



NONDISCLOSURE AGREEMENT

NVE Corporation ("NVE"), a Minnesota corporation, located at 11409 Valley View Road, Eden Prairie, MN 55344 and Dr. Carlos Rinaldi (RI), University of Puerto Rico, Mayaguez, Puerto Rico 0681-9000, and its contractors agree to enter into a confidential business relationship for the purpose of providing collaborations on magnetic nanoparticle research and application. In order to achieve this purpose, either party may disclose information that it deems confidential and/or proprietary. Therefore, it is hereby agreed that:

- 1) For a period of three (3) years from the date of this Agreement, the receiving party will consider as Confidential Information any information it receives in tangible form from the disclosing party that is marked Confidential or Proprietary. Information that is disclosed orally will be considered Confidential Information if it is reduced to writing and sent to the receiving party within (10) days of the disclosure.
- 2) Each party agrees to receive and maintain all Confidential Information in strictest confidence using at least reasonable care and, except as provided herein, shall not use Confidential Information for its own benefit or disclose it to third parties without the written consent of the disclosing party.
- 3) Upon request, the receiving party shall immediately return all tangible materials made available or supplied by the disclosing party including, but not limited to, drawings, documents, hardware, disks and tapes without retaining any copies, notes, or extracts.
- 4) Neither party shall have any obligations under this Agreement with respect to information which: a) is already known to the receiving party or is publicly available at the time of the disclosure; b) is disclosed to the receiving party by a third party who is not in breach of an obligation of confidentiality; c) becomes publicly available after disclosure through no act of the receiving party; or d) is developed by the receiving party without breach of this Agreement.
- 5) This Agreement does not obligate either party to disclose any information to the other or enter into any other agreement, nor shall it be construed as granting any rights by license or otherwise in any software or inventions of either party. The parties' obligations under this Agreement shall survive the termination of their association regardless of the manner of such termination. This Agreement shall be governed under Minnesota Law.
- 6) Each Recipient acknowledges that the U. S. Department of Commerce Export Administration Regulations or other requirements of the U. S. Government regulating the export of the Confidential Information may control the Confidential Information. Each party agrees that it shall not knowingly export or reexport, (as defined in Part 779 of the Export Administration Regulations) directly or indirectly, to any country any of the Confidential Information, or any product, process or service resulting directly therefrom, without first having obtained all necessary approvals thereof.
- 7) – Project Intellectual Property

- A. "Project Intellectual Property" means the legal rights relating to inventions (including Subject Inventions as defined in 37 CFR 401), patent applications, patents, copyrights, trademarks, mask works, trade secrets, and any other information that can be legally protected, including computer software, first made or generated by written exchanges or oral disclosure during the period defined by this Agreement or during any period defined in any subsequent business contractual arrangement resulting from proposal collaboration under

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under this Agreement.

- B. The rights of the Parties to subject inventions made by their employees during the proposal collaboration contemplated under this Agreement are defined below.

Unless otherwise agreed in writing, Project Intellectual Property shall be owned by the party whose employees make or generate the Project Intellectual Property. Jointly made or generated Project Intellectual Property shall be jointly owned by the Parties unless otherwise agreed in writing. NVE shall have the first option to perfect the rights in jointly made or generated Project Intellectual Property unless otherwise agreed in writing.

- (1) Any revenues and profits resulting from the practice, licensing, or exploitation of Project Intellectual Property shall be negotiated by the parties in good faith no later than one (1) year after the date of termination of this agreement. The allocated percentages shall take into consideration the contribution of each party, the proprietary position provided and the profit potential.

- C. The Parties agree to disclose to each other, in writing, each and every Subject Invention, which may be patentable or otherwise protected under the United States patent laws in Title 35, United States Code. The Parties acknowledge that they will disclose Subject Inventions to each other within two (2) months after their respective inventor(s) first disclose the invention in writing to the person(s) responsible for patent matters of the disclosing Party. All written disclosures of such inventions shall contain sufficient detail of the invention, identification of any statutory bars, and shall be marked confidential, in accordance with 35 U.S.C. Section 205.

- D. Each party hereto may use Project Intellectual Property of the other nonexclusively and without compensation in connection with research or development activities for this Project, including inclusion in STTR Proposals to any Federal Agency and proposals to the Federal Agency for continued funding of any STTR project through additional phases.

NVE CORPORATION (NVE)

By: JOHN K. MYERS
John K. Myers
 Title: VICE PRESIDENT DEVELOPMENT
 Date: 7/1/11

By: Ramuel Ortiz Seda
 Title: Acting Chancellor
 Date: July 13, 2011

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