

CONFIDENTIALITY AGREEMENT

This agreement ("Agreement") is made on _____ by and between Automated Manufacturing Solutions, Inc., a California corporation ("AMS") and _____ ("Company") with regard to protecting their mutual proprietary and confidential information. Both AMS and Company may hereinafter be referred to as the "Parties."

RECITALS

WHEREAS, the Parties desire to share with each other certain confidential and proprietary information regarding their respective manufacturing processes, software, client/customer lists, and/or research and development for the sole purpose of determining the viability of an ongoing commercial venture;

WHEREAS, the Parties are each willing to provide such confidential and proprietary information to each other for the limited purpose and under the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the cooperation and delivery of such information by the Parties, they each agree as follows:

AGREEMENT

1. Definition. The term "Confidential Information" as used herein shall include any and all written and verbal information provided by the Parties to each other in connection with the purpose set forth above (including presentations, etc.), except Confidential Information shall not include any information which: (i) is or becomes generally known to third parties through no fault of either party; (ii) is already known to the other party prior to their mutual receipt from each other of confidential information; or (iii) becomes known to the other party by disclosure from a third party who has a lawful right to disclose the information.
2. Acknowledgement. The Parties acknowledge and accept as true the representations by the other party that its Confidential Information was developed by that party only after a substantial investment of time, skill, effort, and money, and that the Confidential Information is therefore proprietary and valuable to each of their respective economic survival. Consequently, the Parties acknowledge that any disclosure or unauthorized use of each other's Confidential Information may cause irreparable harm and loss to the innocent party.
3. Obligations of the Parties. In consideration of the disclosure to each other of the other party's Confidential Information, the Parties agree to receive and to treat each other's Confidential Information on a confidential and restricted basis and to undertake the following additional obligation with respect thereto:
 - (a) To use the Confidential Information for the sole purpose of evaluating the feasibility of engaging in a mutually beneficial and ongoing commercial relationship;
 - (b) Not to duplicate, in whole or in part, any Confidential Information, without the express written consent of the party to whom the Confidential Information belongs;
 - (c) Not to disclose the Confidential Information to any entity, individual, corporation, partnership, sole proprietorship, customer, or client without the prior express written consent of the party to whom the Confidential Information belongs, except to those individuals that have been listed below and who have acknowledged this Agreement by their respective signatures; and
 - (d) To return all the Confidential Information to the other upon request therefore and to destroy any additional notes or records made from such Confidential Information.
4. Standard of Care. The standard of care to be utilized by the Parties in the performance of their mutual obligations set forth herein shall be the standard of care utilized by each party in regards to its own confidential information which it does not wish disclosed to the public.
5. Injunctive Relief. The Parties acknowledge that a breach of this Agreement may cause irreparable harm to the non-breaching party which may not be compensable by monetary damages. Accordingly, the Parties acknowledge that such a breach shall be sufficient grounds for the granting of an injunction at the suit of the non-offending party by a court of competent jurisdiction.
6. Survival. The restrictions and obligations of paragraph three (3) of this Agreement shall survive any expiration, termination, or cancellation of this Agreement and shall continue to bind the Parties, and its successors, heirs, and assigns.

7. Arbitration / Venue. Any dispute that arises out of the interpretation or enforcement of this Agreement shall be resolved by binding arbitration to be held in the County of Orange, by a single arbitrator, and in accordance with the Commercial Rules of the American Arbitration Association in effect at the time this Agreement was executed. The Arbitrator selected by the Parties must be a retired judge. The Arbitrator shall award the prevailing party with its attorney's fees and costs.

8. No Waiver. Failure by either party to enforce any rights under this Agreement may not be construed as a waiver of such rights. Any waiver, including a waiver of default, in any one instance may not constitute a continuing waiver or a waiver in any other instance.

9. Headings. The headings in this Agreement are for purposes of convenience only and may not be used in construing the provisions of this Agreement. This Agreement has been entered into at arm's length between the Parties. Accordingly, any rule of law or legal decision that would require interpretation of this Agreement against the party that has drafted it is not applicable and is hereby irrevocably and unconditionally waived.

10. Unenforceability: If any term of this Agreement is held to be invalid or unenforceable, the remainder of this Agreement will not be affected, and the remaining terms will be deemed valid and enforceable to the fullest extent permitted by law.

11. No Third Party Beneficiary: Nothing in this Agreement is intended or shall be construed to give any person, other than the Parties hereto and their respective successors and assigns, any legal or equitable right, remedy, or claim under this Agreement.

12. Entire Agreement: This Agreement constitutes the entire agreement between the parties and supersedes all previous agreements, either written or oral, between the parties. Any modifications of this Agreement will be effective only if it is in writing and executed by an authorized representative of the Parties.

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be executed by its duly authorized representatives.

AMS, INC.

COMPANY

By _____
Print Name:

By _____
Print Name:
Its:

SIGNATURE OF INDIVIDUALS WHO WILL HAVE
ACCESS TO CONFIDENTIAL INFORMATION:

