

TERMS AND CONDITIONS OF SERVICE

These Terms and Conditions of Service are by and between Escalon Services, Inc., a Delaware Corporation with an address of 2345 Yale Street, 1st Floor, Palo Alto, CA 94306 ("Company") and the client ("Client") identified and with an address as set forth in the engagement letter pursuant to which the Client has agreed to services provided by the Company. The engagement letter (along with any Schedules or Exhibits annexed thereto) together with these Terms and Conditions of Service shall collectively be referred to herein as the "Agreement."

1. SERVICE

a. Performance of Service. Company agrees to use reasonable efforts to perform the Services or cause the Services to be performed. The Client acknowledges and agrees that none of the Services shall constitute tax advice.

b. Tax Services. If selected and applicable, we will prepare or arrange to be prepared returns as listed in the proposal from information you will provide to us. If you have operations in jurisdictions other than those noted, please identify the circumstances so we can evaluate additional tax return filing requirements. Your clarification may avoid improper reporting and possible penalties. You are also confirming you will furnish us with all the information required for preparing the returns. We will not audit or otherwise verify the data you submit, although it may be necessary to request clarification of some of the information.

Our work in connection with the preparation of your income tax returns does not include any procedures designed to discover defalcations, fraud or other irregularities, should any exist. Our engagement cannot, therefore, be relied upon to disclose errors, fraud, or other illegal acts that may exist.

In addition, the Internal Revenue Service has recently issued regulations requiring disclosures for certain transactions, including "tax shelter" transactions and certain other transactions generating significant losses. If you believe that you may have been involved in such a transaction, we should discuss the impact of these new rules on your tax filings.

In accumulating your tax information, it is important you understand the Internal Revenue Service and state recordkeeping requirements. Taxing authorities, by regulation, require you to both maintain and retain information substantiating all items reported on your returns. It is important you maintain a record system satisfying these requirements. Documentation requirements are especially important for charitable contributions, travel, entertainment, auto and computer use deductions. Written documentation relating to the specific type and amount of charitable contributions made will be required in order to claim the deduction.

Management is responsible for the proper recording of transactions in the books of accounts, for the safeguarding of assets, and for the accuracy of the financial records. You should retain all the documents, canceled checks and other

data that form the basis of income and deductions. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority.

It is our policy to retain engagement documentation for a period of seven years, after which time we may commence the process of destroying the contents of our engagement files. To the extent we accumulate any of your original records during the engagement, those documents will be returned to you upon completion of the engagement, and you will provide us with a receipt for the return of such records. The balance of our engagement file, other than a copy of your income tax return, which we will provide to you at the conclusion of the engagement, is our property, and we will provide copies of such documents at our discretion and if compensated for any time and costs associated with the effort.

Federal law requires U.S. persons (including individuals, trusts, estates, partnerships and corporations) to file a disclosure with the U.S. Department of the Treasury for any financial interest in, or signature or other authority over, bank accounts, securities, or other financial accounts held in a foreign country with a value in excess of \$10,000. You are responsible for providing information to us with regards to any interest in a foreign account in order to have these disclosures prepared and filed. Failure to timely file the necessary foreign account disclosures may result in the assessment of substantial penalties. We assume no liability for penalties associated for failure to file any necessary foreign account disclosures. We are available to prepare these forms, if necessary, based on information provided by you.

The Internal Revenue Service also requires that certain U.S. persons file a form 5471 disclosure to report a direct or indirect ownership in a foreign corporation. A form 5471 may also be required for any US person who is a director or officer in a foreign corporation. According to IRC Section 6038(b)(1), failure to timely file a form 5471 disclosure may result in the assessment of a \$10,000 penalty for each filing. We assume no liability for penalties associated for failure to file any required form 5471 disclosures. We are available to prepare these forms, if necessary, based on information provided by you.

If your company maintains a qualified pension plan, certain types of welfare benefit plans, or a cafeteria plan; you may be required to file an annual Form 5500, Annual Return/Report of Employee Benefit Plan. Additionally, this engagement letter does not include in its scope any federal, state or other administrative required employee filings (e.g. Forms W-4, 1099, 3921, 3922, DE 34, DE 542).

We may encounter instances where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. There are many tax authorities (court cases, statutes, regulations, etc.), which are constantly changing. If we report an item or transaction based on a conflicting authority

that favors you as opposed to the IRS, the possibility exists that the IRS may disagree with the position taken. Improperly valuing an item, inadvertently omitting information on a transaction, or taking a position contrary to the IRS could result in the assessment of a penalty. Currently, the IRS and state taxing authorities are aggressive in assessing penalties. Though we will provide guidance, you have the final responsibility for the handling of each item on your return as well as the overall correctness of the return.

Your returns may be selected for examination by the federal or state taxing authorities. Upon your request, we are available to represent you with the taxing authorities. Additional invoices will be rendered for the services provided.

During the course of the engagement, we may provide you with business and tax advice, but we are not obligated to do so unless you specifically request us to perform a specific service

c. Personnel. Company shall assign employees and subcontractors with suitable qualifications to perform the Services. Company may replace or change employees and subcontractors as required. The Client and Company agrees that for the term of this Agreement and for a further period of one year following any expiration or termination thereof, neither they nor their subsidiaries or any other affiliated company of either of them shall directly or indirectly solicit for employment, employ or otherwise retain staff/sub-contractors of the other Party with whom they came into contact as a result of the performance of services under this Agreement.

d. Client's Obligations. Client acknowledges that Client's timely provision of (and Company's access to) Client assistance, cooperation, and complete and accurate information and data from Client's officers, agents, and employees ("Cooperation") is essential to the performance of the Services, and that Company shall not be liable for any deficiency in performing the Services if such deficiency results from Client's failure to provide full cooperation as required hereunder. Cooperation includes, but is not limited to, designating qualified personnel to interface with Company during the course of the Services and allocating and engaging additional resources as may be required to assist Company in performing the Services. Client is responsible for reviewing the work submitted by the Company and communicating errors as necessary. The Client will not alter, change, or modify data that is being processed without informing the Company. Use of the Service does not relieve Client of responsibility, including responsibility to any third party, for the preparation, content, accuracy, and review of any accounting transactions or any other professional obligations Client may owe to third parties.

e. Software Licenses. Client holds valid licenses for the accounting or other software that it wants the Company to use, and warrants that the licenses held grant Company employees the rights to the use of such software.

f. Modifications. Any modifications to this Agreement will be in writing. The parties may enter into one or more written

addendums to the Agreement setting forth additional or other terms and conditions ("Addendums 1 All Addendums will be signed by both parties and specifically designated as an Addendum to the Agreement shall be part of and shall amend the Agreement.

2. TERM AND TERMINATION.

a. Effective Date and Term. The effective date of the Agreement is the effective date as set forth in the engagement letter. The term ("Term") of the Agreement shall be one year commencing as of the Effective Date

b. Irrespective of 2a. either party can terminate the agreement for any reason by giving the other party a written ninety (90) day notice

c. Termination for Breach. In the event that either party shall fail to perform any of its obligations pursuant to this Agreement and such failure shall continue for a period of thirty (30) days following written notice from the other party, this Agreement also may be terminated by the non-breaching party by giving a notice of termination to the other party. Client shall pay Company for all Services performed and expenses incurred up through termination date.

d. Return of Software and Materials. Upon termination of the Agreement, Client shall cease all further use of the Service, Software and Materials as described in section 4, and at Company's direction, shall return them to Company or confirm in writing to Company that all copies of the Software and Materials have been destroyed. Client owns all right, title and interest in Customer data during the Term of the Agreement and upon termination for any reason. It is the Client's responsibility to request, by notice to the Company, the return of Customer Data within thirty (30) days of termination of the Agreement. Client shall be responsible for paying reasonable fees associated with delivery of Customer Data. Following the thirty-day period, Company shall destroy all Customer Data.

e. Survival. All rights and obligations of the respective parties under this Agreement relating to payments of fees and other amounts due and owing; all representations and warranties of each of the parties; all rights and obligations and disclaimers and limitations of or for the respective parties hereof to the extent necessary for the enforcement of such rights or obligations; and any claim or cause of action for breach or violation of this Agreement existing as of the date of termination; each shall not terminate and shall survive and remain in full force and effect until the relevant rights and obligations of the parties have been fully discharged and satisfied

3. CHARGES AND PAYMENTS

Client shall pay to Company the applicable fees set forth in the engagement letter for the Services and features of the Service that Client requests. Unless otherwise stated in the engagement letter, all fees and charges specified for the Service shall be due and payable on the first of each monthly period starting with the Effective Date. Client will execute and authorize payment via ACH debit. Any other forms of payment are subject to an administrative charge equal to 1.0% of the invoiced amount. All unpaid and delinquent

amounts shall bear interest at the rate of one and one-half percent (1.5%) per month (or the maximum rate permitted by applicable law, whichever is less). Client agrees to pay any sales, service and use taxes charged by any state or local government entity in any of the State where the Agreement is performed.

4. TITLE, COPYRIGHT AND CONFIDENTIALITY

a. Confidential Information. By virtue of this Agreement, the parties will have access to information that is confidential to one another or to the Client's customer ("Customer") or creditors thereof. The Confidential Information of Client's Customer includes its nonpublic booking or accounting data and other proprietary information. Confidential Information does not include that which (a) is already in the other party's ("Recipient") possession at the time of disclosure to the Recipient, (b) is or becomes part of general public knowledge other than as a result of any action or inaction of the Recipient, (c) is obtained by the Recipient from an unrelated third party without a duty of confidentiality, (d) is independently developed by the Recipient without reference to any Confidential Information of the Disclosing Party. Without limiting the generality of, and notwithstanding the exclusions described in, the foregoing, Confidential Information of both parties includes the terms and pricing under this Agreement.

b. Title and Copyrights. The Service as well as any Company or third party software ("Software") which may be provided by the Company to utilize the Service and all related materials and documentation ("Materials"), are the valuable, confidential, copyrighted and trade secret property of the Company and/or its third party licensors which own all right, title and interest in and to the Service, Software and Materials, including without limitation all current and future enhancements, modifications, technology, new releases and updates thereof and derivative works based thereon, improvements and revisions, and all copyrights, trade secrets and patents herein. Copying, reverse engineering or modifying the Service, Software and Materials is forbidden. Client shall use the Service, Software and Materials only for the purposes explicitly authorized in the Agreement.

c. Restriction on Use. The Recipient shall not use Confidential Information of the Disclosing Party for any purpose other than in furtherance of this Agreement and the activities described herein. The Client shall not disclose Confidential Information of the Disclosing Party to any third parties except as otherwise permitted hereunder. The Recipient may disclose Confidential Information of the Disclosing Party only to those employees or agents or contractors who have a need to know such Confidential Information and who are bound to retain the confidentiality thereof under provisions (including but not limited to provisions relating to nonuse and nondisclosure) no less restrictive than those required by the Recipient for its own Confidential Information. The Recipient shall maintain Confidential Information of the Disclosing Party with at least the same degree of care it uses to protect its own proprietary information of a similar nature or sensitivity, but no less than reasonable care under the circumstances. Each party shall advise the other party in writing of any misappropriation or misuse of Confidential Information of

the other party of which the notifying party becomes aware.

d. Transmission Security. ALL USE OF THE INTERNET AND THE COMPANY OR ITS PARTNERS' WEBSITE, INCLUDING USERNAMES AND PASSWORDS, IS SOLELY AT THE RISK OF CLIENT AND COMPANY CANNOT ASSUME ANY RESPONSIBILITY OR LIABILITY FOR THE SECURITY OF SUCH INFORMATION TRANSMITTED VIA THE INTERNET OR BY E-MAIL.

5. LIMITED WARRANTY.

a. Limited Express Warranty. Company hereby represents and warrants to the Client that the Services will be performed in a professional and workmanlike manner, provided that the Client furnishes Company with all required information and data in the form required by Company. Company is not responsible for any errors or omissions by Client, Client's Customer(s) or any third party. In the event of a breach of the warranty set forth in this Section, the parties agree that Company, as Company's sole and exclusive obligation, and Client's sole and exclusive remedy, re-perform the Services.

b. No Other Warranties. EXCEPT AS SPECIFICALLY PROVIDED IN THIS SECTION, COMPANY MAKES NO OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, AS TO ANY OTHER MATTER WHATSOEVER, INCLUDING WITHOUT LIMITATION THE QUALITY OR ACCURACY OR COMPLETENESS OR CONDITION OF THE SERVICES OR ANY COMPUTATIONS OR WORK PRODUCT DEVELOPED OR PRODUCED HEREUNDER OR WHETHER SUCH SERVICES OR COMPUTATIONS OR WORK PRODUCT ARE ERROR-FREE, AND COMPANY HEREBY EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE OR NEED, ACCURACY AND COMPLETENESS, SECURITY OF ANY NETWORK OR SERVER OR WEB SITE, NON INFRINGEMENT OF THIRD PARTY RIGHTS, TITLE, AND ANY WARRANTIES THAT MAY ARISE FROM COURSE OF DEALING, COURSE OF PERFORMANCE OR USAGE OF TRADE. CLIENT SHALL NOT (AND SHALL TAKE ALL MEASURES NECESSARY TO ENSURE THAT ITS AGENTS, CONTRACTORS AND EMPLOYEES DO NOT) MAKE OR PASS THROUGH ANY WARRANTY ON BEHALF OF COMPANY TO ANY CUSTOMER OR OTHER THIRD PARTY.

c. Warranties of CLIENT. The Client hereby warrants and represents to Company that (i) the Client is the sole owner of and has the full legal right and power to disclose and transmit to the Company each and all of the data and/or information provided by the Client to Company hereunder; and (ii) such disclosure to and use by the Company of such data and/or information under this Agreement in the performance of the Services will not violate or infringe upon or misappropriate the rights of any third person or entity. Client shall fully indemnify and hold harmless Company and its affiliates, successors, assigns, directors, officers, agents, employees and contractors from all claims, legal actions, losses, damages or other expenses in the event of any breach or alleged breach of this provision.

6. LIMITATION OF LIABILITY.

a. General Limitation. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW AND NOTWITHSTANDING ANY OTHER PROVISION IN THIS AGREEMENT OR ANY OTHER APPLICABLE AGREEMENT TO THE CONTRARY OR ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY OR LIMITATION OF LIABILITY, COMPANY'S AGGREGATE LIABILITY TO THE CUSTOMER OR ANY THIRD PERSON OR ENTITY (INCLUDING BUT NOT LIMITED TO ANY CUSTOMER/CUSTOMERS, STOCKHOLDERS OR OTHER EQUITY OWNERS OR CREDITORS OR LENDERS OF CUSTOMER) FOR DAMAGES OR LOSSES IN CONNECTION WITH THIS AGREEMENT AND/OR THE SERVICES PROVIDED PURSUANT TO THIS AGREEMENT OR ANY ACT OR OMISSION WITH RESPECT THERETO, REGARDLESS OF THE FORM OF ACTION GIVING RISE TO SUCH LIABILITY (UNDER ANY THEORY, WHETHER IN CONTRACT, TORT, STATUTORY OR OTHERWISE) SHALL NOT EXCEED ONE MONTH'S FEES PAID BY CLIENT TO COMPANY PURSUANT TO THIS AGREEMENT.

b. Limitation on Other Damages. EXCEPT AS PROVIDED IN THIS SECTION COMPANY'S ENTIRE LIABILITY AND CLIENT'S EXCLUSIVE REMEDY FOR DAMAGES DUE TO PERFORMANCE OR NONPERFORMANCE OF THE SERVICE, OR ANY OTHER CAUSE WHATSOEVER, AND REGARDLESS OF THE FORM OR ACTION, WHETHER IN CONTRACT OR IN TORT, INCLUDING NEGLIGENCE, SHALL BE LIMITED TO FIXING THE SERVICES ERROR. COMPANY'S LIABILITY FOR ALL CLAIMS ARISING OUT OF THIS AGREEMENT, WHETHER IN CONTRACT TORT OR OTHERWISE, SHALL BE LIMITED TO THE AMOUNT OF THE SERVICE FEES PAID BY THE CLIENT FOR THE SPECIFIC SERVICES INVOLVED DURING THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE OCCURANCE GIVING RISE TO SUCH LIABILITY. IN NO EVENT SHALL COMPANY BE LIABLE FOR ANY LOSS OF DATA, LOSS OF BUSINESS PROFITS, BUSINESS INTERRUPTION, OR OTHER SPECIAL INCIDENTAL CONSEQUENTIAL, PUNITIVE OR INDIRECT DAMAGES ARISING FROM OR IN RELATION TO THE AGREEMENT OR THE USE OF THE SERVICES. HOWEVER CAUSED AND REGARDLESS OF THE THEORY OF LIABILITY, THIS LIMITATION WILL APPLY EVEN IF SUCH PARTY HAS BEEN ADVISED OR IS AWARE OF THE POSSIBILITY OF SUCH DAMAGES.

c. Acknowledgement. CLIENT ACKNOWLEDGES THAT THE DISCLAIMERS OF WARRANTIES CONTAINED IN SECTION 5 AND THE LIMITATIONS OF LIABILITY CONTAINED IN THIS SECTION AND IN SECTION 4 ARE FUNDAMENTAL PARTS OF THE BASIS OF COMPANY'S BARGAIN HEREUNDER, AND COMPANY WOULD NOT ENTER INTO THIS AGREEMENT ABSENT SUCH DISCLAIMERS AND LIMITATIONS.

7. GENERAL.

a. Integration. The Agreement (including these Terms and Conditions and any Supplement or exhibit hereto) is the sole agreement between the parties relating to the subject matter hereof, and supersedes all prior or contemporaneous

proposals, understandings, representations, warranties, promises and other communications, whether oral or written, relating to such subject matter; provided that the Agreement is not intended to supersede the terms and conditions of the Company Website (including the Privacy Policy of such Website) to the extent not in conflict with the Agreement. In the event of any conflict, the terms of the Agreement shall prevail.

b. Governing Law. The Agreement is to be construed in accordance with and governed by the internal laws of the State of California without reference to conflicts of law principles.

c. Modification and Waiver. No amendment or modification to this Agreement shall be valid or binding upon the parties unless in writing and signed by an officer of each party. No failure or delay on the part of either party in the exercise of any right or privilege hereunder shall operate as a waiver thereof or of the exercise of any other right or privilege hereunder, nor shall any single or partial exercise of any such right or privilege preclude other or further exercise thereof or of any other right or privilege.

d. Severability. If any provision of the Agreement is held by a court of competent jurisdiction or by an arbitrator hereunder to be unenforceable for any reason, the remaining provisions hereof shall be unaffected and remain in full force and effect.

e. Binding Effect; Non-Assignable by Client. No right or obligation of the Client under the Agreement may be assigned, delegated or otherwise transferred, whether by agreement, operation of law or otherwise, without the express prior written consent of Company, and any attempt to assign, delegate or otherwise transfer any of the Client's rights or obligations hereunder without such consent shall be void. Subject to the preceding sentence, the Agreement shall bind each party and its permitted successors and assigns. Company may assign any of its rights or obligations under the Agreement upon consent of the Client. Said consent should not be withheld unreasonably.

f. Notices. Any notice or communication permitted or required hereunder shall be in writing, shall be in the English language and shall be delivered

(a) By personal delivery,

(b) By an internationally recognized overnight air courier service, or

(c) By facsimile, using equipment that provides written confirmation of receipt, addressed to the other party at the address or facsimile number stated herein or another address or facsimile number provided to the sending party by notice hereunder; addressed to Company at:

2600 El Camino Real Suite 601 Palo Alto CA 94306,

and to the Client at the address set forth in the Agreement,

or to such other address as shall be given in accordance with this Section. Any notice shall be deemed given on the date delivered if delivered personally or by overnight air courier service; or if by facsimile, on the day following the date of

transmission if the facsimile is legible.

g. Force Majeure. Both parties shall be excused from performance under this Agreement for any period to the extent that a party is prevented from performing any obligation, in whole or in part, as a result of causes beyond its reasonable control and without its negligent or willful misconduct, including without limitation, acts of God, natural disasters, war or other hostilities, labor disputes, civil disturbances, riot, governmental acts, orders or regulations, third party nonperformance or failures or fluctuations in electrical power, heat, light, air conditioning or telecommunications equipment.

h. Construction. The captions and section and paragraph headings used in this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement. When the context requires, the singular shall include the plural and the plural the singular and any gender shall include all other genders. Both parties have had an opportunity to review and obtain legal advice regarding this Agreement and its effects; and this Agreement shall not be construed against the drafter thereof.

i. Relationship of Parties. This Agreement shall not be construed as creating an agency, partnership, joint venture or any other form of association, for tax purposes or otherwise, between the parties, and the parties shall at all times be and remain independent contractors. Except as expressly agreed by the parties in writing, neither party shall have any right or authority, express or implied, to assume or create any obligation of any kind, or to make any representation or warranty, on behalf of the other party or to bind the other party in any respect whatsoever.

j. Non-solicitation. During the period of Service to the Client by the Company and for the one year period immediately following the date of termination of Service, Client and Company shall not directly or indirectly solicit or induce each other's customers, clients, vendors, suppliers, employees or consultants to terminate its relationship with the Client or Company for the purpose of associating with any competitor, including each other, of the Client or Company or otherwise encourage such customers, clients, vendors, suppliers, employees or consultants then under contract to terminate its relationship with the Client or Company for any reason.

In the event the Client directly engages the Company's employees, contractors, contractors' personnel, or the Company's ex-employees, ex- contractors, or contractors' ex-personnel whose last employment or engagement with the Company was within 6 months, ("Company Personnel"), the Client agrees to pay the Company a conversion fee. This will be calculated as one-third of a hired candidate's total first-years total compensation as using the payment terms in Section 3 of this agreement. The same calculation will be

used if the Client converts Company Personnel on a part-time basis using the full-time equivalent salary.

The Client also agrees to not refer Company Personnel for direct employment or business relationships with other companies or, alternately, the Client agrees to pay the conversion fee if Company Personnel conduct business or are hired or as a result of the Client's referral. The conversion fee is payable regardless of the employment classifications, including permanent, temporary (including permanent or temporary engagements through another company) or consulting basis within 24 months after the later of the date of the Company Personnel's introduction or interview with the Client or the last day of the Company Personnel's engagement with the Client

k. Arbitration; Litigation; Legal Fees. (i) Any controversy or claim arising out of or relating to the Agreement, or a breach of the Agreement, shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules. The arbitration shall be conducted by a neutral arbitrator in San Jose, California, DSA; and shall be conducted in the English language. (ii) The arbitrator's decision will be final and binding on both parties. Judgment upon the award rendered in the arbitration may be entered in any court of competent jurisdiction. (iii) In any judicial action between the parties to enforce any of the provisions of this Agreement or any rights of any party under this Agreement, regardless of whether such action or proceeding is prosecuted to judgment and in addition to any other remedy, the prevailing party shall be entitled to receive its attorneys' fees, court costs and other collection expenses from the other party, in addition to any other relief the prevailing party may receive.

l. Acknowledgement. Client acknowledges that Client has read and understands the Agreement, that it constitutes the entire and exclusive Agreement between the parties and that it supersedes all prior communications, negotiations, representations and proposals, written or oral between the parties. Its terms cannot be modified, supplemented or rescinded except by Agreement in writing signed by both parties. Neither party shall be bound nor liable to the other party for any representation, promise of inducements made by any agent person in the other's employ, which is not embodied in this Agreement. In the event of any discrepancy or inconsistency between this Agreement any other form, other than the Appendices, used either party in concession herewith, the terms of this Agreement shall govern.

m. Counterparts; Faxed Signatures. The Agreement may be executed in several counterparts, all of which shall constitute one agreement. Any legible signature of a party contained in a facsimile transmission from such party shall be deemed an original signature for all purposes.