



NONDISCLOSURE AGREEMENT

“OWNER”: SOMERSET INVESTMENTS, INC. DBA “BOOKBYTE.COM”

“RECIPIENT”: _____

RECITALS

- A. Owner is engaged in the business of selling and reselling textbooks and other books over the Internet and from its Salem, Oregon location. In connection with an existing or proposed vendor, employment or other business relationship, Owner has disclosed or may disclose to Recipient information that Owner considers to be confidential and proprietary. Recipient wishes to preserve the confidentiality of all such information as provided in this Agreement. Owner’s disclosure of such Confidential Information is conditioned on Recipient’s willingness to strictly comply with this Agreement.
- B. The parties agree that the restraints imposed by this Agreement are necessary for the reasonable and proper protection of Owner’s business and goodwill, and that each and every one of the restraints is reasonable in terms of its duration and scope.

NOW THEREFORE, in consideration of the premises and mutual covenants herein contained, and other good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, it is mutually covenanted and agreed by and between Owner and Recipient as follows:

AGREEMENT

1. Confidential Information, Knowledge and Things

This Agreement shall be construed broadly to protect all information, knowledge and things described below. All of the following shall be considered “**Confidential Information**” protected by this Agreement:

1.1 All proprietary and/or confidential information of or about Owner or Owner’s business, even though such information may not be of a technical nature and may not be protectable under applicable trade secret or related laws;

1.2 All information that Recipient may learn from Owner, that is not known by Owner’s actual or potential competitors;

1.3 All written or electronic memoranda, correspondence, notes, records, papers, files, data, and other documents, and all copies thereof, relating to Owner’s operations, business, vendors, customers, or employees, and all objects associated therewith in any way obtained by Recipient;

1.4 Examples of information, knowledge and things that the parties deem to be “Confidential Information” pursuant to this Agreement. This listing of particular protected information should not be interpreted to exclude different information or categories of information not listed. In all cases, the scope of information protected by this Agreement should be construed as broadly as possible:

1.4.1 Customer Information, including customer names, addresses, phone numbers, email and other contact information; records of prior purchases by the customer from Owner;

particular needs or desires of customers, prices customers are willing to pay, and all correspondence, inquiries and communication with customers;

1.4.2 All software, source code, hardware, formulas, data, documentation, and other data or information systems developed by or on behalf of Owner. This provision includes, but is not limited to, all software used in Owner's business, the Bookbyte.com website, and all other software and computer programs, applications, hardware, documentation and data now developed or used by Owner, or which may be developed or used in the future. This provision shall also include all correspondence, memoranda, notes, minutes of meetings and other business information related to the development, use, distribution, or marketing of creative work protected by this paragraph;

1.4.3 The prices Owner has paid or charges for its goods or services;

1.4.4 Vendor information, including, but not limited to, names, phone numbers addresses of vendors, correspondence with or between vendors and prospective vendors, information regarding vendor territories, prices charged by or paid to vendors, wish lists, price lists, prospect or contact information provided to or received from vendors, appointment schedules, relationship tracking information, announcements to and materials used in vendor presentations;

1.4.5 Owner's marketing methods, sales techniques, market research, advertising copy, web site optimization, and any other information related to the promotion of Owner's business;

1.4.6 Owner's methods of operating its business, including Owner's methods of locating, purchasing and selling books, procedures and processes, business plans and strategies, internal memoranda, minutes of corporate meetings,

1.4.7 Any and all information relating to Owner's business or sales activity, profit, overhead, organizational structure, business methods, operations, or strategies; and product development;

1.4.8 All bids, quotes or estimates prepared by or for Owner;

1.4.9 Any work, inventions, or other creative work of Owner, or any agent or employee of Owner;

1.4.10 Employee information, including amount and method of compensation paid to employees, terms of employment contracts or policies, phone numbers and addresses, job descriptions, scope of responsibility, and operating procedures;

1.4.11 Reports, lists, databases (including any information contained within the database), memoranda, correspondence or any other written or electronic records used in Owner's business;

1.4.12 Any and all information, whether or not listed above, that derives independent economic value to Owner, actual or potential, from not being generally known to the public or other persons who can obtain economic value from its disclosure or use. This paragraph includes, but is not limited to, all information and things that would be considered a "trade secret" by applicable law.

2. Non-Use / Non-Disclosure

Recipient shall, at all times, hold in a fiduciary capacity and shall not use for Recipient or others, and shall not reveal, communicate or divulge at any time, any Confidential Information protected by Paragraph 1 of this Agreement or by applicable trade secret laws. Recipient shall comply with Owner's policies and procedures, whether mandated by this Agreement, or adopted from time to time, regarding the protection of its Confidential Information. In the event Recipient is uncertain whether information is Confidential Information protected by this Agreement, or whether Recipient's proposed course of conduct would violate Recipient's duties pursuant to this Agreement, Recipient shall make a written request for clarification to Owner.

With respect to tangible things that are protected by Paragraph 1 of this Agreement, Recipient shall not copy or duplicate any protected documents or objects, or use any information concerning them, except for Owner's sole use and benefit. Recipient agrees that upon demand, and upon termination of any relationship between Owner and Recipient, Recipient shall deliver all of the aforementioned documents and objects that may be in Recipient's possession to Owner.

3. Scope of Restriction

In the event that a court having jurisdiction determines that the period of any restriction imposed by this Agreement is unreasonably long or that the scope of such restriction is unreasonably broad, the restriction shall be limited to such duration or scope as that court may determine to be reasonable.

4. Notice to Owner

In order to allow Owner to evaluate risks to its trade secrets and business interests and to take steps, if necessary, to ensure compliance with this Agreement, Recipient shall notify Owner, before disclosing any information that may be Confidential Information protected by this Agreement. Such notice shall be in writing and sent by certified mail, postage prepaid, to Owner.

5. Review & Return of Confidential Information

Recipient shall meet with Owner, or his duly appointed representative, upon demand and at the termination of any relationship between Owner and Recipient to review Recipient's obligations under this Agreement. Recipient shall return at that meeting all of Owner's Confidential Information.

6. Remedies

Recipient hereby agrees that a breach or threatened breach of the covenants contained in this Agreement shall result in irreparable and continuing damage to Owner for which there will be no adequate remedy at law. In the event of an actual or threatened breach by Recipient of this Agreement, Recipient hereby acknowledges that Owner shall be entitled to an injunction restraining Recipient from any further conduct that would constitute a breach of this Agreement or which may be needed to remedy a breach of this Agreement. Nothing in this Agreement shall be construed to prohibit Owner from pursuing any other remedies available to it for such breach or threatened breach, including the recovery of damages from Recipient.

7. Relationship of Parties

This Agreement shall not be construed to create an employment, independent contractor, partnership, joint venture or other relationship between the parties. Nothing in this Agreement shall require Owner to disclose any information, enter into any business or contractual relationship, or take any other action.

8. Miscellaneous Terms

The waiver by either party of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by either Owner or Recipient. The failure of Owner to insist on strict performance of this Agreement, or any portion thereof, shall not waive such provision or prevent Owner from later enforcing such provision. Recipient hereby agrees that Owner may assign this Agreement, without Recipient's consent and without notice, to any successor, joint venturer, assignee, corporate parent, affiliate, or subsidiary of Owner. This Agreement shall be binding upon and shall inure to the benefit of Owner, Recipient and their successors, assigns, heirs, and legal representatives.

No amendment or variation of the terms and conditions of this Agreement shall be valid unless the same is in writing and signed by each of the parties hereto. If any provision of this Agreement is deemed to be illegal or otherwise void, invalid or unenforceable, such provision shall be modified to allow it to be enforced in a manner that fulfills the purposes of this Agreement. The remainder of this Agreement shall not be affected and shall remain in full force and effect.

The parties to this Agreement consent to jurisdiction in the circuit courts for the State of Oregon. In the event of any legal action arising out of or relating to this Agreement, whether directly or indirectly, the action shall be litigated exclusively in the Circuit Court for Marion County, Oregon and in no federal court or court of another state. Each party to this Agreement further agrees that in such litigation, the party and that party's agents shall appear, at that party's expense, for deposition in Salem, Oregon.

The law firm of SAALFELD GRIGGS PC, has been employed by Owner to prepare this Agreement, and such attorneys represent only Owner in this matter. Recipient is hereby advised to seek the advice of legal counsel of Recipient's own choosing. The rule of construction that a written agreement is construed against the party preparing or drafting such agreement shall specifically not be applicable in the interpretation of this Agreement.

Recipient certifies and acknowledges that: a) Recipient has carefully read all the provisions of this Agreement; b) Recipient understands and will fully and faithfully comply with such provisions; and c) he/she is authorized to execute this Agreement on behalf of and binding the undersigned entity.

READ BEFORE SIGNING!

OWNER: **Somerset Investments, Inc.**

RECIPIENT: _____

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____