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## Confidentiality Agreement

by Documatica Legal Forms Inc.

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THIS CONFIDENTIALITY AGREEMENT (the 'Agreement') dated this 24th day of July, 2006.

**BETWEEN:**

Steve Knoner  
of 726 Fir St.  
Cincinnati, Ohio

*(the 'Creator')*

- and -

Paul Smith  
of 3827 Oakridge Cres.  
Parksville, California

*(the 'Recipient')*

1. BACKGROUND:

The Creator proposes to disclose certain confidential and proprietary information (the 'Confidential Information') regarding the Creator's invention or discovery (the 'Development') to the Recipient for the purposes of evaluating, reviewing, studying, testing, and examining the Development for patenting, marketing, pre-publication review, feasibility studies, usability studies, venture capital, and/or development purposes (the 'Permitted Application').

IN CONSIDERATION OF and as a condition of the Creator disclosing the Confidential Information to the Recipient, the receipt and sufficiency of which consideration is

hereby acknowledged, both parties agree that the terms and conditions of this Agreement shall be as follows:

## 2. CONFIDENTIAL INFORMATION

The Recipient recognizes that during the course of communications between the parties, the Recipient may have access to information that the Creator wishes to keep confidential. Both parties acknowledge that this information is the exclusive property of the Creator, and includes, without limitation:

1. 'Confidential Information' refers to all data and information relating to the Creator's business or enterprises, including proprietary information, trade secret technology, and accounting or other records which the Recipient has access to. This includes, but is not limited to: Work Product, Computer Software, Business Operations, Marketing and Development Operations, Proprietary Scientific Data and Customer Information. Confidential Information also extends to include any information that has been disclosed to the Creator by a third party and governed by a non-disclosure agreement.

Notwithstanding the above, the following will not be regarded as Confidential Information:

- A. Information that is common knowledge in the business or industry of the Creator.
  - B. Information or knowledge that the Recipient lawfully possessed prior to the disclosure of the information to the Recipient by the Creator.
  - C. Information that is independently created by the Recipient without the assistance or use, directly or indirectly of the Creator's Confidential Information.
2. 'Work Product' refers to any products, ideas, or information resulting from or related to present or future work projects or duties

performed by the Health Care Professional for the Employer or the Employer's clients.

3. 'Computer Software' refers to computer programs that are developed for, resulting from, or related to, work or projects that have been, or will be performed for the Employer or for the Employer's clients. Such computer programs include programs of any type that are in any stage of actual or anticipated research, development, or production. These may include, but are not limited to: programs, program modules, routines and subroutines, algorithms, design concepts or specifications, source code, object code, program patches and system designs;
4. 'Proprietary Scientific Data' refers to publicly undisclosed information relating to scientific data produced by the Creator such as: samples, test results and statistics, specifically engineered materials (including, but not limited to, organisms, nucleic acid or protein sequences, or chemical species); technical, manufacturing, or production data, unpublished data, safety records, progress or development reports, and information regarding the procurement, protection, control, and licensing of any applicable proprietary rights (such as patents, copyrights, and trade secrets).
5. 'Business Operations' refers to internal financial, employment, and personnel records, client and vendor names, information, agreements, and services, business literature and operating manuals, and methods or means in which the Employer conducts its business.
6. 'Marketing and Development Operations' refers to marketing and development plans, pricing strategies and billing policies, quoting methods, techniques and methods for obtaining business, processes and procedures used to obtain forecasts and forecast assumptions and volumes, and future plans and potential strategies put forth by the Employer which have been or are being speculated or discussed; and

7. 'Customer Information' means any information relating to the identification of customers and their representatives, data provided by customers and relations, contracts and their contents, customer service, quality and specifications of products and services purchased, leased, licensed or received by clients of the Employer.

### 3. CONFIDENTIAL OBLIGATIONS

The Recipient recognizes the need to keep all Confidential Information absolutely confidential, and prevent its release to the public, as a material term of this Agreement.

The Recipient agrees not to disclose, report, or use, for any purpose, any of the Confidential Information disclosed to the Recipient by the Creator as a result of the Recipient's communications between the parties, or which the Recipient has otherwise obtained or accessed.

The Recipient agrees that the Confidential Information is to be considered proprietary to the Creator. Further the Recipient agrees to use the material only for the Permitted Application and not for any other purpose, including any actions that could be detrimental to the Creator or the subsidiaries, affiliates, or partners thereof.

The Recipient agrees not to remove the Confidential Information from its place of business, and to conceal the Confidential Information in a location separate from other records and documents. In addition, the Recipient agrees not to reproduce the information or store it on a computer or device that is accessible to persons to whom disclosure may not be made, as described in this Agreement.

The Recipient will be permitted to disclose any of the Confidential Information only in the following circumstances:

1. If it is required for the performance of the Permitted Application, the Recipient may disclose the information to its affiliates, employees, advisors, or representatives, provided that:

- A. These personnel are informed of the confidential nature of the Confidential Information;
- B. These personnel agree to be legally bound to the same burdens of confidentiality and non-use as the Recipient;
- C. The personnel are prevented by the Recipient from violating this agreement, to as great an extent as the Recipient can reasonably enforce; and
- D. The Recipient agrees to be responsible for and indemnify the Creator for any breach of this Agreement by the personnel.
2. If the Creator has given written consent to the Recipient for the disclosure of information to a third party; or
3. If the Creator is required to disclose such information by law or at the request of any governmental, administrative, legislative, or judicial body, provided that the Recipient will first give prompt notice to the Creator of any possible or prospective orders of disclosure and Creator has been afforded a reasonable opportunity to prevent or limit such disclosure.

All obligations regarding the protection of the confidentiality of the Confidential Information, and any obligations to provide notice under this Agreement shall be effective for a period of 5 year(s) from the date of its expiration or termination, as the case may be.

#### 4. NON-COMPETITION

Notwithstanding any successfully completed negotiations or transactions, or employment with an independent third party, the Recipient understands and agrees not to participate, directly or indirectly, in any activities that are in direct competition with the activities of Creator without the express written consent of Creator. This condition shall hold at all times during the continuance of this Agreement and within 5

of its termination or expiration, as the case may be. The Creator further affirms that such consent will not be unreasonably withheld from the Recipient.

The Recipient understands and agrees that for a period of 5 year(s) from the date of expiration or termination of this Agreement, the Recipient will not divert or attempt to divert from the Creator any business that the Creator has enjoyed or solicited from its customers prior to expiration or termination of this Agreement.

#### 5. NON-SOLICITATION

The Recipient, and its affiliates and subsidiaries, will not, for a period of 2, solicit, entice, or hire away any contractor or employee of the Creator that was employed at any time during the course of the Recipient's without the Creator's prior written approval.

#### 6. OWNERSHIP AND TITLE

The Recipient shall NOT, under any circumstances, be granted any title, interest, right, or license in or to the Confidential Information or other intellectual property of the Creator.

This sample represents only part of a completed document.  
The remainder of the document has been intentionally omitted.