

## PROPRIETARY INFORMATION AGREEMENT

This Proprietary Information Agreement (the "Agreement") entered into this \_\_\_\_\_ date between Dreamborn, with its primary office at 10713 Hobbit Lane, Westminster, CO 80031, ("Dreamborn"), and \_\_\_\_\_, with their primary office at \_\_\_\_\_, either or both of which may be hereinafter referred to as a "Party" or the "Parties", respectively.

### BACKGROUND

Dreamborn possesses certain Proprietary Information (hereinafter defined) related to methods, algorithms, requirements, performance, design, and testing related to the Omnificent Role-playing System (*ORS*) derivatives which may be hereinafter referred to as ("Program"); and which the other Path may have need for evaluation and future development of the Program ("Purpose"); and

Each Party is interested in exploring a potential business relationship with respect to the *ORS* Development and both have determined that this Agreement will facilitate such discussions; and

Each Party understands that if the Parties enter into a written contract or agreement having the same general Purpose as stated above, then such contract or agreement shall contain terms for the loss, theft, unauthorized use, modification or unauthorized disclosure of Proprietary Information.

The Parties therefore agree as follows:

### AGREEMENT

#### 1. Proprietary Information.

**1.1 Definition.** "Proprietary Information" means any information, technical data or know-how in whatever form that is not generally known and is clearly identified as being confidential, proprietary or a trade secret.

**1.2 Oral or Visual Disclosures.** Proprietary Information also includes information disclosed orally or visually if the disclosing Party:

- A) identifies it as Proprietary Information before disclosure;
- B) reduces it to written summary form and marks it as being confidential, proprietary or trade secret; and
- C) transmits the written summary form to the receiving Party within 30 days after disclosure.

**1.3 Interim Protection for Oral or Visual Disclosures.** For 30 days from disclosure, oral or visual information will be provided the same protection as provided Proprietary Information under this Agreement.

#### 2. Protection.

**2.1 Period.** The receiving Party will not use or disclose Proprietary Information except as permitted in this Agreement for 10 years from the expiration or termination date of this Agreement.

**2.2 Standard of Care.** Each Party will protect Proprietary Information using the same degree of care it uses to protect its own Proprietary Information, but in no event less than a reasonable degree of care.

**2.3 Inadvertent Disclosure.** Neither Party will be liable for inadvertent disclosure or use, provided that upon discovery of any inadvertent disclosure or use, the receiving Party notifies the original disclosing Party promptly, and endeavors to prevent any further inadvertent disclosure or use.

- 2.4 Exceptions.** The receiving Party has no duty to protect information that is:
- A) developed by the receiving Party independently of the disclosing Party's Proprietary Information;
  - B) obtained without restriction by the receiving Party from a third party who had a legal right to make the disclosure;
  - C) publicly available other than through the breach of this Agreement by the receiving Party;
  - D) released without restriction by the disclosing Party to a third party; or
  - E) known to the receiving Party at the time of its disclosure, without an existing duty to protect the information.
- 3. Permitted Disclosures.**
- 3.1 Employees.** The receiving Party may disclose Proprietary Information only to its employees and contract employees ("employees") having a need-to-know with respect to the Purpose.
- 3.2 Notice.** Each Party must ensure that its employees are aware of this Agreement and have signed an agreement making the employees subject to the Parties' confidentiality obligations.
- 3.3 Third Party.** The receiving Party may disclose the disclosing Party's Proprietary Information to a third party with respect to the Purpose if:
- A) the disclosing Party authorizes it in writing;
  - B) the receiving Party under this Agreement requires the third party recipient to enter into a proprietary information agreement containing terms and conditions no less stringent than those imposed upon the receiving Party under this Agreement; and
  - C) the receiving Party provides an executed copy of the proprietary information agreement to the disclosing Party within 15 days.
- 4. Allowable Uses.** During the term of this Agreement, the receiving Party may use Proprietary Information only for the Purpose with respect to the Program. The receiving Party may make a limited number of copies of Proprietary Information as is necessary to complete the Purpose. All copies made will reproduce the restrictive legends on the original.
- 5. Impermissible Uses.** Except as authorized in this Agreement, the receiving Party will not use or disclose the disclosing Party's Proprietary Information, in whole or in part, for any purpose, including but not limited to:
- A) to manufacture itself or to enable the manufacture by any third party of the disclosing Party's products, products similar thereto, or products derived therefrom, without the prior express written consent of the disclosing Party;
  - B) decompile, disassemble, decode, reproduce, redesign, reverse engineer any products or equipment of the disclosing Party or any part thereof;
  - C) perform any services, including services relating to the products or equipment of the disclosing Party; or
  - D) deliver under a contract or make subject to a "rights in data" clause or equivalent clause.
- 6. No License or Patent Rights Granted.** Nothing in this Agreement grants or confers any rights on the part of any party by license or otherwise, express or implied, to any invention, discovery, or to any patent covering the invention or discovery.
- 7. Legal Actions and Government Regulation.** The receiving Party will promptly notify the disclosing Party, if faced with legal action or a request under U.S. or foreign government regulations to disclose any of the disclosing Party's Proprietary Information. If the disclosing Party requests, the receiving Party will cooperate in all reasonable respects to contest the disclosure, or obtain a protective order or other remedy. Except in connection with a failure to discharge the responsibilities set forth in the preceding sentence, neither Party will be liable in any way for any disclosures made under judicial action or U.S. or foreign government regulations.

8. **Points of Contact.** The following contacts are responsible for the management and administration of this Agreement, including the transmittal or receipt of Proprietary Information by any means. Either Party may change the contact by written notice. Proprietary Information exchanged, even if not furnished to the points of contact listed below, is protected under this Agreement.

Dreamborn	
Kent Krumvieda 10713 Hobbit Lane Westminster, CO 80031 (303) 466-7550 Fax (303) 466 4325 kentkr@dreamborn.com	

9. **Term, Termination, Return.**

9.1 **Term.** This Agreement terminates two (2) year(s) from the Effective Date.

9.2 **Termination.** Either Party may terminate this Agreement with 30 days prior written notice.

9.3 **Return or Destruction of Proprietary Information.** Within 180 days after the termination of this Agreement and upon written request of the disclosing Party, the receiving Party will return to the disclosing Party all of the disclosing Party's Proprietary Information and all copies. If not returned, the receiving Party will destroy and provide a written confirmation of destruction to the disclosing Party.

10. **Remedies.** The non-breaching Party may be entitled to injunctive relief for any breach or threatened breach. All other remedies available to the non-breaching Party at law or in equity are in addition to the remedies under this Agreement.

11. **Disclaimer.** Neither Party makes any representation regarding the use, accuracy or sufficiency of the Proprietary Information. THERE ARE NO OTHER WARRANTIES, WHETHER WRITTEN OR ORAL, EXPRESS, IMPLIED, OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE OR USE AND WARRANTIES ARISING FROM COURSE OF PERFORMANCE, DEALING, USAGE OR TRADE, WHICH ARE EXPRESSLY DISCLAIMED, EVEN IF THE DISCLOSING PARTY HAS BEEN MADE AWARE OF THE PURPOSE, OR WARRANTIES AGAINST INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES EVEN IF THE DISCLOSING PARTY HAS BEEN ADVISED OF ANY SUCH INFRINGEMENT.

12. **Choice of Law, Jurisdiction.** The laws of the State of Colorado govern this Agreement, with the exception of its conflict of laws provision. Any action or claim relating to or arising out of this Agreement will be brought in a state or federal court sitting in the State of Colorado and the Parties irrevocably consent to personal jurisdiction and venue of, and agree to bound by any judgment and orders rendered by, such courts.

13. **Miscellaneous.**

13.1 **Survival.** The following clauses survive termination or expiration of this Agreement: 1. Proprietary Information; 2. Protection; 5. Impermissible Uses; 6. No License or Patent Rights Granted; 11. Disclaimer; 12. Choice of Law, Jurisdiction; 13.5 Severability; 13.6 Entire Agreement, Modification, and 13.7 Waiver.

13.2 **Relationship of Parties; No Obligation, Costs.** This Agreement establishes a relationship of independent contractors. Nothing in this Agreement construes the Parties as partners, joint venture partners, co-owners or as participants in a common undertaking. This Agreement is solely for disclosing and protecting Proprietary Information and neither Party promises to provide the other Party with Proprietary Information. The decision to provide any Proprietary Information is within the sole discretion of the disclosing Party. Except as provided in the "Remedies" clause, each Party bears its own costs and expenses incurred under or in connection with this Agreement.

13.3 **Assignment.** Except for a sale or transfer of the business to which this Agreement relates, the rights of the Parties under this Agreement may not be assigned or transferred to any person, or entity without

the express prior written consent of the other Party, which consent will not be unreasonably withheld. Any purported assignment without express prior written consent will be void.

**13.4 Severability.** If any provision(s) of this Agreement is for any reason found to be invalid, illegal or unenforceable, all other provision(s) remain valid, legal and enforceable.

**13.5 Entire Agreement, Modification.** This Agreement constitutes the entire agreement between the Parties with respect to the confidentiality and use restrictions of Proprietary Information and supersedes all prior and contemporaneous agreements. No modification or amendment of this Agreement, including any specific legends or statements inconsistent with this Agreement, will be binding unless it is in writing and signed by the Parties.

**13.6 Waiver.** No waiver of any provision of this Agreement constitutes a waiver of any other provision, whether similar or dissimilar. No waiver of any provision constitutes a continuing waiver of that provision. No waiver is binding unless signed in writing by the waiving party.

**13.7 Counterparts, Headings.** This Agreement may be signed in counterparts (including faxed copies), each one of which is considered an original, but all of which constitute one and the same instrument. Headings are for convenience only and not for interpreting this Agreement.

The Parties enter into this Agreement as of the Effective Date first written above.

Dreamborn

10713 Hobbit Lane

Westminster, CO 80031.

Date:

Date:

By: \_\_\_\_\_

By: \_\_\_\_\_

Name:

Name: Kent Krumvieda

Title: \_\_\_\_

Title: President