

*Confidential Trade
Secret*

CONFIDENTIALITY AND NONCOMPETITION AGREEMENT

This Confidentiality and Noncompetition Agreement (this "**Agreement**") is effective as of _____, 20__ ("**Effective Date**") by and among CollabHealth Plan Services, Inc., a Colorado corporation ("**CollabHealth**"), Soundpath Health, Inc., a Washington corporation (the "**Corporation**"), and Physicians of Southwest Washington, LLC, a Washington limited liability company ("**PSW**").

RECITALS

WHEREAS, prior to the Transaction (defined below), PSW, along with Northwest Physicians Network of Washington, L.L.C., a Washington limited liability company ("**NPN**"), owned all the issued and outstanding shares of the Corporation;

WHEREAS, the Corporation is engaged in the business of being a licensed Washington domestic health care service contractor that is a Medicare Advantage health insurance carrier (the "**Business**");

WHEREAS, pursuant to that certain Stock Purchase Agreement dated October 18, 2012, attached hereto and incorporated herein by reference (the "**Purchase Agreement**"), NPN and PSW are selling and CollabHealth is purchasing, five hundred five thousand nine hundred sixty (505,960), which equals fifty-five and 6/10 percent (55.60%) of the issued and outstanding shares of class A common voting stock of the Corporation (the "**Transaction**"). Capitalized terms used and not otherwise defined herein shall have the meanings accorded to such terms in the Purchase Agreement;

WHEREAS, as part of the Transaction, CollabHealth is purchasing one hundred ninety-six thousand five hundred sixty (196,560) of the issued and outstanding shares of the Class A Common stock of the Corporation (the "**Shares**") from PSW for the PSW Purchase Price, as set forth in the Purchase Agreement;

WHEREAS, PSW, along with NPN, were the only shareholders of the Corporation before the consummation of the transactions contemplated by the Purchase Agreement, are knowledgeable in the operations and affairs of the Corporation and possess confidential and proprietary information regarding the Corporation and the Business;

WHEREAS, pursuant to the terms and provisions of the Purchase Agreement, the obligation of CollabHealth to consummate the transaction contemplated by the Purchase Agreement is conditioned upon multiple deliveries, including, but not limited to, PSW executing and delivering this Agreement to CollabHealth; and

WHEREAS, the value of the Shares acquired by CollabHealth pursuant to the Purchase Agreement may be substantially undermined by the disclosure of confidential and proprietary information or the establishment of competing enterprises by PSW.

TERMS AND CONDITIONS

NOW, THEREFORE, in consideration of the premises, PSW agrees as follows:

1. **Disclosure of Information.**

1.1 **Non-Disclosure.** PSW acknowledges that, in and as a result of being one of only two shareholders before the consummation of the Transaction and now being one of three shareholders after the Transaction, it either will be able to make use of, acquire knowledge of and/or add to confidential or proprietary information relating to the Corporation and its Affiliates including, without limitation, the Corporation's lists of providers, customers and accounts, systems, procedures, policies, manuals, advertising, marketing plans, marketing strategies, trade secrets, business plans, financial data, strategies, methods of conducting business, price lists, formulas, processes, procedures, standards, know-how, manuals, techniques, technology, confidential reports and all other information, knowledge, or data of any kind or nature relating to the products, services, or Business of the Corporation or any subsidiary, parent or other Affiliate of the Corporation (collectively, "**Confidential Information**"). As a material inducement to CollabHealth to enter into this Agreement and more importantly the Purchase Agreement, PSW shall not, at any time during or following the time in which it owns shares of the Corporation, directly or indirectly, except in furtherance of the Business and in accordance with Corporation policies, use, disseminate, divulge or disclose, for any purpose whatsoever, any Confidential Information. PSW acknowledges that, if at any time following the termination of its ownership in the Corporation, it forms or joins a business or service line that directly or indirectly threatens to require knowledge or skills that are inextricably tied up with the Corporation's Confidential Information, including trade secrets, the Corporation or CollabHealth is entitled to prevent PSW from continuing with such endeavor.

1.2 **Return of Records.** PSW acknowledges that all documents, records, notebooks and similar repositories of or documents containing any Confidential Information, including all existing copies or extractions thereof, whether prepared by PSW or others, shall be the sole property of the Corporation. Upon termination of PSW's ownership in the Corporation, irrespective of how it occurs, all documents, records, notebooks and similar repositories of or documents containing any Confidential Information, including all existing copies or extractions thereof, shall be promptly returned to the Corporation.

1.3 **Limitations on Compelled Disclosure.** If at any time PSW becomes legally compelled to disclose Confidential Information, PSW will provide the Corporation with prompt written notice so the Corporation may seek a protective order or other appropriate remedy. If such protective order or other remedy is not obtained, PSW will furnish only that portion of the Confidential Information which, in the opinion of its counsel, is legally required and PSW will exercise best efforts to obtain, at the expense of the Corporation, a protective order or other reliable assurance that confidential treatment will be accorded to the Confidential Information.

2. **Restrictive Covenant.** In order to protect the Corporation's confidential matters and legitimate business interests, and as consideration for all of the benefits provided to PSW pursuant to the Purchase Agreement, PSW hereby covenants and agrees that during any period of time in which PSW owns any shares of the Corporation and for two (2) years thereafter (such period to be extended by the duration of any period of violation of, or any period of litigation to enforce, the covenants herein), PSW shall not, directly or indirectly, acting through others, or as a partner, agent, stockholder or otherwise:

(1) engage in or participate in any overt or direct act to solicit, divert, take away or attempt to take away any of the Business of any past, present, or prospective customers or providers of the Corporation or any affiliated or related companies of the Corporation, in any business or enterprise competing with the Corporation or any affiliated or related companies of the Corporation. For purposes of this subsection only, an "overt or direct act" shall not include advertisements or listings in directories that list or demonstrate all of PSW's affiliations with all Medicare Advantage health insurance carriers, accountable care organizations or other provider networks and are prepared in compliance with all guidelines for the Centers for Medicare and Medicaid Services;

(2) initiate contact with or solicit any employee of the Corporation or CollabHealth or any of the Corporation's or CollabHealth's Affiliates or any person employed by the Corporation or CollabHealth or any of the Corporation's or CollabHealth's Affiliates, with the intent of hiring such employee; (ii) hire or otherwise employ or engage the services of any such employee or former employee; (iii) induce or otherwise counsel, advise or encourage any such employee to leave the employment of the Corporation or CollabHealth or any of the Corporation's or CollabHealth's Affiliates; or (iv) induce any supplier, vendor, licensor, licensee, business relation, representative or agent of the Corporation or CollabHealth to terminate or modify its relationship with the Corporation or CollabHealth or any of the Corporation's or CollabHealth's Affiliates; provided, however, this paragraph shall not preclude PSW from making general solicitations for employment that by their terms are directed to the public generally and hiring any employee or former solely through such general solicitation directed to the general public; or

(3) within a radius of fifty (50) miles from the city limits of any city in which the Corporation is presently conducting Business or soliciting Business or has conducted Business or solicited Business, transact any business with, own or invest in any interest directly or indirectly in any corporation, business or enterprise competing directly or indirectly with the Corporation.

3. **Accounting for Profits.** PSW covenants and agrees that if it shall violate any of its covenants or agreements under Sections 1 or 2 hereof, the Corporation (and CollabHealth under Section 2(2) above) shall be entitled to an accounting and repayment of all profits, compensation, commissions, remunerations or benefits that PSW directly or indirectly has realized and/or may realize as a result of, growing out of or in connection with any such violation. Such remedy shall be in addition to and not in limitation of any injunctive relief or

other rights or remedies to which the Corporation (or CollabHealth under Section 2(2) above) is or may be entitled at law or in equity or under this Agreement or under the Purchase Agreement.

4. **Reasonableness of Restrictions.**

4.1 **Restrictions Reasonable.** PSW has carefully read and considered the provisions of Sections 1, 2 and 3 hereof and, having done so, agrees that the restrictions set forth therein (including, but not limited to, the time period of restriction and the geographical areas of restriction set forth in Section 2 hereof) are fair and reasonable and are reasonably required for the protection of the interests of the Corporation.

4.2 **Restrictions Conformed to Maximum Allowable.** If any of the provisions of Sections 1, 2 or 3 shall be held to be invalid or unenforceable, the remaining provisions shall nevertheless continue to be valid and enforceable as though the invalid or unenforceable parts had not been included therein. If any provision of Sections 1 or 2 relating to time period or areas of restriction shall be declared by a court of competent jurisdiction to exceed the maximum time period or areas such court deems reasonable and enforceable, such time period or areas of restriction shall be deemed to become and thereafter be the maximum time period or areas which such court deems reasonable and enforceable.

5. **Remedies.** PSW acknowledges and agrees that a breach of the provisions of this Agreement by it will cause the Corporation and CollabHealth irreparable injury and damage. PSW, therefore, expressly agrees that the Corporation and CollabHealth shall be entitled to injunctive and other equitable relief to prevent a breach of this Agreement, or any part thereof by PSW, or by any of PSW's partners, agents, representatives, servants, employees and any and all persons directly or indirectly acting for or with PSW, and to secure its enforcement, in addition to any other remedy to which Corporation or CollabHealth might be entitled. PSW, CollabHealth and the Corporation expressly waive the posting of any bond or surety required before the issuance of an injunction hereunder. Any and all of the Corporation's or CollabHealth's remedies for the breach of this Agreement shall be cumulative and the pursuit of one remedy shall not be deemed to exclude any and all other remedies with respect to the subject matter hereof. PSW further acknowledges and agrees that the Deductible and the Indemnification Cap, as set forth in Section 7.4 of the Purchase Agreement, shall not apply to or restrict, in any way, this Agreement or the remedies available pursuant to this Agreement.

7. **Adequacy of Consideration.** PSW acknowledges and agrees that as consideration for entering into this Agreement, a portion of the PSW Purchase Price, as set forth in the Purchase Agreement, is being paid to PSW by CollabHealth, the receipt and adequacy of which is hereby acknowledged by PSW.

8. **Non-Disparagement.** The parties agree that their respective company reputations are important and should not be impaired by any party after this Agreement is executed. The parties agree not to disparage the company reputation of any party or any of its respective officers, managers, members, or employees.

9. **Default.** A breach, or threatened breach, by PSW, or any of its respective partners, agents, representatives, servants, employees or any and all persons directly or indirectly acting for or with them, shall be considered a default of this Agreement by PSW.

10. **Severability.** Each provision of this Agreement shall be treated as a separate and independent clause, and the unenforceability of any one clause shall in no way impair the enforceability of any of the other clauses herein.

11. **Expenses.** If any court of competent jurisdiction over the subject matter of this Agreement makes a final determination as to whether PSW has breached or failed to comply with any of the terms or conditions of this Agreement, as written or as reformed, the losing party shall pay all expenses incurred by the prevailing party in connection with such dispute including, without limitation, reasonable attorneys' fees, costs and disbursements of counsel.

12. **No Waiver.** No waiver of any breach or failure by any party to enforce any of the terms or conditions of this Agreement at any time shall, in any manner, limit or waive such party's right thereafter to enforce and to compel strict compliance with every term and condition hereof.

13. **Successors and Assigns.** The rights and obligations of CollabHealth under this Agreement shall inure to the benefit of and be binding upon its successors and assigns. PSW may not assign its rights nor delegate its responsibilities and obligations hereunder.

14. **Notices.** Any notice required to be given hereunder shall be sufficient if in writing, and sent by certified or registered mail, return receipt requested, first-class postage prepaid, to its principal office.

15. **Governing Law.** This Agreement shall be governed by, and construed in accordance with the laws of the State of Washington, without regard to the principles of conflicts of law thereof.

16. **JURY TRIAL.** THE PARTIES HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER PARTY AGAINST THE OTHER ON ANY MATTER ARISING OUT OF OR IN ANY WAY CONNECTED OR RELATING TO THIS AGREEMENT.

17. **Termination of Prior Agreements.** All prior agreements and/or arrangements, oral or written, relating to the non-disclosure of confidential information and non-competition by PSW with the Corporation and/or any of its subsidiaries or Affiliates are hereby terminated and superseded by this Agreement.

18. **Entire Agreement.** This Agreement and the Purchase Agreement contain the entire agreement of the parties with respect to the subject matter hereof and supersede all prior understandings, whether oral or written. This Agreement may not be changed orally, but only by an agreement in writing, signed by the parties against whom enforcement of any waiver, change, modification, extension or discharge is sought.

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IN WITNESS WHEREOF, the parties have duly executed this Confidentiality and Noncompetition Agreement as of the Effective Date.

**CORPORATION:
SOUNDPATH HEALTH, INC.**

By: _____
Name: _____
Title: _____

**COLLABHEALTH:
COLLABHEALTH PLAN SERVICES, INC.**

By: _____
Name: _____
Title: _____

PSW:

**PHYSICIANS OF SOUTHWEST
WASHINGTON, LLC**

By: _____
Name: _____
Title: _____

Soundpath Helath/CHI
 Pro-Forma Balance Sheet
 Medicare Advantage Product

Assets	2013	2014	2015
Cash and Investments	\$ 31,960,674	\$ 32,673,828	\$ 33,336,369
Other	\$ 700,000	\$ 700,000	\$ 700,000
Total Assets	\$ 32,660,674	\$ 33,373,828	\$ 34,036,369
Liabilities			
Unpaid claims and CMS payables	\$ 9,900,000	\$ 10,197,000	\$ 10,502,910
Surplus Notes	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000
Total Liabilities	\$ 20,900,000	\$ 21,197,000	\$ 21,502,910
Equity			
Paid in Capital	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000
Retained Earnings	\$ 2,660,674	\$ 3,076,828	\$ 3,433,459
Total Equity	\$ 11,760,674	\$ 12,176,828	\$ 12,533,459
Total Liabilities and Equity	\$ 32,660,674	\$ 33,373,828	\$ 34,036,369

RBC Required @ 250% ACL
 RBC Required @ 350% ACL