

## Lab Sample Contract

1. This quoted offer is expressly conditional upon the Buyer's acceptance of all the terms and conditions of this quotation. Seller can change its applicable terms and conditions at any time unless otherwise explicitly stated on the face hereof or in an effective written contract. This offer shall not be altered or amended, nor its terms be waived, except by an instrument in writing, signed by an authorized representative of the party to be bound thereby.. Acceptance or acknowledgement of purchase order forms or other similar forms containing provisions different from, or deletions or additions to, the terms of this offer are hereby rejected and shall not be binding on Seller. Buyer shall not assign its rights or delegate its duties under this offer in whole or in part without prior written consent of Seller.
  2. Samples shall be shipped F.O.B. Seller's place of business except as otherwise provided on the face hereof. Seller's liability as to delivery ceases, and title and risk of loss for the products supplied hereunder will pass, upon making delivery of products purchased hereunder to carrier at shipping point in good condition. 5. When in the opinion of Seller there is a period of shortage of supply of material for any reason, Seller may allocate its available supply among any or all of its various customers upon such basis as it shall deem fair and practicable with no liability on its part for failure to deliver the quantity or any portion thereof herein specified.
  3. Buyer assumes complete responsibility for, and agrees to defend, indemnify and hold Seller, its officers, directors, agents, and employees harmless from all claims, demands, actions and causes of action, including attorneys' fee and actual costs incurred as a result thereof, on account of injury to any person or any property damage, arising out of handling, transportation, storage, possession, processing, further manufacture or other use or resale of the products by Buyer or upon Seller's delivery to carrier at shipping point, whether or not said products are handled, stored or used singly or in conjunction with other products; provided however, this paragraph shall not operate to relieve Seller from liability resulting solely from Seller's negligent acts or omission.
  4. It is expressly understood that any technical advice furnished by Seller with reference to the use of its products is given gratis and Seller assumes no obligation or liability for the advice given or results obtained, all such advice being given and accepted at Buyer's risk.
  5. Performance of Seller will be excused in case of God, war, riots, fire, explosions, floods, strikes, lockouts, injunctions, inability to obtain fuel, power, raw materials, labor, containers or transportation facilities, accidents, breakage of machinery or apparatus, national emergency or because performance is made impracticable by the occurrence of any other unforeseeable contingency, or because of compliance in good faith with any applicable foreign or domestic governmental statute, regulation, order or other interference whether or not it later provides to be invalid or in any circumstances which are beyond the reasonable control of the parties, to the extent that the same prevent or delay the performance of obligations herein contained. Any delivery so suspended shall be cancelled without liability, but the contract shall otherwise remain unaffected.
  - 6. LIMITATION OF REMEDIES: No claim of any kind shall be greater in amount than the purchase price of the merchandise in respect of which such damages are claimed, and failure to give notice of claim within 90 days from the date of delivery shall constitute a waiver by Buyer of all claims in respect of such merchandise. The remedy hereby provided shall be cancelled without liability, but the contract shall otherwise unaffected.**
- ATTORNEY'S FEES: If any legal action arises under this agreement or by reason of any asserted breach of it, the prevailing party shall be entitled to recover all costs and expenses, including reasonable attorney's fees incurred in enforcing or attempting to enforce any of the terms, covenants or conditions, including costs incurred prior to commencement of legal action, and all cost expense, including reasonable attorney fees, incurred in any appeal from an action brought to enforce any of the terms, covenants, or conditions.
- APPLICABLE LAW: This agreement is executed, delivered, and is intended to be performed in the State of Oregon, and shall be construed and enforced in accordance with the laws of the State of Oregon.
- COMPLETE AGREEMENT: The Terms and Conditions contained herein will be the complete and exclusive statement of the terms of the agreement between the parties. No addition to, or modification of any of the Terms and Conditions will be effective unless made in writing and signed by the CEO of RSL.
7. RSL is unable to offer any Guarantee or return policy for the following three categories of products. These Categories are:
    1. VOLATILES: (Perfumes, Alcohol based sprays)
    2. ANY FORMULAS/PRODUCTS ALTERED BY BUYER OUTSIDE OF RSL FACILITIES.
    3. ANY CUSTOMER SUPPLIED FORMULAS, RAW MATERIALS AND/OR FINISHED PRODUCTS
- The above three categories of products purchased from RSL will be sold starting November 1<sup>st</sup>, 2008 on an "As is" basis only.
8. It is agreed that any excise, sale, use, occupational, customs, or other tax by any legal agency will be paid by customer or "buyers" company. Products that are sold meet FDA requirements. It is the responsibility of the buyer to conform to any/all state, federal, and county regulations for any altering or packaging of products, bases, or sub-manufacturing with any products or ingredients sold to buyer.
  9. Remittances shall be made payable only to RainShadow Labs and sent only to RainShadow's address. All funds to be paid in US Currency only.
  10. The buyer agrees that RainShadow's formulas are confidential and proprietary and seller holds customer responsible for the confidentiality of any of RainShadow's formulas or supplier information. The buyer agrees to reimburse the seller for all damages and legal costs occurring from the breach of confidentiality involving the above. Other items due from the buyer may also hold up the order (such as customer supplied fragrances, bottles, etc.) and buyer will excuse seller from

responsibility for delay of production run resulting there from. Any buyer alterations to the order after contract is signed may also cause delays. All freight is shipped FOB from St. Helens, Oregon.

11. SCENT, COLOR, VISCOSITY & TEXTURE. You understand and agree that RainShadow Labs will not replace, return or refund your product if it is not the exact viscosity or texture that you expected. While samples can give you a general idea of what a larger size will be like sometimes there can be slight differences. Other issues that do not warrant a replacement, return or refund are color or scent variations. You agree, understand and accept that ingredients do vary from lot to lot and thus a finished product can have slight variations including, but not limited to color, scent, scent strength, viscosity and texture. You also understand and agree to accept that product changes can occur over a period of time, and that changes in color, scent, viscosity and texture are not necessarily immediate.

12. The buyer also agrees to pay the balance due either: COD, Visa/Master Card, American Express, or N-30 days (if credit terms are approved). Buyer understands there is a 1.5% per month charge on all overdue accounts and a \$30.00 NSF fee for each bank return.

13. RainShadow Labs ("RSL") does not participate in any way with the what or how a customer labels it product. RSL formulates per customer specifications. RSL does not endorse any claim made by an RSL customer. RSL does and will always provide accurate ingredient deck data per approved customer formula. Labeling claims should be verified through third party testing facilities. RSL will also provide customers with a link to the FDA regulatory guidelines in order for customers to be clear regarding which words and terms and claims are in fact regulated by the FDA. RSL does not assume any responsibility for customer meeting regulatory guidelines.

Customer hereby unconditionally indemnifies and releases RSL, its entities, directors, officers, employees, and shareholders from any and all actions, liabilities, damages, losses, costs, expenses, claims and demands, including without limitation product labeling resulting directly or indirectly from RSL participation in customer's product labeling.

14. We always recommend that you perform your own stability and Preservative Challenge testing as well at a Third Party testing lab such as Bioscreen. RainShadow Labs does not guaranty shelf life. You would need to have a third party test for shelf life performed for that information. RainShadow Labs formulates for a 2 year shelf life based on our Chemist's knowledge and historical data. A 4 week accelerated stability test is equivalent to approximately one year at room temp. Shelf Life, Safety & Efficacy Testing and Reports – Shelf life, safety & efficacy testing and reports shall be fulfilled by the purchaser. RSL expressly excludes any warranty of merchantability. There are no warranties which extend beyond the description of the face hereof. It is mutually understood that the above formula has not been tested or assessed for stability, safety or efficacy. RSL's liability is limited to replacement cost of product only. Please contact RSL for a list of third party testing labs to asses this product.

15. FOOD AND DRUG ADMINISTRATION (FDA) DISCLOSURE Statements have not been evaluated by the FDA and are not intended to diagnose, treat or cure any disease. FORWARD-LOOKING DISCLAIMER This material may contain certain forward-looking statements and information, as defined within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, and is subject to the Safe Harbor created by those sections. This material may contain statements about expected future events and/or financial results that are forward-looking in nature and subject to risks and uncertainties. Such forward-looking statements by definition involve risks, uncertainties and other factors, which may cause the actual results, performance or achievements of RSL to be materially different from the statements made herein. LEGAL DISCLOSURE RainShadow Labs does not sell or distribute any products that are in violation of the United States Controlled Substances Act (US.CSA). The company does make and sell hemp-based products. Cannabidiol is a natural constituent of hemp oil.

16. **Lab fees are \$200 per formula.** This fee will cover the initial lab work and 3 revisions of the formula (total of 4 samples). Only the first domestic ground shipment is covered by your lab fee. Expedited shipping will be paid for by the buyer. If revisions are requested, the buyer will need to either pay for the freight as billed by RainShadow Labs or they will need to supply their own shipping account. **The initial lab fee is valid for 6 months from shipment of the first lab sample; after 6 months, it will be charged again for more reformulations. Custom formulation is limited to 4 products at a given time. Additional formulations can be initiated upon completion of active lab samples.** You will be shipped one 2oz sample of your custom formula for your review. Additional 2oz samples are available upon request for \$50 each. Additional scent variations on a single formula can also be requested for \$50 each but are limited to 3 per formula.

The following is our understanding of your order. Please review all information provided, including billing and shipping addresses. By signing this contract the buyer agrees that they have received an acceptable copy of our packing list for review.

**Ship To Address (required):**

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**Customer Signature: (REQUIRED)**

I have read the **Order Verification and Terms & Conditions** and verify this order.

Name (print) \_\_\_\_\_ Signature \_\_\_\_\_

Date \_\_\_\_\_ Company \_\_\_\_\_

**Form of Payment:**

Credit card # \_\_\_\_\_, exp date \_\_\_\_\_, 3 /4 digit code \_\_\_\_\_

Signature as it appears on card \_\_\_\_\_.

Exact Credit Card Billing Address: \_\_\_\_\_