

MUTUAL NONDISCLOSURE AGREEMENT

THIS MUTUAL NONDISCLOSURE AGREEMENT (this "Agreement") is entered into and effective as of the date of the last signature below (the "Effective Date"), between _____ ("____") and Covalent Metrology Services Inc. ("Covalent Metrology").

1. Confidential Information. "Confidential Information" means all confidential and/or proprietary information disclosed or made available by one party to the other, including but not limited to, (a) business plans, financial reports, financial data, employee data, customer lists, forecasts, strategies, and all other business information; and (b) software or firmware code, semiconductor or printed circuit board layout diagrams, product designs and/or specifications, algorithms, computer programs, mask works, inventions, unpublished patent applications, manufacturing or other technical or scientific know-how, specifications, technical drawings, diagrams, schematics, technology, processes, and any other trade secrets, discoveries, ideas, concepts, know-how, techniques, materials, formulae, compositions, information, data, results, plans, surveys and/or reports of a technical nature or concerning research and development and/or engineering activity. Confidential Information may be that of the disclosing party or of third parties to whom the disclosing party has an obligation to treat the disclosed information as confidential. Confidential Information also includes copies, notes, abstracts and other tangible embodiments made by the receiving party that are based on or contain any of such information, as well as the existence and progress of the Purpose (described in Section 4 below).

2. Identification of Confidential Information. Information will be considered to be Confidential Information and protected under this Agreement if it is identified as "confidential" or "proprietary" at the time of disclosure or if the information should reasonably be considered to be confidential or proprietary due to its nature or the context of its disclosure.

3. Protection of Confidential Information. Each party acknowledges that the other party claims that its Confidential Information is a valuable and unique asset and agrees to the following:

- (a) For a period of 5 years from first disclosure of or access to Confidential Information, the receiving party:
 - (i) will not disclose the Confidential Information to any third party other than to its third-party contractors or advisors for the Purpose of this Agreement, and only if that third party is bound by a confidentiality agreement with terms as least as restrictive as the terms of this Agreement;
 - (ii) will not disclose the Confidential Information to its employees unless the employees have a need to know the Confidential Information for the Purpose; and
 - (iii) will use the Confidential Information only for the Purpose and will not use it for any third party's benefit.

The receiving party will use the same degree of care to protect the Confidential Information from unauthorized use or disclosure as it would use to protect its own information of a similar nature, but in no event with less than reasonable care.

(c) The receiving party's obligations under this Agreement with respect to particular information do not apply to the extent that: (i) the disclosing party authorizes the receiving party in writing to disclose such information; (ii) the receiving party knows such information at the time of disclosure by the disclosing party, free of any obligation to keep it confidential, as evidenced by written records; (iii) such information is or becomes generally known in the relevant industry without fault of the receiving party; (iv) the receiving party independently develops such information without access to or use of the Confidential Information, as evidenced by written records; or (v) the receiving party rightfully obtains such information from a third party who has the right to disclose it without violation of any confidentiality obligations. However, even if certain information is already known, the disclosing party's use of it (including the fact of the party's use and the manner and results of use) may not be and thus would be considered to be Confidential Information. Confidential Information disclosed hereunder shall not be deemed to be within the foregoing exceptions merely because such Confidential Information is embraced by more general knowledge in the public domain or in the receiving party's possession. In addition, no combination of features shall be deemed to be within the foregoing exceptions merely because individual features are in the public domain or in the receiving party's possession, unless the combination itself and its principle of operations are in the public domain or in the receiving party's possession.

(d) If the receiving party is subject to judicial or governmental proceedings requiring disclosure of particular Confidential Information, then, prior to any such disclosure, the receiving party will provide the disclosing party with reasonable prior notice and will obtain, or provide the disclosing party with an opportunity to obtain, a protective order or confidential treatment of the Confidential Information.

4. Purpose. Confidential Information of each party may only be used to evaluate possible business opportunities between the parties (the "Purpose").

5. Return of Confidential Information. All Confidential Information furnished under this Agreement will remain the property of the disclosing party and will be returned to it or destroyed or purged

promptly upon termination of this Agreement or at the request of the disclosing party. Within 30 days of receiving such a request from the disclosing party, the receiving party will comply with the request and provide a written certification, signed by an officer, of its compliance.

6. No License or Warranty. No license under any patents, copyrights, mask work rights, trademarks or other proprietary rights is granted by the disclosure of or access to Confidential Information under this Agreement. ALL CONFIDENTIAL INFORMATION IS PROVIDED “AS IS”, WITHOUT ANY EXPRESS OR IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO A WARRANTY THAT IT IS ACCURATE OR COMPLETE OR A WARRANTY AGAINST INFRINGEMENT.

7. No Inducement or Commitment. Each party will determine in its sole discretion the information to be disclosed to the other party. Neither the disclosure nor access to Confidential Information under this Agreement constitutes an inducement or commitment to enter into any business relationship. If the parties desire to pursue business opportunities, the parties will execute a separate written agreement with respect to such opportunities.

8. Term & Termination. This Agreement will be effective from the Effective Date and will continue until written notice of termination is provided by either party to the other. All provisions of this Agreement relating to Confidential Information disclosed pursuant to this Agreement prior to termination will survive.

9. Assignment & Binding Effect. Neither party may assign or transfer this Agreement, whether by operation of law or otherwise, including but not limited to by change-of-control of a party, without the other party’s prior written consent. Any assignment in violation of this Agreement will be void. This Agreement benefits

and binds the parties to this Agreement and their respective successors and permitted assigns.

10. Jurisdiction & Venue. This Agreement will be governed by and construed in accordance with the laws of the State of California, exclusive of its choice of law principles. The state and federal courts located in Santa Clara County, California have exclusive jurisdiction and venue over any dispute arising out of or relating to this Agreement. Each party consents to the personal jurisdiction and venue of these courts.

11. Entire Agreement. This Agreement contains the entire understanding, and supersedes any and all prior and contemporaneous agreements (oral or written), between the parties regarding this Agreement’s subject matter. This Agreement will not be modified, and no provision will be waived, except by a writing that both parties sign. A party’s failure to require performance will not affect the right to require performance at any later time. If any part of this Agreement is unenforceable, the rest will remain in effect.

12. Injunctive Relief. Notwithstanding any other term of this Agreement, it is expressly agreed that a breach of this Agreement will cause irreparable harm to the disclosing party and that a remedy at law would be inadequate. Therefore, in addition to any and all remedies available at law, the disclosing party will be entitled to injunctive and/or other equitable remedies in the event of any threatened or actual violation of any of the provisions of this Agreement.

13. General. Each party will comply with all applicable export control laws, rules and regulations. Any notice under this Agreement, if sent to the party entitled to such notice at the address set forth below, will be deemed to have been provided 3 days after the notice is sent by certified mail (postage prepaid), or the next business day if the notice is sent by national overnight service.

Company: Covalent Metrology Services Inc.	_____:
By: _____	By: _____
Name:	Name: _____
Title:	Title: _____
Date:	Date: _____
Address: 921 Thompson Pl Sunnyvale, CA 94085	Address: