

NON-DISCLOSURE AGREEMENT

THIS NON-DISCLOSURE AGREEMENT (this "Agreement") is made effective as of the date set forth below by and between _____ (the "Company"), a _____ [state] corporation, and Photonamics, Inc., a New York corporation (the "Recipient").

WHEREAS, the Company desires to provide to Recipient certain confidential information and materials belonging to the Company, consisting of, without limitation, data, specifications and information relating to the Company's products; and

WHEREAS, in order to facilitate Recipient's receipt and use of such information and materials, the Company requires that all such items be protected from unauthorized use and disclosure.

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises hereinafter set forth and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending legally to be bound, hereby agree as follows:

1. Recipient agrees to treat as confidential all technical, business, financial and other confidential or proprietary information of the Company which is disclosed to Recipient, whether in written, oral, electronic or other tangible or intangible form, including, without limitation, specifications, computer programs, software, codes, formulas, know-how, plans, data, documentation, reports, inventions, ideas, concepts, and other information (all of the foregoing information hereinafter collectively referred to as the "Information"). The term "Information" shall include all confidential information of the Company, whether disclosed to Recipient before, on or after the date hereof. Notwithstanding the foregoing, the term "Information" shall not include information that Recipient can demonstrate

- (a) was known to it prior to its receipt of such information from the Company;
- (b) became generally publicly known other than by Recipient's direct or indirect act;
- (c) was rightfully disclosed to the Recipient by a third party without restriction; or
- (d) was independently developed by the Recipient without use of or access to the Information.

2. Recipient shall, with respect to all Information, (a) restrict disclosure of or access to such Information solely to those of its employees with a need to know such Information who are under duties of confidentiality and nondisclosure at least as stringent as the ones set forth herein, and not disclose or allow access to such Information to any other employees; (b) not use such information in any way that is detrimental or contrary to the interests of the Company; (c) not use such Information for its own or any other person's benefit or for any purpose other than in connection with its evaluation of the Company's products; (d) use at least the same degree of care in protecting the confidentiality of such Information as Recipient uses in protecting its own confidential information; (e) not decompile, disassemble or reverse engineer any computer code or portion thereof disclosed hereunder, or attempt to do so; and (f) not remove, change or

deface any proprietary markings in or on any part of the Information. The foregoing duties of Recipient will survive the termination of this Agreement.

3. Recipient shall, upon the request of the Company, return all of the Information to the Company and, at the direction of the Company, return or destroy all copies of such Information (and all backups, analyses, reports and other information derived from such Information), in paper, electronic or other form, then in Recipient's possession or control.

4. Nothing contained in this Agreement shall be construed as granting or conferring any rights by license or otherwise to Recipient in any Information disclosed by the Company to Recipient.

5. In the event that Recipient or its representatives are requested or required (by questions, interrogatories, requests for information or documents, subpoenas, civil investigative demand or other process) to disclose any Information to a governmental authority or in connection with any litigation, Recipient will provide the Company with prompt notice of any such request or requirement so that the Company may seek an appropriate protective order or waive Recipient's compliance with the provisions of this letter. If, failing the entry of a protective order or the receipt of a waiver hereunder, Recipient is, in the opinion of its counsel, compelled to disclose Information, Recipient may disclose that portion of the Information which its counsel advises that Recipient is compelled to disclose. In any event, Recipient will not oppose action by the Company to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded the Information.

6. Recipient shall not export any of the Information or make it available to any non-U.S. person without the prior written consent of the Company.

7. This Agreement shall be governed and construed in accordance with the laws of the State of New York without giving effect to its conflicts of law rules, and shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. The Company hereby agree to the exclusive jurisdiction and venue of the state and federal courts located in or serving Rochester, New York and waive any claim of inconvenient forum.

8. No failure or delay by the Company in exercising any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right or power. The provisions of this Agreement shall be deemed severable, and the invalidity or unenforceability of any one or more of the provisions hereof shall not affect the validity and enforceability of the other provisions hereof. In the event any provision of this Agreement shall be declared by a court of competent jurisdiction to be unreasonable or unenforceable, such restrictions shall be deemed to become and thereafter be the maximum restrictions which the court deems reasonable and enforceable.

9. Recipient acknowledges that the breach or threatened breach of this Agreement may result in irreparable injury to the Company and that, in addition to its other remedies, the Company shall be entitled to injunctive relief to restrain any threatened or continued breach of this Agreement by Recipient. Recipient hereby waives any requirement for the posting of a bond or other security in connection with the granting to the Company of such injunctive relief.

10. Each party represents to the other that this Agreement has been duly executed by it or its duly authorized officers or agents and constitutes a valid, binding and enforceable obligation of such party.

11. As used herein, the Company shall include any corporation, company or other business entity which is at any time the parent, subsidiary or an affiliate of, the Company.

12. In consideration of and as an inducement for the disclosure of the Information hereunder, Recipient agrees, for a period of two (2) years following the date hereof, that neither it nor its parent companies, subsidiaries or other affiliates, if any, will develop, create, obtain, manufacture, market, license or sell, whether for incorporation into or bundling with other computer or software products or for use as a stand-alone item, any software product which is competitive with the software products of the Company.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth below.

Effective Date: _____

THE COMPANY:

Name: _____

a _____ **[state]** corporation

Address: _____

THE RECIPIENT:

Photonamics, Inc.
DBA Elmgrove Technologies
a New York corporation
558 Elmgrove Road
Rochester, New York 14606

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____