

MUTUAL CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

This MUTUAL CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT (“Agreement”) is entered into by and between **Sonora Quest Laboratories LLC**, an Arizona limited liability company, a subsidiary of Laboratory Sciences of Arizona, LLC and _____ with its principal place of business at _____, each referred to herein as a Party, or together as “the Parties”, effective as of the last date of signature herein (the “Effective Date”).

In consideration of each Party's disclosure of Confidential Information (as defined below) to the other Party, the Parties agree as follows:

1. The sole and limited purpose for which the disclosures hereunder are being made is **to determine the feasibility of a possible research project** (“the Purpose”). For purposes of this Agreement, the Party disclosing any Confidential Information shall be the “Disclosing Party” with respect to such Confidential Information and the receiving party shall be the “Recipient” with respect to such Confidential Information.

Each Party recognizes that the other, including certain of its corporate affiliate(s), may be engaged in the research, development, production, marketing, licensing, and/or sale of similar products or services to those being considered under this Agreement. Such product or service may be competitive with those of the other and may display the same or similar functionality. Nothing in this Agreement shall be construed to prevent either Party from engaging independently in such activities, provided it does not utilize the proprietary Confidential Information of the other Party in doing so.

2. "Confidential Information" as used in this Agreement shall mean any data, information, or material of the Disclosing Party which the Disclosing Party treats as confidential, which Recipient may obtain knowledge of through, or as a result of the relationship established hereunder with the Disclosing Party, access to Disclosing Party's premises, or communications with the Disclosing Party's employees or independent contractors.

Without limiting the generality of the foregoing, Confidential Information includes, but is not limited to, the following types of information, and other information of a similar nature (whether or not reduced to writing or still in development): proprietary software, including but not limited to: designs, concepts, drawings, ideas, inventions, specifications, techniques, discoveries, models, reports, data, content material, source code, object code, documentation, diagrams, flow charts, file record layouts, databases, research, development, processes, procedures, know-how, show-how, new product or new technology information, marketing techniques and materials, marketing plans, trade secrets, timetables, strategies and development plans (including prospective trade names or trademarks), customer names and other information related to customers, pricing policies, and financial information.

Confidential Information shall not include information that: (a) is now or later becomes generally known (other than as a result of a breach of this Agreement), (b) is independently developed by Recipient, (c) Recipient lawfully obtains from any third party who has lawfully obtained such information, or (d) is later published or generally disclosed to the public by the Disclosing Party. Recipient shall bear the burden of showing that any of the foregoing exclusions apply to any information or materials.

If Confidential Information is disclosed in writing, it shall be marked as confidential at the time of disclosure.

3. Recipient understands and acknowledges that such Confidential Information disclosed to the Recipient has been developed or obtained by the Disclosing Party by the investment of significant time, effort, and expense, and that such Confidential Information provides the Disclosing Party with a significant competitive advantage in its business.
4. Except as set forth in Section 5, without the clear and express prior written consent of a duly authorized representative of the Disclosing Party, Recipient agrees to hold in confidence and not to disclose or reveal Confidential Information received hereunder to any person except for Recipient's employees, directors, counsel, and advisors (collectively “Representatives”) who are required to have such Confidential Information in order to perform their functions in connection with the limited purpose of

this Agreement. The parties agree to ensure that each permitted Representative to whom Confidential Information is disclosed adheres to all aspects of this Agreement. The parties further agree to ensure that permitted Representative do not to use any of the Confidential Information received hereunder except for the Purpose(s) set forth in Section 1 hereof.

5. In the event Recipient or anyone to whom Recipient supplies the Confidential Information receives a request under the terms of a subpoena or order issued by, or in conjunction with a litigation pending with, a court of competent jurisdiction or a governmental body to disclose all or any part of the Confidential Information, Recipient agrees, to the extent lawful, to (a) immediately notify the Disclosing Party of the existence, terms, and circumstances surrounding such a request; (b) consult with Disclosing Party on the advisability of taking legally available steps to resist or narrow such request; (c) if disclosure of such Confidential Information is required, furnish only that portion of the Confidential Information which, in the opinion of counsel, Recipient is required to disclose; and (d) use its best efforts to permit the Disclosing Party at the Disclosing Party's expense to obtain an order or other reliable assurance that confidential treatment shall be accorded to such portion of the disclosed Confidential Information which the Disclosing Party so designates.
6. Recipient shall ensure that its Representatives do not copy, alter, modify, disassemble, reverse engineer, or decompile any materials received from the Disclosing Party without the prior written consent of the Disclosing Party. Recipient agrees to return to the Disclosing Party any and all Confidential Information, together with any copies that may have been made, promptly upon the request of the Disclosing Party or, if not requested earlier, promptly after the purpose(s) for which they were furnished have been accomplished or abandoned. At such time, Recipient agrees to return to the Disclosing Party or destroy Confidential Information and any materials prepared by Recipient that incorporate any Confidential Information; provided, however, that Recipient may, but shall not be required to, retain one copy of such Confidential Information in its confidential files for the sole purpose of monitoring compliance with the terms of this Agreement.
7. Recipient represents that, to the best of its knowledge, its Representatives have not provided or communicated any of the Disclosing Party's Confidential Information to any third party, and except as provided in this Agreement, shall not do so in the future without the prior written consent of the Disclosing Party. Recipient and its Representatives may not, in any manner, directly or indirectly use the Confidential Information for any purpose other than as explicitly contemplated by this Agreement.
8. Nothing in this Agreement shall be construed as granting Recipient any license or any other rights with respect to the Disclosing Party's proprietary rights or Confidential Information, and the Confidential Information shall at all times remain the property of the Disclosing Party.
9. Nothing contained in this Agreement shall be construed as creating any obligation on the part of either Party to enter into a business relationship with the other Party, or any obligation to refrain from entering into a business relationship with any third party. Nothing contained in this Agreement shall be construed as creating a joint venture, partnership, or employment relationship between the Parties, it being understood that the Parties are independent contractors vis-a-vis one another. Except as specified herein, no Party shall have the right, power, or implied authority to create any obligation or duty, express or implied, on behalf of any other Party hereto.
10. This Agreement will be governed by and construed in accordance with the laws of the State of Arizona, without regard to the principles of conflict of laws. Any dispute arising from this Agreement shall be resolved in the courts of the State of Arizona through binding arbitration conducted in accordance with the rules of the American Arbitration Association.
11. This Agreement sets forth the entire understanding and agreement of the Parties with respect to the subject matter hereof and supersedes all other oral or written representations and understandings. If any provision of this Agreement is adjudged by a court to be invalid, void or unenforceable, the remainder of this Agreement shall remain valid and enforceable according to its terms and conditions. Breach of the terms hereof may give rise to irreparable harm, and it is agreed that enforcement of the terms hereof may be by means of injunction or other equitable remedy in addition to any other remedy available. The

failure of either Party to give notice of non-performance, breach or termination, or to otherwise enforce any rights hereunder, shall not constitute a waiver of any terms or conditions of this Agreement. This Agreement may not be amended or modified, except in writing signed in advance by authorized representatives of each Party.

- 12. Each Party warrants and represents that it has carefully read and understood this Agreement, and each Party acknowledges receipt of a copy thereof. Each person executing this Agreement warrants and represents by his/her signature that he or she has the authority to enter into this Agreement on behalf of the person, firm, or corporation, set forth below.
- 13. This Agreement shall remain in effect for a period of seven (7) years following the Effective Date.
- 14. Nothing in this Agreement shall obligate either party to enter into any further agreement relating to the Confidential Information, and each party reserves the right, in its sole discretion, to terminate the Relationship discussions contemplated by this Agreement.

IN WITNESS WHEREOF, duly authorized representatives of the Parties have executed this Agreement as of the dates set forth below.

SONORA QUEST LABORATORIES, LLC

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____