

CLIENT SERVICES AGREEMENT

This CLIENT SERVICES AGREEMENT (this "Agreement") is made and entered into by and between Saguario Testing LLC, an Arizona limited liability company ("Saguario Testing") and _____, ("Client"), effective this ____ day of _____, 202__ (the "Effective Date").

1. Term.

(a) **Effective Term of Agreement.** This Agreement is effective from the Effective Date until the voluntary termination by Saguario Testing or Client.

(b) **Amendments to Agreement.** Client agrees and acknowledges that Saguario Testing may, at any time and in its sole discretion, amend this Agreement through an amended and restated agreement ("Amended Agreement"). Any such Amended Agreement shall be effective immediately upon Saguario Testing posting a notice of such Amended Agreement on Saguario Testing website (the "Website") with a link to download the Amended Agreement. Your continued use of the services of Saguario Testing following any such notice of an Amended Agreement constitutes your acceptance of the terms of the Amended Agreement.

2. **Sample Submission.** Client agrees to submit all samples of goods produced or sold ("Sample") for testing (each, an "Order") in accordance with the guidelines and minimum sample size requirements ("Minimum Sample Requirement") as provided on the Saguario Testing website (the "Website"). Minimum Sample Requirements may change at the discretion of Saguario Testing; therefore, Client is responsible for confirming that each submitted Sample conforms to the Minimum Sample Requirements as provided on the Website at the time of Sample submission.

3. **Prices.** Saguario Testing's pricing is published on the site and is subject to change at any time. It is the customer's responsibility to confirm pricing before submitting each Order. Once payment has been received by Saguario Testing, Client's Order will be processed. There is no cancellation allowed once Saguario Testing has begun processing the Order.

4. **Payment Policy.** Prepayment is required for all testing services without exception. Client may submit payment for an Order ("Payment") through either debit card or credit card, or through cash, provided cash payments in excess of Five Hundred Dollars (\$500) shall only be accepted upon prior approval by Saguario Testing.

5. Turnaround Time

(a) **Standard.** Saguario Testing will generally process an Order within seventy-two (72) hours following both submission of the Order and Payment, with the exception of certain types of testing (i.e. Microbial testing) or the need to send all or part of the Order to a third-party laboratory, as provided in Section 5(c) below.

(b) **Rush.** Client may request rush processing, however, is it in Saguario Testing's sole and absolute discretion to either approve or deny such a request. In the event Saguario Testing approves Client's rush request, Saguario Testing will notify Client of an additional charge to their Order, which must be submitted in accordance with Section 4 herein.

(c) **Third-Party Testing.** Saguario Testing evaluates its capabilities, resources, and capacity before work is accepted for testing. At times, when Saguario Testing sees fit and necessary, it may outsource all or a portion of its testing. In such an event, Saguario Testing will select from its approved list of third-party laboratories, which are labs with ISO 17025 accreditation or otherwise deemed be competent to perform such work.

(d) **Delays.** Turnaround times are meant to serve as a general guide for product testing. Certain conditions may impact testing turnaround time, including, but not limited to excessive sample backlog, natural disaster, laboratory remodel, staff changes, equipment failure, holiday season, etc. In the event of a delay in turnaround time, Saguaro Testing will attempt to notify Client of such delay and provide an estimated turnaround time for such Order. However, Saguaro Testing is not responsible for missing target turnaround times and any loss suffered by the Client or third party due to a delay in reporting test results is not the responsibility of Saguaro Testing.

6. **Samples.**

(a) **Receipt and Storage.** Upon receipt of Samples and payment, Saguaro Testing will process Samples and upload Sample information into our laboratory software testing database. Analytical Samples are stored room temperature upon receipt, unless specifically requested otherwise by Client and approved by Saguaro Testing. Storage conditions are based on the nature of the Sample. Samples will be discarded in accordance with Saguaro Testing's standard operating procedures. Saguaro Testing will retain un-tested Samples in storage for no more than fourteen (14) days, unless longer storage is approved by Saguaro Testing, and Client submits payment of a storage fee, to be determined by Saguaro Testing at the time of approval of such storage request. Client may request that un-tested Samples be re-tested or transferred to another laboratory, provided Saguaro Testing will not be responsible for cost of delivery or transfer of such un-tested Samples. However, Client may request that Saguaro Testing transfer such un-tested Samples to another laboratory for a fee to be determined by Saguaro Testing at the time of Client's request, which fee must be remitted to Saguaro Testing prior to any such transfer occurring.

(b) **Insufficient Minimum Sample Size.** Client is responsible for confirming Minimum Sample Requirements for each Sample before submission of the Order. In the event that Client submits any Sample that does not meet the Minimum Sample Requirement at the time of submission, Saguaro Testing will notify the Client and reserves the right to either request additional product samples for purposes of testing, or destroy the insufficient Sample or Samples in accordance with Saguaro Testing's standard operating procedures.

(c) **Chain of Custody Form.** Client must fill in all necessary information on the Saguaro Testing chain of custody form ("Chain of Custody Form") in accordance with requirements as provided in the Cannabis Laws (defined herein) and submit such Chain of Custody Form at the time of submission of Samples.

7. **Re-testing.**

(a) **Non-Compliant Samples.** In the case of testing that results in a determination that the tested goods produced or sold as represented by the Sample (the "Product") is not compliant with the minimum standards under the Cannabis Laws (defined herein) and/or any other applicable rule or regulation, any request for re-testing from Client will be charged in full and new Samples and payment must be provided before re-testing.

(b) **Error.** In the case of testing error, omission, cross contamination, equipment failure, incorrect Sample submission or mishandling of Sample, Saguaro Testing will not assume responsibility of re-testing and Client will assume all responsibility. In the case of natural disasters, theft, acts of god, building issues, and/or other uncontrolled calamities that damage and affect product Samples, equipment & testing processes, Saguaro Testing does not assume responsibility of lost Samples, testing services or re-test unless new samples and payment are provided by Client. Saguaro Testing will use leftover Samples in storage for re-testing.

8. **Testing Results.** Saguaro Testing will notify Client of test results according to the Client's requested method of communication, as determined by Client on Saguaro Testing's Chain of Custody Form.

9. **Limitation of Liability.** Any liability of Saguario Testing to Client or any third party shall be limited to the cost of analysis charged to Client. In no event shall Saguario Testing be liable to Client for any exemplary, punitive, indirect, incidental, special, or consequential (including lost expenses or profits) damages arising from or in any way connected with its performance or failure to perform under that Agreement, even if the affected party has knowledge of the possibility of such damages. In addition, the liability of Saguario Testing is limited in the following ways:

(a) **Disclaimer of Warranty.** Services delivered hereunder are “as-is”. To the maximum extent permitted by law, Saguario Testing makes no representation or warranty of any kind, and hereby expressly disclaims all other representations or warranties, express, implied, statutory, or arising from a course of dealing, usage of the trade or otherwise, including, without limitation, any representation or warranty as to merchantability, fitness for a particular purpose, or any other matter, with respect to the Product, whether used alone or in combination with any other goods, substances, processes or materials, or services

(b) **Transportation of Samples; Data.** Saguario Testing shall not be liable for any loss, damage or delay during shipping, delivery, or transportation of Samples. In the case of natural disasters, theft, acts of god, building issues, and/or other uncontrolled calamities that damage and affect product Samples, equipment & testing processes, Saguario Testing shall not be held liable. Saguario Testing shall not be liable for online and/or offline stolen data that includes customer information, test records, etc.

(c) **Variability of Product and Samples.** Due to the nature of the Product being tested, Saguario Testing shall not be responsible or liable for a variation in the Product over time, including, without limitation, a variation of the molecular structure of the Product. The test results provided by Saguario Testing are presented as a representation of the Sample submitted at the time of testing and are not a guarantee of the nature of the Product following Client’s receipt of the testing results. Saguario Testing shall not be liable, under any circumstances, for any damage incurred by Client due to a variation in Product and does not guarantee the testing results of the Product following the date that testing results are provided to Client.

10. **Indemnification.** Client agrees to indemnify Saguario Testing from any loss, damage, cost or expense (including reasonable attorneys’ fees), arising from any claim, demand, assessment, action, suit or proceeding occurring as a result of the negligence, gross negligence or intentional misconduct of Client (including any employees, agents and/or subcontractors). Client further agrees to indemnify Saguario Testing against all liability, debts, actions, charges or claims arising out of Client’s obligations under this Agreement or Client’s failure to comply with any statute, regulation, ordinance, or other legal authority.

11. **Confidentiality.** All results, information and reports are strictly confidential and the property of the Client contracting the services of Saguario Testing. No results, information or reports are released to a third party without the written permission of Client. Access to Saguario Testing is limited to authorized personnel and strict confidentiality is maintained in all interactions with Clients.

12. **Restrictions on Uses of Laboratory Results and Marketing Claims.** No laboratory results from Saguario Testing may be used by client for any marketing purpose, or for mass public dissemination for purposes of marketing, or be placed on any website or social media, or used in any advertisement, press release, or other publicity vehicle, WITHOUT THE EXPRESS WRITTEN CONSENT OF Saguario Testing. Client is strictly prohibited from misleading customers or members of the press by implying that tests conducted on one production lot confer analysis results that apply to all other lots. Additionally, Saguario Testing analysis data does not construe -- and may not be cited as -- any form of "approved" or "certification" or "accreditation" or "validation" of the safety, purity or composition of the products tested.

13. **Waiver.** The failure of Saguario Testing to enforce any provision of this Agreement at any time or to require at any time the performance of any provisions herein will not in any way constitute a waiver of such provision

14. **Governing Laws and Jurisdiction.** Any dispute arising from the relationship between Client and Saguario Testing shall be governed and determined by Arizona law. Any dispute that arises (whether in contract, tort or both) shall be resolved in the appropriate state or federal court having jurisdiction in Maricopa County, Arizona, and the parties expressly waive any right they may have otherwise have to cause any such action or proceeding to be brought or tried elsewhere.

15. **Acknowledgement of Illegality.** Saguario Testing LLC expressly acknowledges that our testing services of “Marijuana” are contrary to the Federal Controlled Substances Act, and for these reasons our testing of these specific materials must remain strictly within the State of Arizona and are governed by the rules and regulations created under Title 9; Chapter 17 of the Arizona Department of Health Services Medical Marijuana Program (the “MMJ Rules”), A.R.S. §§36-2801, *et seq.*, as amended from time to time (the “MMJ Act”), Title 9; Chapter 18 of the AZDHS Adult-Use Marijuana Program (the “Adult-Use Rules”), and A.R.S. §§36-2850, *et seq.*, as amended from time to time (the “Adult-Use Act”) (collectively with the MMJ Rules, MMJ Act and Adult-Use Rules, the “Cannabis Laws”). Saguario Testing LLC hereby waives an illegality defense under Federal Law, as we will not be able to claim such a defense in the future.

16. **Severability.** Any provision of this Agreement that in any way contravenes Arizona law, to the extent the law is contravened, be considered separable and inapplicable and will not affect any other provision or provisions of this Agreement.

IN WITNESS WHEREOF, the Client and Saguario Testing, by their duly authorized signatures below, have executed and delivered this Agreement as of the Effective Date.

“CLIENT”

_____,
an Arizona _____

By: _____

Name: _____

Its: _____

“SAGUARO TESTING”

Saguario Testing LLC,
an Arizona limited liability company

By: _____

Name: _____

Its: _____