



MUTUAL NON-DISCLOSURE AGREEMENT

THIS AGREEMENT is entered into as of _____, (the "Effective Date") and governs the disclosure of information by and between Advanced Cybernetics Group, Inc., a California corporation ("ACG ") and _____

As used herein, "Confidential Information" shall mean any and all technical and non-technical information provided by either party to the other, including, without limitation, trade secrets, mask works, ideas, samples, media, techniques, sketches, drawings, works of authorship, models, inventions, know-how, processes, apparatuses, equipment, algorithms, software programs, software source documents, and formulae related to the current, future, and proposed products, services or customers of each of the parties, and including, without limitation, their respective information concerning research, experimental work, development, design details and specifications, engineering, financial information, procurement requirements, purchasing, manufacturing, customer lists, investors, employees, business and contractual relationships, business forecasts, sales and merchandising, marketing plans and information the disclosing party provides regarding third parties.

The term "Confidential Information" shall not include any information which (a) now is or hereafter becomes known or available to the public other than as the result of a disclosure by a receiving party in breach hereof, (b) becomes known or available to a receiving party on a non confidential basis from a source other than a disclosing party which source is not under any obligation to a disclosing party not to disclose such information, (c) is developed by a receiving party independently of, or was known by or available to a receiving party prior to, any disclosure made by a disclosing party, or (d) is required to be disclosed by applicable law (provided, however, that a receiving party provides a disclosing party with prompt written notice so that a disclosing party may, in a timely fashion, seek a protective order or other appropriate remedy prior to such disclosure, and that, should disclosure be required hereunder, a receiving party furnishes only that portion of the Confidential Information legally required to be disclosed and uses reasonable efforts to obtain confidential treatment thereof by the recipient).

Each party agrees that at all times, and notwithstanding any termination of discussions between the parties, it will hold in strict confidence and not disclose to any third party Confidential Information of the other, except as approved in writing by the other party to this Agreement, and will use the Confidential Information for no purpose other than evaluating or pursuing a business relationship with the other party to this Agreement. Each party shall only permit access to Confidential Information of the other party to those of its employees or authorized representatives having a need to know and who have signed confidentiality agreements or are otherwise bound by confidentiality obligations at least as restrictive as those contained herein.

Each party shall immediately notify the other upon discovery of any loss or unauthorized disclosure of the Confidential Information of the other party. Upon termination of discussions between the parties, or upon written request of the other party, each party shall promptly return to the other party or destroy (and certify such destruction) all documents and other tangible materials representing the other party's Confidential Information and all copies thereof.

The parties recognize and agree that nothing contained in this Agreement shall be construed as granting any proprietary rights, by license or otherwise, to any Confidential Information of the other party, or to any invention or any patent, copyright, trademark, or other intellectual property right that has issued or that may issue, based on such Confidential Information.

Confidential Information shall not be reproduced in any form except as required to accomplish the intent of this Agreement. Any reproduction of any Confidential Information of the other party by either party shall remain the property of the disclosing party and shall contain any and all confidential or proprietary notices or legends which appear on the original, unless otherwise authorized in writing by the other party.

All obligations of the parties under this Agreement shall survive any termination of discussions between the parties and be binding on each party's heirs, successors and assigns for a period of two (2) years from the date of execution. Neither party will assign or transfer any rights or obligations under this Agreement without the prior written consent of the other party.

This Agreement shall be governed by and construed in accordance with the laws of California without reference to conflict of laws principles. This Agreement may not be amended except by a writing signed by both parties hereto.

Each party acknowledges that a breach of this Agreement would cause irreparable damage and agrees that the other party shall be entitled to seek injunctive relief under this Agreement for any breach or threatened breach of this Agreement, as well as such further relief as may be granted by a court of competent jurisdiction at law or in equity.

If any provision of this Agreement is found by a proper authority to be unenforceable or invalid, such unenforceability or invalidity shall not render this Agreement unenforceable or invalid as a whole. In such event, such provision shall be changed and interpreted so as to best accomplish the objectives of such unenforceable or invalid provision within the limits of applicable law.

IN WITNESS WHEREOF, the parties hereto have caused this Mutual Non-Disclosure Agreement to be executed as of the Effective Date.

Advanced Cybernetics Group, Inc

And _____

By _____

By _____

Dated _____

Dated _____