

SERVICE AND CALIBRATION AGREEMENT

This Service and Calibration Agreement (the "Agreement") is made as of May 21, 2009 (the "Effective Date") by and between:

INSTANTEL, a division of Xmark Corporation (herein "InstanTEL") and University of Zagreb, Faculty of mining, geology and petroleum engineering, a corporation organized and existing under the laws of the Croatia having its principal place of business at Pierottijeva 6, 10002 Zagreb, Croatia.

BACKGROUND TO AGREEMENT

InstanTEL develops, manufactures, markets and sells vibration and acoustic monitoring equipment used to monitor environmental effects. This equipment requires periodic calibration to ensure that the readings made are accurate.

InstanTEL appoints calibrators, where InstanTEL Products are sold, for the purpose of calibrating equipment. These calibrators are trained by InstanTEL and are entitled to represent themselves out as an InstanTEL Authorized Service and Calibration Center. The Calibrator wishes to become an authorized center and has agreed to be bound by the provisions of this Agreement. The Calibrator acknowledges that adherence to the standards for calibrating Products prescribed by InstanTEL in this Agreement is reasonable and necessary for the preservation and enhancement of InstanTEL's name and goodwill.

NOW THEREFORE, in consideration of the foregoing, the mutual covenants herein contained and other good and valuable consideration, the Parties agree as follows:

ARTICLE 1.00 INTERPRETATION

Section 1.01 Definitions.

In this Agreement the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have a corresponding meaning:

- (a) "Calibration Equipment" means an instrument or device used to calibrate the Products as specified in Appendix (A).
- (b) "Calibration Software" means InstanTEL's proprietary Blastware® software and dongle.
- (c) "Calibration Standards" means the standards specified by InstanTEL in accordance to the test specifications.
- (d) "Confidential Information" means the Proprietary Technology and all financial and other information of InstanTEL including all technical information, data, designs, specifications, formulae, know how, business opportunities, process and equipment, methodology, customer lists, sales forecasts, sales and marketing strategies including all notes, memoranda, papers, drawings, reports and all documents and other materials but for greater certainty does not include information which is available to the public or is in the public domain.
- (e) "Test Specifications" are the procedures and methodology used to calibrate the Products. These manuals are from time to time up-dated and revised by InstanTEL.
- (f) "Products" means InstanTEL's monitoring equipment or devices as specified in Appendix (A).
- (g) "Proprietary Technology" means the inventions, patents, industrial designs, copyright, trade marks and trade secrets of InstanTEL in the Products and for greater certainty such other additional patents, industrial designs, copyright, trade marks, trade names, trade secrets and intellectual property rights which are from time to time developed by InstanTEL and its employees, agents and/or independent contractors acting for or on behalf of InstanTEL.
- (h) "Recognized Standard" means the reference standard for calibrating precision instruments maintained by National Institute of Standards and Technology (NIST) or other such national recognized standard.
- (i) "Traceable Calibration" means the record which documents the calibration of each instrument or device in a series from the first instrument or device leading back to a Recognized Standard.
- (j) "Trade Marks" means InstanTEL's trade marks that InstanTEL in writing authorizes the Calibrator to use.

Section 1.02 Entire Agreement.

This Agreement and its schedules, if any, constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties and there are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth herein. No supplement, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the parties hereto.

Section 1.03 Law of Ontario.

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the applicable laws of Canada and shall be treated in all respects as an Ontario contract. The Parties hereto irrevocably agree to the jurisdiction of the courts of the Province of Ontario.

**ARTICLE 2.00
APPOINTMENT AND DUTIES OF
CALIBRATOR**

Section 2.01 Appointed as an InstanTEL Calibrator.

Subject to the terms set forth in this Agreement, InstanTEL hereby appoints the Calibrator, and the Calibrator accepts appointment by InstanTEL, to be a non-exclusive, independent InstanTEL Authorized Service and Calibration Center.

Section 2.02 Grant of License.

Subject to its right so to do and the provisions of this Agreement, InstanTEL hereby grants to the Calibrator a non-exclusive, right and license during the term of this Agreement:

- (i) to identify itself as an "Authorized InstanTEL Service and Calibration Center".
- (ii) to use Trade Marks subject to the provisions of Section 6.01 hereof.

For greater certainty, the Calibrator shall not in any manner represent or imply that InstanTEL has certified any of the work or the accuracy of the calibration services of the Calibrator.

Section 2.03 Obligations and Duties of Calibrator.

The Calibrator agrees that adherence to InstanTEL's requirements are essential to ensure that the goodwill associated with InstanTEL's name and Products is

maintained and enhanced. The Calibrator covenants and agrees with InstanTEL as follows:

- (a) at all times the Calibrator shall employ at least one employee who has taken and passed InstanTEL's training pursuant to Section 3.01 or Section 3.02.
- (b) no employees of the Calibrator other than those who have taken and passed InstanTEL's training pursuant to Section 3.01 or Section 3.02 shall calibrate Products.
- (c) the Calibrator shall use only Calibration Equipment specified by InstanTEL.
- (d) the Calibrator shall maintain, service and not less than once every twelve (12) months verify the accuracy of the Calibration Equipment in accordance with the manufacturers recommendations and in any event to the highest standard.
- (e) the Calibrator shall comply with the procedures and methodology of InstanTEL for the calibration of Products.
- (f) the Calibrator shall use the Calibration Software for each and every calibration of a Product and no other computer software.
- (g) The Calibrator shall ensure that all Products brought in for calibration are calibrated and ready for return to its customers in a period which is not more than fifteen (15) calendar days for its standard calibration.
- (h) The Calibrator shall maintain sufficient levels of Calibration Software and other components to ensure that it may comply with the time frame specified in (g) above.
- (i) The Calibrator shall provide a calibration certificate, in the format of Appendix (B), for each Product calibrated. This certificate will provide traceability to the reference equipment used to calibrate the Products.

Section 2.04 Service Obligations and Duties.

- (a) The Calibrator is authorized during the term of this Agreement to maintain, service, and repair Products but limited to the following tasks:
 - (i) general cleaning.
 - (ii) printed circuit board replacement.
 - (iii) battery replacement.

- (iv) printer replacement.
 - (v) replacement of cables and other components which do not require soldering.
- (b) InstanTel and Calibrator shall deliver customer warranties on the Products serviced as follows:
- (i) InstanTel shall warrant parts supplied by it against defects in manufacture for ninety (90) days.
 - (ii) Calibrator shall warrant labour and defects in workmanship of the service or repair made by it for a period which is not less than ninety (90) days.
- (c) The Calibrator shall not attempt to repair but shall deliver to InstanTel, or an InstanTel repair depot, Products which require soldering of components or repairs to any printed circuit board.

Section 2.05 Qualification and Reports.

- (a) Personnel of Calibrator:
- (i) InstanTel has right to verify and approve the qualifications of all personnel of the Calibrator who calibrate and/or service the Products. Forthwith upon request from InstanTel, the Calibrator shall provide the names and qualifications of its employees who calibrate Products.
 - (ii) The Calibrator shall not permit any of its employees to calibrate Products except those employees whose qualifications have been approved by InstanTel pursuant to Section 3.01 or Section 3.02.
 - (iii) InstanTel, on written notice to the Calibrator, shall have the right to require employees of the Calibrator take training, or remedial training, at InstanTel's premises and at the cost of the Calibrator, but otherwise in compliance with Section 3.01 or Section 3.02.
- (b) Reports: The Calibrator shall deliver to InstanTel not less than annually, a written report setting forth:
- (i) a list of names and qualifications of the employees of the Calibrator who have made calibrations on Products in the previous twelve (12) months.

- (ii) a list of calibration equipment used for calibration by the calibrator (identified by serial number) in the previous twelve (12) months.
 - (iii) a written Traceable Calibration for each of the instruments or devices in (ii) above.
 - (iv) a list of all the Products that have been calibrated.
- (c) Send one calibrated Product to InstanTel to be checked for accuracy.

Section 2.06 Other Standards.

InstanTel shall have the right to require that the standards of the nation, state or jurisdiction apply. Such standards shall be effective and binding upon the Calibrator thirty (30) days after delivery by InstanTel to the Calibrator of written notice.

Section 2.07 Non-Competition.

During the term of the Agreement, the Calibrator will not by itself, or any through any Affiliate, market, sell, service or calibrate any Product which is competitive to any of the Products, directly or indirectly in any manner whatsoever including as principal, agent or shareholder.

Section 2.08 Independent Contractor Relationship

Nothing contained in this Agreement shall create an agency relationship, joint venture, partnership or other like arrangement between the Parties, shall be construed to make either Party the agent for the other Party for any purpose, and neither Party shall have any right whatsoever to incur any liabilities or obligations on behalf of or binding upon the other party. The Calibrator has not been granted a franchise, and the Calibrator is not an agent of InstanTel. Neither Party shall have the power or authority to represent the other Party in any manner. Each Party will act as an independent contractor in accordance with the terms of this Agreement and will not at any time represent orally or in writing to any person or corporation or other business entity that it has any right, power or authority not expressly granted by this Agreement. The Calibrator shall not commit InstanTel to any contractual obligation, make any warranties or representations purportedly on behalf of or approved by InstanTel with respect to Products other than those set forth in InstanTel's supplied material.

ARTICLE 3.00 INSTANTEL OBLIGATIONS

Section 3.01 Initial Training.

InstanTEL shall provide initial training to the Calibrator in accordance with the following:

- (a) InstanTEL will train up to two (2) employees of the Calibrator. The Calibrator may send more than two (2) employees but for each extra employee the Calibrator shall pay an additional training fee at InstanTEL's then prevailing rate.
- (b) The training will take place at InstanTEL's facility in Ottawa, Ontario or such other place as determined by InstanTEL.
- (c) all transportation, accommodation, meals and other expenses of the employees on training or instructor providing the training shall be the responsibility of and paid by the Calibrator.
- (d) the training will be approximately two (2) days in duration.

Section 3.02 Subsequent Training.

InstanTEL will during the Term of this Agreement provide additional training to employees of the Calibrator at the cost of the Calibrator based on InstanTEL's then prevailing training charge rate.

Section 3.03 On-going Obligations.

InstanTEL shall deliver to the Calibrator, InstanTEL's test specifications with the initial training pursuant to Section 3.01. InstanTEL shall on a quarterly basis during the term of this Agreement deliver updates to InstanTEL's test specification as and when the same are issued.

ARTICLE 4.00 FINANCIAL MATTERS

Section 4.01 Initial and Annual Maintenance Payments.

- (a) Initial Payment: Upon execution of this Agreement, the Calibrator shall pay InstanTEL the sum specified in Appendix (A) plus applicable taxes as provided for in Section 4.05.
- (b) Annual Maintenance Payment. The Calibrator shall make payment to InstanTEL on an annual basis as specified in Appendix (A) failing which this Agreement shall terminate.

Section 4.02 Purchases.

- (a) Calibrator shall order and purchase Calibration Software and other Products from InstanTEL by written, irrevocable purchase orders.
- (b) InstanTEL reserves the right to reject or cancel any Purchase Order, in whole or in part if the Calibrator is then in breach of this Agreement.

Section 4.03 Prices.

- (a) The price for the Calibration Software is based on the number of calibrations of Products that such software permits. The current price is in Appendix (A). InstanTEL reserves the right to change prices and the effective date of such change shall be the thirtieth day following notice thereof to the Calibrator.
- (b) All prices are FOB Ottawa, Ontario Canada. InstanTEL shall be deemed to have delivered all Calibration Software and other Products when such are put in the custody of a carrier at InstanTEL's shipping dock, at which time all risk of loss or damage shall pass to Calibrator notwithstanding the reservation of title in InstanTEL as provided in Section 4.04(b) of this Agreement. The Calibrator shall bear all costs of freight, freight insurance and associated costs and shall make all arrangements for same. Within thirty (30) days after receipt of any Calibration Software or related goods by Calibrator, Calibrator shall notify InstanTEL in writing of any defect in or damage to such Calibration Software or related goods. Failure to do so shall be deemed conclusive proof that such defect or damage is not attributable to the fault of InstanTEL and shall constitute a waiver of all claims against InstanTEL arising out of such defect or damage.

Section 4.04 Payment.

- (a) Invoices shall be paid prior to the shipment of Products unless InstanTEL authorizes credit. The level of credit authorized by InstanTEL may be increased, decreased or eliminated at anytime.
- (b) Title to Products purchased from InstanTEL (excluding copyright and other intellectual property therein) and all other Products purchased from InstanTEL by Calibrator shall pass upon transfer from InstanTEL's warehouse to the carrier. Notwithstanding the foregoing, InstanTEL shall maintain a beneficial interest in such Products until InstanTEL has been paid in full.

Section 4.05 Taxes.

The fees and prices set forth herein are exclusive of taxes, and Calibrator is responsible for any sales, use, inventory, value added and like taxes or duties for the Calibration Software, services, and other Products purchased by it, including Products to which title has not yet passed.

ARTICLE 5.00 INSURANCE AND INDEMNITIES

Section 5.01 Indemnity from Calibrator.

The Calibrator agrees to indemnify and hold InstanTel harmless from and against any and all loss, damage or cost, including legal expenses and counsel fees, for which InstanTel becomes liable to third parties by reasons of acts, or failures to act, of the Calibrator in calibrating, cleaning, maintaining, servicing, and repairing Products and/or its systems incorporating Products, including, but not limited to:

- (a) representations and warranties made by the Calibrator regarding the use or performance of the Products.
- (b) improper or inaccurate calibration of the Products.

Section 5.02 Insurance.

The Calibrator is obligated to obtain errors and omissions insurance to one million dollars US (\$1,000,000) coverage, name InstanTel as an additional named insured and provide proof of insurance to InstanTel. Such coverage shall include within the schedule of covered professional services those duties as outlined in Section 2.04(a) of the Agreement. Such coverage shall not be terminated without at least thirty (30) days' prior written notice to InstanTel.

ARTICLE 6.00 INTELLECTUAL PROPERTY

Section 6.01 Trade Marks.

- (a) The Calibrator acknowledges and agrees that it has no right, title or interest in the Trade Marks. The Calibrator shall not use the Marks in any way other than in accordance with the provisions of this Agreement or except as may be expressly authorized by InstanTel in writing.
- (b) The Calibrator shall only use the Trade Marks for display and marketing uses only to promote the sale of the Calibrator's services.

(c) The rights of display and use created in this Section 6.01 shall continue for only so long as this Agreement remains in force and upon termination of this Agreement, the Calibrator will purge the Trade Marks from all materials, letterheads, signs and any other media in its possession and thereafter the Calibrator shall not use any Trade Mark in connection with any Product, service or business which would be likely to cause confusion in the minds of the public between InstanTel or its Products and any such Product, service or business.

- (d) The Calibrator shall prior to public display of any materials containing or depicting any of the Trade Marks, deliver a copy of such materials to InstanTel for review. InstanTel shall within seven (7) days of receipt of such material advise the Calibrator in writing if the materials are approved or if not approved, the corrections required. The Calibrator shall not display or use any materials containing or depicting the Trade Marks until approval in writing from InstanTel is first obtained.
- (e) The Calibrator covenants and agrees to abide by any usage rules established from time to time by InstanTel in respect to the Trade Marks.

Section 6.02 Intellectual Property.

The Calibrator hereby acknowledges and expressly agrees that the Products and the Calibration Software are valuable assets and trade secrets of InstanTel. These Products and the Calibration Software and all copies thereof are and shall remain the property of InstanTel, and that all applicable rights in patent, copyright, trade mark, and trade secrets in the Products and the Calibration Software are and will remain with InstanTel. The Calibrator shall not sell or transfer or, except to the extent that is necessary for the Calibrator to perform its obligations under this Agreement or upon the express written authority of InstanTel, make available the Products and the Calibration Software or their constituent elements to any other person, firm or business entity. The Calibrator agrees to take the same steps to secure and protect the Products and the Calibration Software as it employs to maintain its own property rights and trade secrets and without limiting the generality of the foregoing, to take appropriate action by instruction or agreement with its officers, employees and agents who are permitted access to the Product or Calibration Software or copies thereof.

The Calibrator shall not alter or modify any of the Product or Calibration Software or their constituent elements and it shall not:

- (a) reverse engineer, interrogate, or decode any of the Products or program components of the Products or Calibration Software.
- (b) attempt to bypass or to defeat any protection methods which have been applied by InstanTel to prevent unauthorized uses of the Products or Calibration Software.
- (c) attempt any other procedure to put any of the program components into human readable form.

Section 6.03 Confidential Information.

The Calibrator acknowledges that it has and will have access to and will be entrusted with Confidential Information of InstanTel the disclosure of which to competitors of InstanTel or to the general public would be highly detrimental to InstanTel. The Calibrator covenants and agrees with InstanTel that the right to maintain confidential such Confidential Information constitutes a proprietary right of InstanTel which InstanTel is entitled to protect. The Calibrator will not disclose any such Confidential Information to any person or use the same for any purposes other than those of InstanTel.

**ARTICLE 7.00
TERM AND TERMINATION**

Section 7.01 Term

The effective date of this Agreement is the date it is signed by InstanTel. Provided that the Calibrator makes payment pursuant to Section 4.01(b) prior to the end of the term (or renewal term) this Agreement shall extend for one (1) year following its effective date and shall be automatically renewed thereafter from year to year unless terminated by either party.

Section 7.02 Termination

Either party shall have the right at any time thereafter to terminate or cancel this Agreement upon giving ninety (90) days written notice. InstanTel can terminate effective immediately if:

- (a) if there is any other breach of the provisions of this Agreement by the Calibrator and the Calibrator does not rectify such breach within thirty (30) days of written notification from InstanTel. The Calibrator agrees to immediately notify InstanTel of any circumstances that would give InstanTel grounds to terminate this Agreement.
- (b) InstanTel shall not by reason of the termination of this Agreement be liable to the Calibrator for any

loss, reimbursement, compensation or damages including, without limitation, the loss of present or prospective profits on sales or anticipated sales or of expenditures, investments or commitments made either in connection therewith or in connection with the establishment, development or maintenance of the Calibrator's business.

Section 7.03 Events Upon Termination

Upon the effective date of termination, the Calibrator shall pay InstanTel for all Calibration Software and all other Products delivered irrespective of the date of delivery and all other amounts to which InstanTel is entitled under this Agreement or any Purchase Orders.

Section 7.04 Survival of Agreement

The provisions of ARTICLE 6.00 shall survive the termination of this Agreement.

**ARTICLE 8.00
MISCELLANEOUS**

Section 8.01 Notices.

Any communication between InstanTel and the Calibrator shall be conducted in English.

Section 8.02 No Partnership.

Nothing in this agreement shall be deemed in any way or for any purpose to constitute any party a partner of any other party to this Agreement in the conduct of any business or otherwise, or a member of a joint venture or a joint enterprise with any other party to this Agreement.

Section 8.03 Assignment.

This Agreement and the rights of any party hereto may not be assigned without the prior written consent of InstanTel.

Section 8.04 Counterparts.

This Agreement may be executed in several counterparts each of which so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and notwithstanding their date of execution shall be deemed to bear date as of the date above written.

Section 8.05 Successors and Assigns.


This Agreement shall ensure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

Section 8.06 Partial Invalidity.

If any provision of this Agreement or the application thereof to any Person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to Persons or circumstances other than those as to which it is held invalid or unenforceable, will not be affected thereby and each provision of this Agreement will be valid and enforced to the fullest extent permitted by law and be independent of every other provision of this Agreement.

WHEREOF the Parties have executed this Agreement this 26 day of May, 2009.

InstanTel, a division of Xmark Corporation

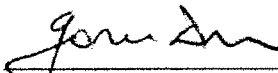


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(Calibrator)



(Authorized Signature)



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GEOLOŠKO
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CROATIA

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Appendix A

Calibration Equipment

The following list of equipment is approved and is to be used in the calibration of InstanTel's Products. Any changes to this list of reference equipment must be approved in writing by InstanTel. InstanTel reserves the right to change the list of calibration equipment on an annual basis.

General	Manufacture	Model
Fluke 87 Multimeter	Fluke	87 III
Signal generator	Agilent	33120A
Spectrum Analyzer	Stanford Research	SR760
Vibration		
Shake Table, Amp and Drive cable	Ling	V556
Accelerometer	Bruel & Kjaer	4370
Nexus Basic Unit	Bruel & Kjaer	ZN-2690
Nexus DeltaTron Channel	Bruel & Kjaer	ZX-2693
Nexus Single and Double integration option for ZX2692/3	Bruel & Kjaer	ZE-0788
Charge to DeltaTron Converter	Bruel & Kjaer	2647
Sound		
1/2 inch Reference Microphone (Microphone Attenuator UC 0211 & Pre-Amp ZX-2690)	Bruel & Kjaer	4193-L-004
Nexus Microphone Channel	Bruel & Kjaer	ZX-2690

Products Covered by this Agreement

Product Name	Model Number	Test Specification
Blastmate® II	712A0101	712T0101
Minimate® DS-077	715A0101	715T0101
Blastmate III	714A0801	714T0801
Minimate Plus	716A0401	714T0801
Minimate Blaster	716A3001	714T0801
Minimate Plus Ext	716A0403	714T0801
Series III Geophone	714A0301	714T0501
Series III ISEE Geophone	714A9701	717T8701
Series III DIN Geophone	718A3301	718T3601
Series III ISEE Linear Microphone	714A9801	714T9801
Series III Linear Microphone	714A0401	714T0601
Series III A Weight Microphone	714A2001	714T0901

Fees in US Dollars

Initial Training Fee \$3000.00

Annual Maintenance Fee \$500.00

Calibration Software \$105.00 per Calibration. (Controlled by calibration dongle)

The calibrator is entitled to a 25% discount on materials purchased from InstanTel. This discount does not apply to training cost, annual maintenance fee or labour.

Appendix B

Sample Calibration Certificate

Part Number:

Description:

Date:

Unit S/N:

<u>TEST REFERENCES*</u>	<u>Model</u>	<u>Serial No.</u>
Stanford Spectrum Analyzer	SR760	
Fluke Multimeter	87 III	
Bruel & Kjaer Accelerometer	4370	
Bruel & Kjaer Nexus Basic Unit	ZN-2690	
Bruel & Kjaer Nexus DeltaTron Channel	ZX-2693	
Bruel & Kjaer Charge to DeltaTron Converter	2647	
Bruel & Kjaer Microphone	4193-L-004	
Bruel & Kjaer Nexus Microphone Channel	ZX-2690	

“CALIBRATOR” hereby certifies that this unit has been calibrated and that the results are consistent with the specifications published regarding this instrument. The SENSORCHECK feature of the unit is sufficiently reliable to indicate proper operation, although it is recommended that this unit be sent to INSTANTEL or an authorized service center for regular calibration.

AUTHORIZED BY: _____

*References are traceable to NIST or equivalent