

CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement (the "Agreement") is made and entered into in Sterling, Virginia, by and between Electronic Instrumentation and Technology, Inc. ("EIT" or a "Party"), located at 108 Carpenter Drive, Sterling, Virginia 20164, and _____ (the "Undersigned" or a "Party"), located at _____.

WITNESSETH:

WHEREAS, EIT and the Undersigned contemplate mutually beneficial business discussions for the purposes of:

- _____;
- _____;

WHEREAS, conducting such discussions requires EIT and the Undersigned to exchange confidential business information; and

WHEREAS, EIT and the Undersigned are willing to exchange confidential business information only based on mutual assurances that such information will not be used or disclosed by any person except as expressly permitted under this Agreement:

NOW, THEREFORE, in consideration of the mutual covenants and promises contained in this Agreement and other good and valuable consideration, the sufficiency of which is hereby acknowledged, EIT and the Undersigned agree as follows:

1. Confidential Information

a. The term "Confidential Information" as used in this Agreement means all nonpublic or proprietary information, including, but not limited to, trade secrets, inventions, formulas, technical information, access to nonpublic areas of a Party's premises, market research data, market plans, concepts, test results, financial information, customer information, and know-how to accomplish the purpose of this Agreement; provided, however, the term "Confidential Information" as used in this Agreement does not include:

- i. Information that was known to the receiving Party prior to receiving it pursuant to this Agreement, as evidenced by written records prepared prior to receiving such information pursuant to this Agreement;
- ii. Information disclosed to the receiving Party in good faith by a third party having lawful possession of the information and having the right to make such disclosure at the time of disclosure;
- iii. Information that has come into the public domain, by publication or otherwise, through no fault of, and without participation of, the Party having the obligation of confidentiality regarding such information pursuant to this Agreement; or
- iv. Information that was independently developed by the receiving Party as demonstrated by written records prepared contemporaneously with such independent development.

b. All such Confidential Information shall be deemed confidential, proprietary, and valuable trade secret information which is the exclusive property of the Party producing it pursuant to this Agreement.

c. A Party producing Confidential Information pursuant to this Agreement shall designate any document, physical specimen, or apparatus constituting or containing Confidential Information by marking it "proprietary" or "confidential" or by otherwise notifying the receiving Party that such document, physical specimen, or apparatus constitutes or contains Confidential Information. A Party shall designate any oral or visual presentation constituting or containing Confidential Information by providing notice at the time such oral or visual presentation is made that the presentation constitutes or contains Confidential Information. Any such designation shall constitute a representation that the designating Party in good faith believes that the information so designated constitutes or contains Confidential Information. Notwithstanding anything in this Agreement to the contrary, a Party failing to designate information as Confidential Information at the time it is produced may identify the information as Confidential Information for all purposes of this Agreement by notifying the receiving Party, within thirty (30) days after production is made to the receiving Party, that the information produced constitutes or contains Confidential Information.

d. The production or receipt of Confidential Information pursuant to this Agreement does not create any proprietary interest in favor of any Party or Party's employee receiving or obtaining access to such information. Nothing in this Agreement is intended to grant any license or other rights in or to Confidential Information or intellectual property produced or received pursuant to this Agreement.

2. Protection, Nonuse, and Nondisclosure of Confidential Information

a. A Party receiving Confidential Information pursuant to this Agreement shall take all reasonable measures to protect the secrecy of and to avoid disclosure and unauthorized use of Confidential Information received pursuant to this Agreement, including, but not limited to, at least those measures that the receiving Party takes to protect its own most highly confidential information.

b. A Party receiving Confidential Information pursuant to this Agreement shall use such Confidential Information exclusively for accomplishing the purposes of the mutually beneficial business discussions contemplated by this Agreement and for no other purpose.

c. Except as expressly provided in this Agreement, a Party receiving Confidential Information pursuant to this Agreement shall not use and shall not disclose such Confidential Information to a third party, except as expressly provided in this Agreement.

d. A Party receiving Confidential Information pursuant to this Agreement shall immediately notify the producing Party in the event of any unauthorized use or disclosure of the producing Party's Confidential Information.

e. All Confidential Information in any tangible form (including, but not limited to, any document, physical specimen or apparatus constituting or containing Confidential Information and any copies thereof) and any documents or records containing or reflecting Confidential Information shall be returned at the earlier of (i) the conclusion of the mutually beneficial business discussions contemplated by this Agreement, (ii) the request of the producing Party, or (iii) termination or expiration of this Agreement; provided, however, a party's internal documents or records containing or reflecting the other Party's Confidential Information may be destroyed rather than produced to the other Party.

3. Procedures Relating to Confidential Information

a. No copies shall be made of Confidential Information received pursuant to this Agreement without the express prior written consent of the producing Party; provided, however, if such consent is given, all such approved copies shall reproduce notices of the producing Party's proprietary rights (including, but not limited to patent, copyright, and trademark rights) in the same manner such notices were set forth in or on the original.

b. An employee of a Party receiving Confidential Information pursuant to this

Agreement may obtain access to such Confidential Information, but only to the extent necessary to enable the receiving Party to participate in the mutually beneficial business discussions contemplated by this Agreement; provided, however, a Party providing an employee with access to Confidential Information shall not be released from its obligations under this Agreement and shall be strictly liable for any disclosure or use of Confidential Information made by any such employee to the extent such disclosure or use would be a breach or violation of this Agreement if made by the Party; and further provided, however, a Party's employee receiving access to Confidential Information pursuant to this Agreement shall execute and agree to be bound by the terms of this Agreement.

c. A Party shall not enter any nonpublic area of the other Party's premises without express authorization from such other Party to do so.

d. Notwithstanding anything in this Agreement to the contrary, a Party receiving Confidential Information pursuant to this Agreement may disclose such Confidential Information to the extent required by a governmental agency or court of competent jurisdiction; provided, however, such receiving Party shall give the producing Party at least twenty-five (25) days' written notice prior to such disclosure; and further provided, however, a receiving Party shall exhaust all available legal processes to maintain the Confidential Information in confidence and secret, including, but not limited to, production of such Confidential Information only subject to a protective order providing reasonable protections under the circumstances.

e. A Party shall promptly notify the other Party in the event it is discovered that any representation or warranty made in Section 4 of this Agreement either is not true or has ceased to be true.

4. Representations and Warranties

a. Each Party represents and warrants that it has the right and freedom to enter into this Agreement and, if and to the extent necessary, has taken all necessary steps to authorize its representative whose signature appears below to execute this Agreement on its behalf, such that this Agreement will constitute the valid and legally binding obligation of both Parties, enforceable in accordance with its terms.

b. Each Party represents and warrants that it has the right and freedom to disclose and receive any Confidential Information to be disclosed or received pursuant to this Agreement and that no document, physical specimen, apparatus, or information produced pursuant to this Agreement constitutes or contains the Confidential Information or intellectual property of a person that is not a party to this Agreement, except to the extent the producing Party is authorized to disclose such Confidential Information or intellectual property.

c. Each Party receiving Confidential Information pursuant to this Agreement represents and warrants that, to the best of its knowledge and belief based on a reasonable investigation, it does not make or sell, and does not presently have any plans to make or sell, any product which may reasonably be viewed as directly or indirectly competitive with any product of the producing Party to which such Confidential Information relates.

5. Miscellaneous

a. Term, Termination, and Survivability. The term of this Agreement shall be seven (7) years from the Effective Date as indicated hereinbelow; provided, however, this Agreement may be terminated by either Party by giving written notice of termination to the other Party; and further provided, however, the obligations under Section 2 shall survive any termination or expiration of this Agreement.

b. No Obligation to Proceed. Nothing in this Agreement shall obligate the Parties to proceed with any transaction or business arrangement between them. Each Party reserves its right at its sole discretion to terminate the discussions contemplated by this Agreement.

c. Severability. This Agreement shall be deemed severable, and if any provision of this Agreement is rendered or deemed void, unenforceable, or otherwise ineffective by operation of law, the other provisions of this Agreement shall not be affected and shall remain in full force and effect, and the Parties shall negotiate in good faith to replace such illegal, void or unenforceable provision with a provision that corresponds as closely as possible to the intentions of the Parties as expressed by such illegal, void or unenforceable provision.

d. Construction and Interpretation. This Agreement shall be construed and interpreted without regard to any presumption or rule requiring construction or interpretation against the party drafting or causing any instrument to be drafted.

e. Irreparable Injury. Each Party acknowledges that any violation or threatened violation of this Agreement would cause irreparable injury to the Party producing the Confidential Information to which such violation or threatened violation relates, and that money alone would not be sufficient to redress such injury.

f. Entire Agreement. This Agreement contains the final and complete contract of the Parties and supersedes all prior oral or written promises, undertakings, understandings, or negotiations concerning the subject matter of this Agreement. This Agreement shall inure to the benefit of and be binding upon the Parties and their successors and assigns.

g. Counterparts. This Agreement may be executed simultaneously in two or more parts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument.

h. Nonwaiver. Neither the failure of either Party at any time to enforce any of the provisions of this Agreement nor the granting at any time of any other indulgence shall be construed as a waiver of that provision or of the right of either Party afterwards to enforce that or any other provision. This Agreement may not be amended, nor any obligation waived, except by a writing signed by both Parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed this _____ day of _____, 20____ (the "Effective Date").

UNDERSIGNED:

By: _____
(Signature)
Name: _____
Title: _____

EIT:

By: _____
(Signature)
Name: _____
Title: _____