



NON DISCLOSURE AGREEMENT

THIS NON-DISCLOSURE AGREEMENT (the "Agreement") is made as of _____, 20____ between ghostdrop, a California LLC, whose address is 5241 Fairbanks Common, CA ("ghostdrop"), and _____, a _____ corporation, whose address is _____ ("Company").

1. Purpose. GHOSTDROP wishes to disclose its Confidential Information (as defined in paragraph 2) to Third Party, and Third Party wishes to receive such Confidential Information, subject to the conditions of this Agreement and solely for the evaluation and study for a proposed business relationship (the "Relationship").

2. Definition of Confidential Information. "Confidential Information" means any information, technical data, or know-how, including, but not limited to, that which relates to the confidential or proprietary research, product plans, products, services, customers, markets, developments, inventions, processes, designs, drawings, engineering, marketing or finances of GHOSTDROP. Confidential Information does not include information, technical data or know-how which (i) is in the possession of Third Party at the time of disclosure as shown by Third Party's files and records immediately prior to the time of disclosure; (ii) prior to or after the time of disclosure becomes part of the public knowledge or literature, not as a result of any improper inaction or action of Third Party; (iii) is subsequently disclosed to Third Party by a party having the legal right to make such disclosure; or (iv) is approved by GHOSTDROP, in writing, for release.

3. Non-Disclosure of Confidential Information. Third Party agrees not to use any Confidential Information disclosed to it by GHOSTDROP for its own use or for any purpose other than the Relationship. Third Party will not disclose any Confidential Information of GHOSTDROP to third parties or to employees of Third Party, except to employees who are required to have the information in order to carry out the discussions regarding the Relationship. Third Party agrees that it will take all reasonable measures to protect the secrecy of and avoid disclosure or use of Confidential Information of GHOSTDROP in order to prevent it from falling into the public domain or the possession of persons other than those persons authorized hereunder to have any such information. Such measures shall include the highest degree of care that the Third Party utilizes to protect its own Confidential Information of a similar nature and in no event less than commercially-reasonable care. Third Party agrees to notify GHOSTDROP promptly and in writing of any misuse or misappropriation of Confidential Information of GHOSTDROP which may come to the Third Party's attention.

4. Return of Materials. Any samples, materials or documents which have been furnished by GHOSTDROP to Third Party will be promptly returned by Third Party, accompanied by all copies of such documentation within ten (10) days after the termination of the Relationship or the written request of GHOSTDROP.

5. No Rights Granted. Nothing in this Agreement is intended to grant any rights under any patent, copyright or other intellectual property rights of GHOSTDROP in Third Party, nor shall this Agreement grant Third Party any rights in or to GHOSTDROP Confidential Information, except the limited right to use such Confidential Information in connection with the proposed Relationship between the parties.

6. Publicity. Third Party will not, without the prior written consent of GHOSTDROP, disclose to any other person the fact that Confidential Information has been disclosed to Third Party under this Agreement, that discussions or negotiations are taking place between the parties, or any of the terms, conditions, status or other facts with respect thereto, except as required by law and then only with prior written notice as soon as possible to GHOSTDROP.

7. Term. This Agreement shall remain in effect for a period of five (5) years from the date hereof.

8. Miscellaneous. This Agreement shall be binding upon and for the benefit of the undersigned parties, their successors and assigns; provided that Confidential Information of GHOSTDROP may not be transferred

without the prior written consent of GHOSTDROP. Failure to enforce any provision of this Agreement by a party shall not constitute a waiver of any term by such party. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

9. Governing Law; Jurisdiction. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of California. The federal and state courts within the State of California shall have exclusive jurisdiction to adjudicate any dispute arising out of this Agreement.

10. Remedies. Each party agrees that its obligations provided herein are necessary and reasonable in order to protect GHOSTDROP and its business, and each party expressly agrees that monetary damages would be inadequate to compensate GHOSTDROP for any breach by Third Party of its covenants and agreements set forth herein. Accordingly, each party agrees and acknowledges that any such violation or threatened violation will cause irreparable injury to GHOSTDROP and that, in addition to any other remedies that may be available, in law, in equity or otherwise, GHOSTDROP shall be entitled to obtain injunctive relief against the threatened breach of this Agreement or the continuation of any such breach by Third Party, without the necessity of proving actual damages.

11. Authority. Each of the undersigned hereby represents to the other that he or she is authorized to enter into this Agreement and bind the respective parties to this Agreement.

IT WITNESS WHEREOF, the parties have entered into this Agreement as of the date first set forth above.

GHOSTDROP, INC

By: _____
Ghostdrop

Print Name

Title: _____
Print

By: _____
Signature

Print Name

Title: _____
Print