



170 Commerce Way  
Gallatin, TN 37066

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## Confidential Disclosure Agreement

This Agreement is made as of the \_\_\_\_ day of \_\_\_\_\_, 2010, between CSI Medical, Inc., a Tennessee Corporation (CSI), whose office address is 170 Commerce Way, Gallatin, TN 37066, and \_\_\_\_\_, a \_\_\_\_\_ Corporation, whose address is \_\_\_\_\_, Recipient. ("Recipient")

WHEREAS, RECIPIENT and CSI wish to hold discussions and evaluations concerning a possible business relationship between the parties, and WHEREAS, for the purpose of such discussions and evaluations, it will be necessary for RECIPIENT to disclose to CSI, and for CSI to disclose to RECIPIENT, certain technical and commercial information which RECIPIENT and CSI, respectively, regard as their confidential and proprietary property; and WHEREAS, RECIPIENT and CSI are willing to disclose to the other their respective information subject to the following terms and conditions;

NOW, THEREFORE, RECIPIENT and CSI, intending to be legally bound, hereby agree as follows:

1. "Information" shall mean technical and business information belonging to the disclosing party, including, where appropriate and without limitation, any information, business, financial, scientific data, patent disclosures, patent applications, collaboration agreements, compounds, methods, software and hardware configurations, apparatus and the like, disclosed by a party in written form identified as confidential or oral form and confirmed in writing as confidential within thirty days of oral disclosure.
2. Information shall include any analysis; compilation, study or other document prepared for or by the receiving party, which is based on, or which incorporates parts of the Information.
3. Neither party shall conduct or perform "Reverse Engineering" of any disclosed materials or samples.
4. The recipient will keep the disclosing party's Information confidential, will not disclose or otherwise make available the same or any part thereof to any person, firm, corporation or other entity and will not use the same for its benefit or the benefit of any other person or entity or for any purpose not directly related to the discussions and evaluations described above. The recipient shall use at least the same degree of care to maintain the Information confidential as the receiving party uses in maintaining its own confidential information, but at least a reasonable degree of care.
5. Upon written request, the recipient agrees to promptly return all documents, exhibits, summaries and reports derived therefrom or based thereon, and all copies thereof, provided to recipient pursuant to this Agreement, except that one copy may be retained by recipient for its legal records.
6. The confidentiality and obligations of this Agreement will not apply to information, including without limitation, Information, which the recipient is able to demonstrate:
  - (i) was in its possession prior to receipt from the disclosing party, without restriction on disclosure;
  - (ii) was in the public domain, other than by unauthorized disclosure, at the time of receipt from the disclosing party;
  - (iii) became part of the public domain through no fault of the recipient;
  - (iv) was lawfully received by the recipient from a third party having a right to disclose it to the recipient;
  - (v) is required to be disclosed in a judicial or administrative proceeding after all reasonable legal remedies for maintaining the Information in confidence have been exhausted;
  - (vi) was independently developed by the receiving party without any use or reference to the disclosing party's Information.

With respect to each of the above exceptions, the receiving party shall have the burden of proof.

7. In the event disclosure of the Information is required of the receiving party by a court, by government action or otherwise pursuant to applicable law, regulation or legal process, the receiving party will (a)

promptly notify the disclosing party in writing of the obligation to make such disclosure and (b) assert the confidentiality of the Information.

8. Nothing contained in this Agreement shall be construed, by implication or otherwise, as an obligation to enter into any further agreement relating to the Information or as a grant of a license to the recipient to use the Information other than for the discussions and evaluations described above nor shall any disclosure of Information hereunder constitute any representation, warranty, assurance, guarantee, or inducement as to the accuracy or completeness of any Information or with respect to infringement of patents. RECIPIENT and CSI represent and warrant to each other that entering into or continuing any discussions or negotiations with the other and disclosing Information to the other pursuant to this Agreement does not and will not violate any agreement (whether express, implied or by operation of law) with any other person.

9. The parties agree to the confidential and proprietary nature of the Information received from the disclosing party and the importance of that Information to the business and affairs of the disclosing party. In the event of a breach or threatened breach of this Agreement by the receiving party, the disclosing party may seek and obtain damages, including those on a solicitor and his own client basis, and equitable relief from time to time including, but not limited to, injunctions.

10. Each party agrees that it shall not disclose, without the prior written consent of the other, the nature of the purpose or the existence of this Agreement.

11. No provision of this Agreement shall be deemed to be waived by either party unless such waiver is in writing and signed by an authorized representative of the party granting the waiver. A waiver or consent given by a party on one occasion shall be effective only in that instance and shall not be construed as a bar to or waiver of any right on any other occasion.

12. The rights and obligations of the parties under this Agreement may not be sold, assigned or otherwise transferred by either party, without the prior written consent of the other party.

13. This Agreement shall be effective as of the date last above written and shall remain in effect for a period of five (5) years from that date; provided, however, that the obligations under this Agreement governing confidentiality and non-use of the disclosing party's Information shall survive any expiry and termination of this Agreement for an indefinite period.

14. The above constitutes the full and complete Agreement in connection with the discussions and disclosures of Information by and between the parties hereto. This Agreement will be construed, interpreted, and applied in accordance with the laws of the State of Tennessee.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers or representatives.

CSI MEDICAL, INC.

Signed: \_\_\_\_\_

FRED KNOX III

CEO

DATE: \_\_\_\_\_

Signed: \_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_