Manufacturing Development Services LLC

Confidential Disclosure Agreement

This Agreement is made and entered into to be effective as _____ (the "Effective Date"), by and between _____, having an address of _____ (hereinafter referred to as **"CLIENT")**, and MDS, LLC having a place of business at 6201 15 Ave NW, #B205, Seattle, Washington 98107 (hereinafter referred to as "**MDS**").

WHEREAS, **CLIENT** is in possession of Confidential Information that is the property of **CLIENT**.

WHEREAS, **CLIENT** desires to engage **MDS** as a supplier of sourcing and/or consulting services. This relationship will require that **MDS** review information and documentation relating to the Confidential Information for the sole purpose of providing said services to **CLIENT**;

WHEREAS, **CLIENT** is willing to disclose the Confidential Information to **MDS,** for the purposes described herein, provided **CLIENT** maintains all rights in and complete control over all Confidential Information given to **MDS**, and **MDS** protects the confidentiality of Confidential Information by preventing the unauthorized dissemination, disclosure or use thereof without **CLIENT**'s consent;

NOW, THEREFORE, **CLIENT and MDS** agree as follows:

1. All Confidential Information disclosed to **MDS** by or on behalf of **CLIENT** during the term of this Agreement shall be maintained in strict confidence by **MDS** and not used by **MDS** for any purpose other than providing services or products to **CLIENT**, or disclosed by **MDS** to anyone without the prior written permission of **CLIENT**, except where disclosure of Confidential Information to a third party supplier or contractor is necessary to provide services to **CLIENT** in which case, the third party will be required to sign a non-disclosure agreement approved by **CLIENT**. In this respect, **MDS** will not make, use or sell or have made, used or sold by others, or assist, either directly or indirectly, another party to make, use or sell any product or process incorporating the Confidential Information or otherwise make any use of the Confidential Information alone or on behalf of third parties, and shall not disclose any portion of the Confidential Information to any of its employees or agents, except on a need to know basis, or to any third party without the prior written consent of **CLIENT**, except as determined by the exception and conditions for release to third party suppliers and/or contractors outlined above.

2. The obligations of **MDS** stated in Paragraph 1 hereof shall not apply to Confidential Information which:

(a) prior to the Effective Date of this Agreement was in **MDS**'s possession or control, or was in the public domain, as evidenced by writings in existence prior to the Effective Date of this Agreement;

(b) subsequent to the Effective Date of the Agreement shall have been made freely available in written form or published to the general public by **CLIENT** or by others having the right to do so without obligation to **CLIENT**;

(c) subsequent to the Effective Date of this Agreement is lawfully received by **MDS** free of restriction in good faith from another source having the right to furnish such information to **MDS** as evidenced in writing or other tangible form and was not

previously received under confidentiality from **CLIEN**T or any third party in connection with the provisions of any services to **CLIENT**; or

(d) is required to be disclosed to governmental authorities or courts as a result of operation of law, regulation, or court order, provided however, immediate written notice of any such request by governmental authorities or courts must be provided to **CLIENT**, all reasonable steps must be taken by **MDS** to restrict further disclosure of the affected information by said authorities or court, and information so disclosed shall not be otherwise removed from these secrecy obligations; provided, however, that no use or disclosure apart from the purposes set forth herein may be made as to any item of Confidential Information in reliance on any of exceptions (a)-(d) unless such use or disclosure is preceded by ten (10) business days prior written notice from **MDS** to **CLIENT**, which notice explains the nature and scope of the intended use or disclosure and includes a recitation of facts that give rise to one or more of the applicable exceptions (a)-(d). Specific information shall not be deemed to fall within any of the exceptions enumerated above merely because such information is embraced by more general information in the public domain.

3. During the term of this Agreement or the life of the patent, whichever is longer, **MDS** will not, either on its own behalf or in conjunction with or on behalf of other companies providing “Children’s and Infants’ Clothing and Accessories and/or Textile Designers” develop or provide any accessories or devices, tools or other products that are similar to, or are designed to compete with, supplement, or replace all or a material part of, the device or any of its components. “Children’s and Infants’ Clothing and Accessories and/or Textile Designers” is defined as establishments primarily engaged in selling a general line of children's and infants' clothing via retail method, agents and brokers, business to business electronic markets, and professional textile design services. In recognition of contracts and relationships in existence as of the effective date of this Agreement between **MDS** and other parties, **CLIENT** will exempt **MDS** and such parties from this exclusivity provision provided that **MDS** and such parties are not engaged in the design, creation, manufacture or distribution of a competing or potentially competing product.

4. All Confidential Information shall remain the property of **CLIENT** and all writings or other tangible form materials provided to **MDS** pursuant to this Agreement or generated by **MDS** therefrom (and all copies thereof) shall be promptly returned to **CLIENT** upon **MDS**'s receipt of a written request therefor from **CLIENT**, with the exception of one archival copy retained for the purposes of complying with this Agreement. **CLIENT** agrees that **MDS** shall have the right to retain in the files of its legal counsel, solely for archival purposes, one copy of all writings or other tangible form materials provided by **CLIENT** as a record thereof.

5. Nothing in this Agreement shall be construed as inferring an implied license to **MDS** under any patent obtained by **CLIENT** or any other intellectual property rights relating to Technology.

6. No change in this Agreement shall be effective unless stated in writing and signed by all parties to this Agreement.

7. This Agreement shall be interpreted in accordance with the laws of the State of Washington, of the United States of America.

8. Because of the unique nature of Technology, **MDS** understands and agrees that **CLIENT** may suffer irreparable harm in the event that **MDS** breaches its obligations under Paragraph 1 and that monetary damages will be inadequate to compensate **CLIENT** for such a breach. Accordingly, **MDS** agrees that **CLIENT** will, in addition to any other remedies available to it at law or equity, be entitled to both temporary and permanent injunctive relief to enforce the terms of this Agreement.

9. This Agreement shall continue for a term of five (5) years from the date first set forth above. The obligations of Paragraphs 1, 4, and 5 shall survive termination of this Agreement.

10. This Agreement constitutes the entire understanding between the parties hereto with respect to the subject matter hereof and merges any and all prior agreements, understandings and representations.

IN WITNESS WHEREOF, **CLIENT** and **MDS,** have, by a duly authorized person, executed this Agreement making it effective on the date first set forth above.

Manufacturing Development Services, LLC	**Client**
By: _____	By: _____
Printed Name: _____	Printed Name: _____
Title: _____	Title (if applicable): _____
Date: _____, 2005	Date: _____, 2005