information or Trade Secret.

(e) With respect to Confidential Information other than Trade Secrets, the obligations of this Section 3 shall survive for five (5) years following termination or expiration of this Agreement. With respect to Trade Secrets, the obligations of this Section 3 shall survive for ten (10) years following termination or expiration of this Agreement.

Notwithstanding the foregoing obligations of Receiving Party, it is understood and agreed that Receiving Party may disclose such information in response to a valid subpoena, provided that it must first, where allowed by law, provide notice to Disclosing Party of any such subpoena, and unless impossible or disallowed by law, give Disclosing Party an opportunity to object, move to quash or otherwise lawfully contest such disclosure.

4. Certain Continuing Responsibilities. Upon termination of this Agreement, or at any time upon the request of Disclosing Party, Receiving Party shall promptly account for all material related to Confidential Information, including Trade Secrets, in its possession or control, promptly return to Disclosing Party or destroy such materials (including any copies thereof) upon Disclosing Party's request and at Disclosing Party's option, and cease all further use thereof. All Confidential Information, including copies thereof, disclosed pursuant to this Agreement, shall remain the property of Disclosing Party.

5. No Obligation. This Agreement does not obligate Disclosing Party to disclose Confidential Information to Receiving Party. Disclosing Party may disclose such Confidential Information as it, in its sole judgment, decides to disclose.

6. Term. The term of this Agreement shall be five years from the Effective Date except as otherwise provided in Section 3(e) hereof.

7. Miscellaneous. Nothing contained herein shall be construed as granting or implying any right to Receiving Party not expressly set forth herein including, without limitation, any rights under any Disclosing Party patents or patent applications. No agency or partnership relationship is created by this Agreement. Nothing in this Agreement shall be construed as a representation or commitment by either party to enter into any further agreement regarding Confidential Information or any other agreement. This Agreement represents the entire and complete understanding between the parties and supersedes and replaces any and all prior understanding, arrangements or agreements, written or oral, relating to Confidential Information. Any modification or addition to this Agreement must be made in

writing and executed by both parties. This Agreement is personal, indivisible, and non-transferable. It may not be assigned or transferred in whole or in part without the written consent of the other party. The parties understand and agree that money damages are not a sufficient remedy for any breach of this Agreement. In the event of a breach by Receiving Party, Disclosing Party shall be entitled to an injunction and specific performance, and Receiving Party agrees to pay Disclosing Party's costs and attorney's fees. This Agreement shall be construed in accordance with the laws of the State of New Jersey and supersedes all prior agreements or understandings between the parties relating to the subject hereof.

IN WITNESS WHEREOF, the parties hereto have caused the Agreement to be executed by their duly authorized officers.

HS Design, Inc.

Company: _____

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____