Nanolab Technologies, Inc.

TERMS & CONDITIONS

SERVICES

1. Client acknowledges that Nanolab Technologies, Inc. ("Nanolab"), perform analysis and testing services (the “Services”) only as specified by Client. Nanolab does not design, warrant, supervise or monitor compliance of products or services except as specifically agreed to in writing prior to the performance of the Services. Client acknowledges that, by their very nature, the Services are limited in scope and subject to expected measurement variability.

2. Nanolab treats all Client information as confidential and protects its Client’s proprietary rights. Quality procedures are in place to assure the security of the Client’s data and other information. All Nanolab employees are required to sign a proprietary rights agreement which includes statements on proprietary rights and confidentiality.

3. Nanolab provides independent contract analytical laboratory services on a transactional basis. Unless specifically called out in a mutually signed written retained engagement agreement that expressly identifies restrictions concerning the performance of specific services, during specific periods of time, for specific entities, Nanolab will, at our discretion, perform analyses for any entity requesting our services.

4. Samples and portions thereof not destroyed in the performance of the Services remain the property of the Client, are retained for a minimum of 30 days after project completion, unless instructed otherwise by Client, and thereafter will be disposed of unless requested otherwise by Client. Return of samples is at Client’s expense. A sample storage fee will be applied on requests for storage past the standard period after project completion.

5. Unless otherwise specified therein in writing, nothing contained in any report issued by Nanolab shall be deemed to imply or mean that Nanolab conducts any quality control program for the Client to whom the report is issued.

6. Reports issued by Nanolab are for the exclusive use of the Client to whom they are addressed. Analytical results and the names Nanolab or any of its laboratories or their seals or insignias, are not to be used for any marketing purpose whatsoever, including but not limited to use in advertising, publicity material or in any other manner, without Nanolab’s prior written approval.

7. Reports issued by Nanolab apply only to the standards or procedures identified therein and to the sample(s) tested.

8. Nanolab shall retain copies of reports for a minimum period of three years, unless otherwise requested by Client.

9. Unless specified in a written report, the analysis and testing results are not necessarily indicative or representative of the qualities of the lot from which the sample was taken or of apparently identical or similar products.

10. Deformulation analysis of commercial products is provided for informational purposes only. Nanolab strongly recommends review of state and federal laws, trademarks, copyrights and patent situations by the Client prior to use of such information.

11. Nanolab reserves the right to subcontract Services to other laboratories. If subcontracting is necessary, samples will be sent only to laboratories meeting Nanolab’s qualification requirements.
INDEMNIFICATION

1. Client shall defend, indemnify and hold harmless Nanolab, its affiliates, and their respective employees, officers, directors, shareholders, agents, representatives, successors and assigns, from and against any and all third party claims, liabilities, costs, damages, suits, actions, debts, charges and expenses (including reasonable attorneys’ fees, court costs and any amounts paid in settlement) that Nanolab shall or at any time may sustain, arising out of or in connection with the negligence or willful misconduct of Client; provided, however, that Client shall not be liable for any damages, losses, costs or expenses to the extent attributable to the negligence or willful misconduct of Nanolab.

2. If a party entitled to indemnification (“Indemnified Party”) receives written notice of any claim which may give rise to a right to indemnification from the party obligated to provide indemnification (“Indemnifying Party”), the Indemnified Party shall give prompt written notice thereof to the Indemnifying Party setting forth the nature and amount of the claim and the basis of the claim for indemnification. The Indemnifying Party may, upon written notice to the Indemnified Party given within thirty (30) days of its receipt of the claim for indemnification, elect to assume defense of the claim; provided, however, that the Indemnifying Party may not, in defense of such claim, consent to the entry of any judgment or enter into any settlement which does not include, as an unconditional term thereof, a full release of the Indemnified Party in respect thereof without the consent of the Indemnified Party. If the Indemnifying Party elects to assume the defense of the third party claim, the Indemnified Party may retain legal counsel at its own expense to participate in the defense; provided, however, that the Indemnifying Party shall be liable to the Indemnified Party for any legal or other expenses incurred by the Indemnified Party in connection with its subsequent assumption of the defense at the request of the Indemnifying Party. If the Indemnifying Party does not elect to assume control of the defense, the Indemnified Party will afford the Indemnifying Party an opportunity to participate in such defense, at the Indemnifying Party’s own cost and expense, and will not settle or otherwise dispose of the claim without the consent of the Indemnifying Party, which such consent shall not be withheld unreasonably.

LIABILITY

1. Nanolab is not an insurer or a guarantor. Nanolab represents that the Services shall be performed within the limits mutually agreed to in writing, and in a manner consistent with the level of care and skill ordinarily exercised by providers of similar services under similar circumstances. Except as expressly set forth in this agreement, Nanolab makes no warranties, expressed or implied, in connection with its performance of services and, to the fullest extent permitted by law, Nanolab specifically disclaims any and all other warranties, whether written or oral, or express or implied, including, without limitation, any warranty of suitability, merchantability or fitness for a particular purpose.

2. For the safety of Nanolab’s personnel, Client must advise Nanolab if samples are known or suspected to contain hazardous substances. Material Safety Data Sheets (MSDS) must be provided if available. Client further warrants that any sample containing any hazardous substance which is to be delivered to Nanolab, will be packaged, labeled, transported and delivered properly and in accordance with applicable laws.

3. Client understands and agrees that Nanolab, in entering into this Contract and by performing Services, does not assume, abridge, abrogate or undertake to discharge any duty or responsibility of Client to any other party or parties. No one other than Client shall have any right to rely on any report issued by Nanolab. Client agrees, in consideration of Nanolab undertaking to perform the Services hereunder, to protect, defend, indemnify, save harmless and exonerate Nanolab from any and all claims, damages, including lost profits, expenses, including attorney’s fees, either direct or consequential, for any and all injuries to persons, including the personnel of Nanolab, or property arising out of or in consequence of the performance of the Services and/or the performance of the samples tested hereunder.

4. The total aggregate liability of Nanolab for this Contract under any and all theories of liability (including breach of contract, warranty, negligence, tort and strict liability) shall be limited to the lesser of the amount paid by Client for the Products, Services or Deliverables to which the claim relates during the twelve months immediately preceding the date of the initial claim delivered to Nanolab that gave rise to the liability, or one million dollars ($1,000,000). Under no
circumstances will Nanolab be liable to Client for any special, consequential, incidental, punitive, exemplary or indirect damages, including without limitation, loss of business revenue or earnings, lost data or lost profits.

5. Whenever performance by either party is delayed or prevented by war, insurrection, fire or other casualty, strikes or embargoes, shortage of transportation facilities or any other similar or dissimilar causes, beyond the control of such party, such delay or prevention shall be excused and the time of performance hereunder extended for the duration of the causative factor.

6. In the event that any services are improperly or inadequately performed by Nanolab, Client’s sole remedy, and Nanolab’s sole obligation, with respect to such deficient services shall be for Client to either: (i) require Nanolab to re-perform such improper or deficient Services, at no additional charge to Client, or (ii) request a refund of all amounts paid to Nanolab for such improperly or inadequately performed Services.

COSTS AND PAYMENT
1. Client agrees to pay all invoices within 30 days of invoice date.

2. In the event that payment is not received within 30 days of invoice date, Client agrees to pay a late payment charge on the unpaid balance equal to 1-1/2% per month.

3. All costs associated with compliance with any subpoena(s) for documents, testimony in court of law, or for any other purpose relating to Services performed by Nanolab for Client, shall be paid by Client. Client shall also pay Nanolab’s then existing standard fees for consulting, deposition and trial testimony and all expenses related thereto.

4. Project specific supplies including, but not limited to, standards, raw materials, shipping, columns and/or specialty chemicals and supplies required for execution of a Client’s project will be purchased by Nanolab and billed to Client as pass-through costs. If necessary, Nanolab may bill a waste disposal fee of up to 5% of total project cost or $500.00, whichever is lower, to cover proper sample and chemical disposal.

5. Nanolab reserves the right to request a prepayment from Client prior to initiating project work.

6. Should early termination of project be permitted for all or a portion of the project after the project has been initiated, Client will be liable to Nanolab for all hours expended on the project up to the time of cancellation, at the current hourly consulting rate, plus all project specific supplies at cost, or a minimum of 25% of the estimated project cost as a fee for Nanolab’s mobilization on the project, whichever is greater. This cancellation charge is a fee for work performed and is not regarded as liquidated damages.

INTELLECTUAL PROPERTY OWNERSHIP
1. Client hereby acknowledges and agrees that any and all inventions, discoveries, trade secrets, know-how, improvements, methods, systems, software programs, practices, procedures and processes, and proprietary materials including, but not limited to, structural and functional information and other data repository, formulations and techniques, whether or not patentable or copyrightable ("Intellectual Property"), that is owned or controlled by Nanolab as of the date hereof, or that is developed, conceived or reduced to practice outside of the performance of Services by Nanolab, and all modifications or improvements thereto, shall vest in, be the property of, and shall be owned solely and exclusively by, Nanolab (“Nanolab Background IP”).

2. Client hereby acknowledges and agrees that any and all Intellectual Property that is developed, conceived or reduced to practice by representatives of Nanolab in the performance of the Services and that is (i) within the field of the Nanolab Background IP, and (ii) does not rely on or incorporate Client materials or confidential information (“Nanolab Developed IP”), is not part of the Deliverables and shall vest in and be the sole and exclusive property of, Nanolab.

3. Client shall be allowed to use the Nanolab Background IP and the Nanolab Developed IP, at no cost to Client, to the extent such use is necessary for the exploitation of the results of the Services.
CONFIDENTIALITY

1. Definitions.
   a. “Confidential Information” shall mean any proprietary and/or confidential information and materials (whether or not patentable or copyrightable, and whether or not currently patented or copyrighted) which is owned or controlled by either Party and/or that is derived through observation or examination of the Disclosing Party’s facilities or operations, including without limitation trade secrets, know-how, designs, product samples, product formulations, prototypes, data, processes, specifications, formulas, methods, plans, systems, programs, materials, analyses, reports, compilations, research notes, technologies, manufacturing techniques, pricing, services, equipment, procedures, information relating to customers, vendors, suppliers or employees, sales and marketing information, forecasts, research and development activities, and any other non-public business or financial information, without regard to the manner of preparation, transmittal or storage of such Confidential Information, including but not limited to physical devices or materials, electronic devices or media, magnetic media, optical media or any other method, and without regard to whether such information or materials are expressly marked as “confidential” or “proprietary”.

   b. “Disclosing Party” shall mean the party disclosing the information.

   c. “Receiving Party” shall mean the party receiving the information.

2. Except as otherwise permitted hereby, the Receiving Party shall protect and hold in confidence all Confidential Information of the Disclosing Party for a period of five (5) years following the date of disclosure of such Confidential Information. The Receiving Party shall limit its disclosure of the Confidential Information to its directors, officers and employees (collectively, “Representatives”), solely to the extent such Representatives need to know such Confidential Information to carry out the Purpose, and provided that such Representatives are subject to confidentiality obligations that prohibit each such Representative from disclosing or using the Disclosing Party’s Confidential Information other than in connection with the performance of their obligations on behalf of the Receiving Party. The Receiving Party shall not disassemble, reverse engineer or copy any of the Disclosing Party’s Confidential Information for any purpose. The Receiving Party shall protect the Disclosing Party’s Confidential Information using at least the same level of efforts and measures its uses to protect its own confidential information, and at least commercially reasonable efforts and measures, and shall be responsible for any breach of this Agreement by its Representatives. Company acknowledges that other parties may tour the facilities of Nanolab and may observe Company’s work in process and completed work, and Company agrees that such casual viewing will not violate the terms of this Agreement.

3. The provisions of the above section shall not apply to information which (a) is or becomes generally available to the public other than as a result of a breach of these terms and conditions by the Receiving Party; (b) was in the Receiving Party’s possession prior to receipt from the Disclosing Party as evidenced by the Receiving Party’s contemporaneously written records; provided that the source of such information was not known to the Receiving Party to be bound by an obligation of confidentiality (contractual, legal, fiduciary or otherwise) to the Disclosing Party or any other party with respect to such information; (c) is received by the Receiving Party from a third party on a non-confidential basis, unless the Receiving Party knows that the third party is bound by an obligation of confidentiality (contractual, legal, fiduciary or otherwise) to the Disclosing Party or any other party with respect to such information; or (d) is or was independently developed by the Receiving Party without reference to or reliance upon the Confidential Information received from the Disclosing Party as evidenced by the Receiving Party’s contemporaneously written records.

4. Notwithstanding anything to the contrary contained in this Agreement, Confidential Information may be disclosed by a Receiving Party as required by applicable law or regulation, legal process or stock exchange rule, provided the Receiving Party notifies the Disclosing Party prior to such disclosure, except where impracticable or prohibited by law, so as to afford the Disclosing Party a reasonable opportunity to object or seek an appropriate protective order with respect to such disclosure.

5. All Confidential Information shall be and shall remain the exclusive property of the Disclosing Party. Neither this Agreement, nor either Party’s delivery of Confidential Information hereunder, will: (a) transfer to the Receiving Party,
or create in the Receiving Party, any proprietary right, title, interest or claim in or to any of the Disclosing Party's Confidential Information; or (b) be construed as granting to the Receiving Party a license to the Disclosing Party's Confidential Information.

6. Return or Destruction of Confidential Information. At any time upon the written request of the Disclosing Party, the Receiving Party shall return to the Disclosing Party or destroy, with such destruction certified in writing, any and all of the Disclosing Party’s Confidential Information in the Receiving Party’s possession, together with all notes, analysis, drawings, documents, designs, product samples, prototypes and other tangible manifestations of the Confidential Information, including any copies and reproductions thereof. The Receiving Party may retain one (1) copy of the Confidential Information solely for legal and compliance purposes and any electronic back-up copies maintained in the ordinary course of business.

7. Representations. Each Party represents that to the best of its knowledge it has the right to disclose its Confidential Information to the other Party without conflict with, or violation of the rights of, any third party. Except as specifically provided herein, the Receiving Party understands and acknowledges that any and all information contained in the Confidential Information furnished by the Disclosing Party hereunder is being provided “AS IS” without any assurance, guarantee, representation or warranty, expressed or implied, including without limitation freedom from patent or copyright infringement or as to the accuracy or completeness of the Confidential Information.

8. The Parties acknowledge that monetary damages in the event of a Receiving Party’s breach of this Agreement may not be a sufficient remedy for any breach hereof and may be difficult to ascertain, and it is therefore agreed that the Disclosing Party, in addition to, and without limiting, any other remedy or right it may have, shall have the right to seek equitable relief, including without limitation injunctive relief, issued by a court of competent jurisdiction. The Receiving Party hereby agrees to waive any requirement for the security or posting of any bond in connection with such remedies. Any and all rights and remedies of a Disclosing Party under this Agreement, at law or in equity, shall be cumulative and shall not be deemed inconsistent with each other, and any two or more of all such rights and remedies may be exercised at the same time insofar as permitted by law.

NON-SOLICITATION
1. During the period of, and for two years after the termination of the project, Client will not, directly or indirectly, solicit the employment or services of any employee or contractor of Nanolab with whom the Client has had contact or who became known to it in connection with the provision of the Services, or encourage such employees or contractors to leave Nanolab.

MISCELLANEOUS
1. This agreement and any and all claims and disputes hereunder or related thereto shall be governed by the internal laws of the State of California. Nanolab and Client agree that exclusive jurisdiction and venue for any and all such claims and disputes shall be in Santa Clara County, California.

2. In the event that Nanolab prevails in any dispute or claim, including the collection of monies from Client, Client agrees that Client will pay any and all expenses, including collection costs and attorney’s fees, reasonably incurred in the prosecution or defense of such claim, dispute or collection.

3. The terms and conditions contained herein, together with Nanolab’s quotation and offer of Services to Client, and Client’s acceptance of such offer, shall constitute the entire agreement between Nanolab and Client. Any conflicting terms contained in any order or acceptance submitted by Client shall be null and void.