

NORTHERN LAKE SERVICE, INC.
STANDARD TERMS AND CONDITIONS

The following terms and conditions shall be applicable in the absence of written contract.

A. RELATIONSHIP OF THE PARTIES

The relationship between the parties shall be limited to the performance of service as set forth in this AGREEMENT and shall constitute neither a joint venture nor an employer-employee relationship. Neither party may obligate the other to any expense or liability outside of this AGREEMENT except upon written consent of the other.

B. PERFORMANCE

The standard of care applicable to Laboratory's services shall be the degree of skill and diligence normally exercised by testing laboratories performing the same or similar services. Laboratory warrants that it is properly certified to perform the laboratory services in the state where the services are required.

C. PAYMENT

(1) Unless, the Laboratory has in possession a completed NORTHERN LAKE SERVICE, INC. Standard Statement of Responsibility and Authorization to Release Analytical Data (see Addendum), signed by Client's Customer prior to commencement of services (if applicable), all invoices will be paid by Client and subject to Laboratory standard credit terms. Standard credit terms are net 30 days and 1.5% per month on past due accounts.

a. Client will promptly review invoices and forward to Client's Customer for payment (if applicable). Said review will occur within 15 days of invoice date.

(2) Client will reimburse Laboratory within 30 days for all collection and legal fees incurred by the Laboratory in collection of debts from both Client and Client's Customer.

D. INSURANCE

(1) Laboratory shall procure and maintain, at its sole cost and expense, the following insurance:

a. Workers' Compensation and Employers' Liability Insurance as prescribed by applicable law.

b. Commercial General Liability Insurance.

c. Professional Liability Coverage.

(2) If requested Certificate of Insurance evidencing the above coverage shall be issued to the Client prior to commencement of work. The certificate must specify that Client will be given, in writing, 10 days advance notice of cancellation, termination, or alteration of the policies.

E. INDEMNIFICATION

(1) Laboratory shall indemnify and hold Client, its officers, agents, and employees harmless from and against any and all claims based or arising out of damage to property or injuries to persons, which are directly caused by the sole negligence or intentional wrongful acts or omissions of the Laboratory, its agents, or employees, in performing the services authorized by this AGREEMENT, provided that Laboratory shall have no duty to indemnify Client against liability for damages to the extent caused by the negligence or intentionally wrongful acts or omissions of Client.

(2) Client shall indemnify and hold Laboratory, its officers, agents, and employees harmless from and against any and all claims based or arising out of damage to property or injuries to persons, which are directly caused by the negligence or intentional wrongful acts or omissions of the Client, its agents, or employees, in performing the services authorized by this AGREEMENT, provided that Client shall have no duty to indemnify Laboratory against liability for damages to the extent caused by the sole negligence or intentionally wrongful acts or omissions of Laboratory.

(3) The indemnity owed and liability of the Laboratory shall be limited to the total amount invoiced for the project. However, total indemnity and liability of the Laboratory will under no circumstances exceed aggregate insurance limits.

F. COMPLIANCE WITH LAWS, REGULATIONS, PERMITTING, AND LICENSING REQUIREMENTS

The Laboratory shall comply with all laws, regulations, codes, and ordinances that are applicable to Laboratory's work to be performed under this AGREEMENT. The Laboratory shall procure and maintain at its own expense, all permits and licenses, required by law, to perform the services authorized under this AGREEMENT.

G. HEALTH AND SAFETY

Laboratory shall comply with all health, safety, and training obligations required by law. Compliance with these health, safety, and training requirements is the sole responsibility of Laboratory. Client is not in any way responsible for the health, safety, or training of Laboratory's employees.

H. DISPUTES

(1) If a dispute arises concerning services performed or fees invoiced, Client agrees to notify Laboratory within 14 days of the time Client knew or should have known of the dispute.

The invoice will be apportioned and fees for services not in question will be paid according to Section C. Resolution of disputes will be handled in the following manner.

a. Client's project manager and Laboratory's project manager will seek a negotiated resolution.

b. If direct negotiations fail within fourteen days, both parties agree the issue shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgement on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

(2) Participation of Client and Laboratory in this process shall be a condition precedent for either party to seek redress through any other means legally available.

I. OWNERSHIP AND RETENTION OF DOCUMENTS

(1) All specifications, notes, data, materials, report reproducibles, and other work developed as a part of each work order will be the property of Client. Any reuse of these documents by the Client, not occurring as a part of this AGREEMENT, will be without any liability to the Laboratory. Laboratory may not use these for purposes other than this AGREEMENT without Client's written permission.

(2) All analytical data and applicable reports remain the property of the Laboratory until such time as payment is received for said data.

(3) Laboratory shall retain all pertinent records relating to services performed for a period of five years following submission of a report, during which period the records will be made available to Client upon reasonable notice.

J. SEVERABILITY AND SURVIVAL

If any element of this AGREEMENT is held to violate a law, then the element shall be deemed void, and all remaining provisions shall continue in force. However, Laboratory and Client will in good faith attempt to replace any invalid or unenforceable provision with one that is valid and enforceable, and which comes as close as possible to expressing the intent of the original provision. All terms and conditions of this AGREEMENT allocating liability between Laboratory and Client shall survive the completion of the services hereunder and the termination of this AGREEMENT.

K. TERMINATION

(1) Client may terminate this AGREEMENT, by providing ten days written notice (1) for convenience, or (2) if Client is terminated for any reason by Client's Customer. Laboratory may terminate this AGREEMENT if Client fails to meet the payment provisions specified in Section C. In the event of termination, Laboratory will be paid an amount in proportion to the amount of work completed.

(2) If the Laboratory fails to perform the services required for reasons that are not beyond Laboratory's control, then it shall be deemed in default. In the event of such default, Client may terminate this AGREEMENT immediately and shall have no obligation to make any further payment to Laboratory except for work completed prior to termination.

L. FORCE MAJEURE

Neither party to this AGREEMENT will be liable to the other party for delays in performing the services, nor for the direct or indirect cost resulting from such delays that may result from labor strikes, riots, war, acts of governmental authorities, extraordinary weather conditions or other natural catastrophe, or any other cause beyond the reasonable control or contemplation of either party.

M. EQUAL EMPLOYMENT OPPORTUNITY/AFFIRMATIVE ACTION

(1) Laboratory will not refuse to hire, accept, register, classify or refer for employment or discharge any employee or applicant because of age, race, creed, color, sex, sexual orientation, national origin, religion or disability of the applicant or employee unless based on a good faith occupational qualification.

(2) The Laboratory will not maintain nor provide for its employees any segregated facilities at any of its establishments, will not permit its employees to perform their services at any location under its control where segregated facilities are maintained.

(3) Further, Laboratory will comply, as may be applicable, with all Affirmative Action requirements, utilization of Small Business and Small Disadvantage or Women-Owned Business concerns.