MUTUAL NONDISCLOSURE AND NONSOLICITATION AGREEMENT

THIS AGREEMENT is made and entered into effective _____, 20__ ("Effective Date") by and between PurNet, Inc., a Minnesota corporation, and _____ a _____.

WHEREAS, in the course of their respective businesses, the parties have developed substantial confidential information and trade secrets, plus valuable relationships with their respective customers, clients, employees, consultants, vendors, suppliers, and other persons; and

WHEREAS, the parties are willing to disclose such information and relationships to one another for the purposes of investigating a possible transaction between the parties ("Permitted Purposes"), provided that the party receiving such information (the "Receiving Party") agrees to keep such information confidential and not interfere with the aforementioned relationships.

NOW, THEREFORE, in consideration of the foregoing, and in consideration of the mutual terms and conditions contained herein, the parties hereby agree as follows:

1.   **Nondisclosure of Confidential Information.**   The parties acknowledge and agree that each party has developed and acquired certain confidential, proprietary information and trade secrets regarding its business, including but not limited to customer and/or client lists and data; product and service concepts; designs, analyses, plans and strategies; business processes and methods; pricing policies and practices; financial information; information regarding employees, consultants, independent contractors, vendors and suppliers; computer software, programs, systems, and databases; and other financial and operational information (collectively the "Confidential Information"), all of which are valuable business assets of the disclosing party (the "Disclosing Party").   The parties also acknowledge and agree that they will be granted access to Confidential Information solely in furtherance of the Permitted Purposes, that the unauthorized disclosure of Confidential Information could damage or destroy its value and significantly harm the Disclosing Party's business, and that the provisions of its Agreement are reasonably necessary to protect its value.

The Receiving Party agrees to keep the Disclosing Party's Confidential Information confidential at all times. The Receiving Party further agrees that it will not directly or indirectly copy, use or disclose any Confidential Information except for the Permitted Purposes or with the Disclosing Party's consent. The Receiving Party also agrees to follow all of the Disclosing Party's policies and regulations for the

protection of the Confidential Information, and upon the Disclosing Party's request at any time to promptly deliver to the Disclosing Party all documents, data, records and other Confidential Information disclosed during the term of this Agreement, together with any copies, disks, files, excerpts or other reproductions. The Receiving Party also agrees that its obligations contained in this paragraph also apply to any confidential information or trade secrets of any third party which the Disclosing Party has agreed to keep confidential and not disclose.

A party will not disclose any Confidential Information to any of its representatives unless they have been informed of its confidential nature and they have agreed to act in accordance with the terms and conditions of this Agreement. A party will cause its representatives to observe the terms of this Agreement and a party will be responsible for any breach of the terms of this Agreement by its representatives.

Notwithstanding the generality of the foregoing, "Confidential Information" shall not include information which: (a) is generally available to the public through no improper action or inaction by the Receiving Party or any representative of the Receiving Party; (b) is rightfully in the Receiving Party's possession or known by it prior to receipt from the Disclosing Party; (c) is rightfully disclosed to the Receiving Party by a third party; or (d) is independently developed by the Receiving Party without use of any confidential information of the Disclosing Party. The Receiving Party may also make disclosures required by law or court order, provided the Receiving Party uses reasonable efforts to limit any such disclosure and to obtain confidential treatment or a protective order, and allows the Disclosing Party to participate in attempting to limit such disclosure or to seek confidential treatment.

2. **Nonsolicitation.** The parties also agree that prior to the completion of the termination of the Permitted Purposes and for one year thereafter, they shall not directly or indirectly hire or attempt to hire:

(a) any person who is then an employee of the other party, or who was an employee of the other party within the prior three-month period; or

(b) any person who is then an independent contractor or consultant providing substantial services to the other party, or who was an independent contractor or consultant providing substantial services to the other party within the prior three-month period.

3. **Remedies.** The Receiving Party acknowledges and agrees that due to the unique nature of the Confidential Information, there may be no adequate remedy at law for a breach by the Receiving Party of its obligations hereunder. The Receiving Party further acknowledges that any such breach may allow the Receiving Party or third parties to unfairly compete with the Disclosing Party, resulting in irreparable

harm to the Disclosing Party and, therefore, upon any such breach or any threat thereof, the Disclosing Party shall be entitled to seek appropriate equitable relief, including but not limited to restraining orders, injunctions, and an accounting, in addition to whatever remedies it may have at law. In the event of any litigation concerning this Agreement, the reasonable fees and expenses of the prevailing party shall be paid by the non-prevailing party.

4. **Interpretation.** This Agreement constitutes the entire agreement between the parties on the subject matter hereof and supersedes any prior oral or written agreements between the parties on the subject matter hereof. This Agreement can be modified only by a written document signed by all parties. This Agreement shall be interpreted in accordance with the laws of the State of Minnesota.

5. **Binding Effect.** This Agreement is binding upon, and shall inure to the benefit of, the heirs, representatives, successors, and assigns of the parties.

6. **Legality.** The parties covenant and agree that the provisions contained in its Agreement are reasonable and are not known or believed to be in violation of any federal or state law or regulation. In the event a court of law finds any provision to be illegal or unenforceable, such court may modify such provision to make it valid and enforceable. Such modification shall not affect the remainder of its Agreement which shall continue at all times to be valid and enforceable.

7. **Notices.** All notices and requests allowed or required to be made hereunder shall be made in writing and shall be deemed to have been made when sent via certified mail, return receipt requested, or delivered by reputable overnight courier with confirmed delivery, or via facsimile with confirmed receipt, to the other party at the addresses or facsimile number set forth below. Any party may change its address or facsimile number for notice purposes by providing notice of such change in the manner set forth in this Paragraph.

8. **Execution of Agreement.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same Agreement. A facsimile or electronic copy of the signature page shall constitute an original for all purposes.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

PurNet, Inc.

By: _____
    Darlene Vortherms, CEO
Address: 2317 BioTech Drive
         Worthington, Minnesota 56187
E-Mail: Darlene@purnet.com
Fax No.: 507-372-4856

By: _____
    Its: _____
Address: _____
_____
E-Mail: _____
Fax No.: _____

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