

MUTUAL NONDISCLOSURE AGREEMENT

This Mutual Nondisclosure Agreement (the "Agreement") is made as of _____ by and between ComLSI Inc., an Arizona corporation ("ComLSI"), with its principal place of business at 3838 E Encinas Ave., Gilbert, AZ 85234, USA and _____, a _____ corporation, with its principal place of business at _____ (the "Company").

ComLSI and the Company wish to explore a possible business opportunity of mutual interest regarding Silicon Intellectual Property and/or CAD tools (the "Relationship") in connection with which each party has disclosed and/or may further disclose its Confidential Information (as defined below) to the other. This Agreement is intended to allow the parties to continue to discuss and evaluate the Relationship while protecting each party's Confidential Information, including Confidential Information previously disclosed to the other party, against unauthorized use or disclosure. The parties agree that any and all disclosure of such Confidential Information shall be governed by this Agreement.

NOW, THEREFORE, for good and valuable consideration, the parties mutually agree as follows:

1. "Confidential Information" shall mean nonpublic information, whether existing as of the date of this Agreement of thereafter developed, whether tangible or intangible, and regardless of how stored, compiled, or memorialized, whether temporarily or permanently, whether in oral, written, graphic or machine-readable form, which information is designated in writing to be confidential or proprietary, or if given orally, is confirmed in writing as having been disclosed as confidential or proprietary within a reasonable time (not to exceed thirty (30) days) after the oral disclosure, including, without limitation, (a) the fact that discussions are taking place concerning the Relationship, and any of the terms, conditions, or other facts with respect to the Relationship; (b) all forms and types of economic, financial, business, scientific, technical, or engineering information, including, but not limited to, that which relates to patents, patent applications, research, product plans, products, developments, inventions, processes, designs, drawings, engineering, formulae, markets, software (including source and object code), hardware configuration, computer programs, algorithms, business plans, agreements with third parties, services, customers, marketing or finances of the disclosing party; (c) all information traditionally regarded as proprietary trade secrets; and (d) all analyses, studies or reports that contain, are based upon, or reflect any of the foregoing .

2. (a) ComLSI and the Company each agree not to use any Confidential Information disclosed to it by the other party for its own use or for any purpose other than to carry out discussions concerning, and the undertaking of, the Relationship. Neither party considers itself to be a member of the general public for the purpose of receiving the proposed disclosure of the Confidential Information. Neither party shall disclose or permit disclosure of any Confidential Information of the other party to third parties or to employees of the party receiving Confidential Information, other than directors, officers, employees, consultants and agents who are required to have the information in order to carry out the discussions regarding the Relationship. All such persons receiving Confidential Information shall be subject to a written confidentiality agreement consistent with the terms of this Agreement, such that the receiving party of Confidential Information shall cause such persons to adhere to the terms of this Agreement and be held liable to the disclosing party in the event that any such third party(ies) is in breach of this Agreement. Each party agrees that it shall take all reasonable measures to protect the secrecy of and avoid disclosure or use of Confidential Information of the other party in order to prevent it from falling into the public domain or the possession of persons other than those persons authorized under this Agreement to have any such information. Such measures shall include, but not be limited to, the highest degree of care that the receiving party utilizes to protect its own Confidential Information of a similar nature, which shall be no less than reasonable care. Each party agrees to notify the other in writing of any actual or suspected misuse, misappropriation or unauthorized disclosure of Confidential Information of the disclosing party which may come to the receiving party's attention.

(b) Notwithstanding the above, neither party shall have liability to the other with regard to any Confidential Information of the other which the receiving party can prove:

(i) was in the public domain at the time it was disclosed or has entered the public domain through no fault of the receiving party;

(ii) was known to the receiving party, without restriction, at the time of disclosure, as demonstrated by files in existence at the time of disclosure;

(iii) is disclosed with the prior written approval of the disclosing party; or

(iv) is disclosed pursuant to the order or requirement of a court, administrative agency, or other governmental body; provided, however, that the receiving party shall provide prompt (within two (2) business days of receipt of instruction to produce or disclose) notice of such court order or requirement to the disclosing party to enable the disclosing party to seek a protective order or otherwise prevent or restrict such disclosure. If, in the absence of a protective order or the receipt of a waiver hereunder, the receiving party is nonetheless, in the opinion of the receiving party's counsel, legally required to disclose such Confidential Information or else stand liable for contempt or suffer other censure or penalty, the receiving party may disclose such information without liability hereunder; provided, however, that the receiving party shall disclose only that portion of such Confidential Information which it is legally required to disclose.

3. Any materials or documents that have been furnished by one party to the other in connection with the Relationship shall be promptly returned by the receiving party, accompanied by all copies of such documentation, destroyed, and/or rendered unusable within ten (10) days after (a) the Relationship has been rejected or concluded or (b) the written request of the disclosing party.

4. Nothing in this Agreement shall be construed as granting, express or implied, any rights under any patent, copyright, trademark, trade secret, or other intellectual property right anywhere in the world of either party, nor shall this Agreement grant either party any rights in or to the other party's Confidential Information other than the limited right to review and use such Confidential Information solely for the purpose of determining whether to enter into and sustaining the Relationship. The parties acknowledge and agree that this Agreement grants no license, express or implied, and that each party shall remain the sole owner of its intellectual property, notwithstanding any disclosure of the same.

5. Each party warrants that it has the right to enter into this Agreement and either it is the owner of, or has the right to disclose, its respective Confidential Information.

6. The foregoing commitments of each party shall survive any termination of the Relationship between the parties, and shall continue for a period terminating on the later to occur of the date (a) five (5) years following the date of this Agreement or (b) three (3) years from the date on which Confidential Information is last disclosed under this Agreement.

ComLSI Inc.

7. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties, provided that Confidential Information of the disclosing party may not be assigned without the prior written consent of the disclosing party. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

8. If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (a) such provision shall be excluded from this Agreement, (b) the balance of the Agreement shall be interpreted as if such provision were so excluded and (c) the balance of the Agreement shall be enforceable in accordance with its terms.

9. ComLSI and the Company are independent contractors, and nothing contained in this Agreement shall be construed to constitute ComLSI and the Company as partners, joint venturers, co-owners or otherwise as participants in a joint or common undertaking.

10. This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Arizona, without giving effect to principles of conflicts of law. Each of the parties hereto consents to the exclusive jurisdiction and venue of the courts of Maricopa County in the State of Arizona.

11. ComLSI and the Company each agree that its obligations set forth in this Agreement are necessary and reasonable in order to protect the disclosing party and its business. ComLSI and the Company each expressly agree that due to the unique nature of the disclosing party's Confidential Information, monetary damages would be inadequate to compensate the disclosing party for any breach by the receiving party of its covenants and agreements set forth in this Agreement. Accordingly, ComLSI and the Company each agree and acknowledge that any such violation or threatened violation shall cause irreparable injury to the disclosing party and that, in addition to any other remedies that may be available, in law, in equity or otherwise, the disclosing party shall be entitled (a) to obtain injunctive relief against the threatened breach of this Agreement or the continuation of any such breach by the receiving party, without the necessity of proving actual damages, and (b) to be indemnified by the receiving party from any loss or harm, including but not limited to attorney's fees, arising out of or in connection with any breach or enforcement of the receiving party's obligations under this Agreement or the unauthorized use or disclosure of the disclosing party's Confidential Information.

12. Any term of this Agreement may be amended with the written consent of ComLSI and the Company. Any amendment or waiver put into effect in accordance with this Section shall be binding upon the parties and their respective successors and assigns. Failure to enforce any provision of this Agreement by a party shall not constitute a waiver of any term hereof by such party for noncompliance or default on the part of the other party. Such failure to enforce shall not impair any future right or power to enforce the provision nor limit the right or power to pursue any succeeding breach of this Agreement.

13. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

14. This Agreement is the product of both of the parties hereto, and constitutes the entire agreement between such parties pertaining to the subject matter hereof, and merges all prior negotiations and drafts of the parties with regard to the transactions contemplated herein. Any and all other written or oral agreements existing between the parties hereto regarding such transactions are expressly canceled.

15. Neither ComLSI nor the Company shall, without the prior consent of the other party, disclose to any other person the fact that Confidential Information of the other party has been and/or may be disclosed under this Agreement, that discussions or negotiations are taking place between ComLSI and the Company, or any of the terms, conditions, status or other facts with respect thereto, except as required by law and then only with prior notice or as soon as possible (but no later than two (2) business days) to the other party.

16. ComLSI and the Company each agree that it shall not modify, reverse engineer, decompile, create other works from or disassemble any silicon intellectual property/software programs contained in the Confidential Information of the other party unless permitted in writing by the disclosing party.

17. The receiving party shall adhere to all applicable U.S. Export Administration Laws and Regulation Regulations regarding the export or re-export of any Confidential Information, technical data or products received from the disclosing party.

The parties have executed this Mutual Nondisclosure Agreement as of the date first above written.

ComLSI Inc.

COMPANY

By _____

By _____

Name _____

Name _____

Title _____

Title _____

Address:

3838 E Encinas Ave., Gilbert, AZ 85234,
USA. Tel: +1 (480) 325-6247

Address
