

MUTUAL NONDISCLOSURE AGREEMENT

This **MUTUAL NONDISCLOSURE AGREEMENT** (the “**Agreement**”) is made and entered effective as of _____, 200__, by and between SKMurphy, Inc., a California corporation, and _____, [a(n) _____ corporation/individual], to assure the protection and preservation of the confidential and/or proprietary nature of information to be disclosed or made available to each other in connection with certain negotiations or discussions further described in **Exhibit A** attached hereto.

In reliance upon and in consideration of the following undertakings, the parties agree as follows:

1. Subject to the limitations set forth in Paragraph 2, all information disclosed to the other party, whether marked confidential or not, shall be deemed to be “**Proprietary Information.**” In particular, Proprietary Information shall be deemed to include any technology, content, trade secret, information, process, technique, training manual, workbook, algorithm, computer program (source and object code), design, drawing, formula, business plan or test data relating to any research project, work in process, future development, engineering, manufacturing, marketing, servicing, financing, strategic partnership or personnel matter relating to the disclosing party, its present or future products, services, sales, suppliers, clients, customers, employees, investors, business plans, business strategies, cost of operations, and strategic relationships, whether in oral, written, graphic or electronic form. If Proprietary Information is disclosed in oral form, the disclosing party shall thereafter summarize it in writing and transmit it to the other party within thirty (30) days of the oral disclosure.

2. The term “Proprietary Information” shall not be deemed to include information which: (a) is now, or hereafter becomes, through no act or failure to act on the part of the receiving party, generally known or available; (b) is known by the receiving party at the time of receiving such information as evidenced by its records; (c) is hereafter furnished to the receiving party by a third party, as a matter of right and without restriction on disclosure; (d) is independently developed by the receiving party without any breach of this Agreement; or (e) is the subject of a written permission to disclose provided by the disclosing party.

3. Each party shall maintain all Proprietary Information in trust and confidence and, except as expressly set forth herein, shall not disclose to any third party or use any Proprietary Information for any unauthorized purpose. Each party may use such Proprietary Information only to the extent required to accomplish the purposes of this Agreement as set forth on **Exhibit A** hereto. Proprietary Information shall not be used for any purpose or in any manner that would constitute a violation of any laws or regulations, including without limitation, the export control laws of the United States. No rights or licenses to trademarks, inventions, copyrights or patents are implied or granted under this Agreement.

4. Proprietary Information shall not be reproduced in any form except as required to accomplish the intent of this Agreement.

5. Each party under this Agreement shall advise its employees who might have access to Proprietary Information of the confidential nature thereof and agrees that its employees shall be bound by the terms of this Agreement. No Proprietary Information shall be disclosed to any employee who does not have a need for such information. The receiving party shall not disclose any Proprietary Information to any third party without the disclosing party's express, written consent.

6. All Proprietary Information (including all copies thereof) shall remain the property of the disclosing party and shall be returned to the disclosing party after the receiving party's need for it has expired, or upon request of the disclosing party, and in any event, upon completion or termination of this Agreement.

7. Notwithstanding any other provision of this Agreement, disclosure of Proprietary Information shall not be precluded if such disclosure:

(a) is in response to a valid order of a court or other governmental body of the United States or any political subdivision thereof; *provided, however*, that the responding party shall first have given notice to the other party hereto and shall have made a reasonable effort to obtain a protective order requiring that the Proprietary Information so disclosed be used only for the purposes for which the order was issued;

(b) is otherwise required by law; or

(c) is otherwise necessary to establish rights or enforce obligations under this Agreement, but only to the extent that any such disclosure is necessary.

8. This Agreement shall continue in full force and effect for so long as the parties continue to exchange Proprietary Information. This Agreement may be terminated by either party at any time upon thirty (30) days written notice to the other party. The termination of this Agreement shall not relieve either party of the obligations imposed by Paragraphs 3, 4, 5, 6 and 11 of this Agreement with respect to Proprietary Information disclosed prior to the effective date of such termination and the provisions of those Paragraphs shall survive the termination of this Agreement for a period of five (5) years from the date of such termination.

9. This Agreement shall be governed by the laws of the State of California, excluding its conflicts of laws principles.

10. This Agreement and **Exhibit A** attached hereto and hereby incorporated herein, contain the final, complete and exclusive agreement of the parties relative to the subject matter hereof and supersedes all prior and contemporaneous understandings and agreements relating to its subject matter. This Agreement may not be changed, modified, amended or supplemented except by a written instrument signed by both parties.

11. Each party hereby acknowledges and agrees that in the event of any breach of this Agreement by the other party, including, without limitation, the actual or threatened disclosure or unauthorized use of a disclosing party's Proprietary Information without the prior express written consent of the disclosing party, the disclosing party will suffer an irreparable injury, such that no remedy at law will afford it adequate protection against, or appropriate compensation for, such injury. Accordingly, each party hereby agrees that the other party shall be entitled to specific performance of the receiving party's obligations under this Agreement, as well as such further relief as may be granted by a court of competent jurisdiction.

12. The parties' rights and obligations under this Agreement will bind and inure to the benefit of their respective successors, heirs, executors and administrators and permitted assigns.

13. If any provision of this Agreement is found by a proper authority to be unenforceable, that provision shall be severed and the remainder of this Agreement will continue in full force and effect.

14. Any notices required or permitted hereunder shall be given to the appropriate party at the address specified below or at such other address as the party shall specify in writing. Such notice shall be deemed given upon the personal delivery, or sent by certified or registered mail, postage prepaid, three (3) days after the date of mailing.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth in the first paragraph hereof.

SKMURPHY, INC.

[NAME]

Signature

Signature

Printed Name

Printed Name

Title

Title

Date

Date

EXHIBIT A

Purpose for which Proprietary Information is to be disclosed:

[i.e., to discuss a potential business relationship between the parties.]