

U.S. RENTAL EQUIPMENT AGREEMENT

This Agreement entered into this _____ day of _____, 20____ between MFIC Corporation, a Delaware corporation, together with its subsidiary, Microfluidics Corporation ("MFIC") and (the "Renter")

WHEREAS, MFIC is engaged in the business of developing, producing, selling, and leasing, patented, high pressure, high-shear Microfluidizer® mixing and materials processing equipment (the "Equipment"), and

WHEREAS, Renter would like to rent such Equipment from MFIC, and

WHEREAS, MFIC is willing to rent certain Equipment to Renter in return for the payment of rental charges for the use of the Equipment and under certain terms and conditions as set forth hereinafter.

NOW THEREFORE, MFIC and Renter do hereby agree that MFIC shall furnish to the Renter MFIC's Microfluidizer processor equipment Model # _____, Serial # _____ (the "Rented Equipment") for a period commencing upon the arrival of the Rented Equipment at Renter's designated destination site and extending for _____ month(s) (the "Term") at a cost of _____ per month upon the following terms and conditions:

1. CONDITIONAL AGREEMENT TO RENT BY MFIC / RENTER'S PURCHASE OPTION

MFIC's agreement to rent the Rented Equipment is conditioned upon MFIC's review, and acceptance in MFIC's sole discretion, of material safety data sheets written in English language ("MSDS") for product(s) and material(s), or their component parts, to be processed on the Rented Equipment ("Products"). Such MSDS must be promptly provided to MFIC either prior to MFIC's execution of this agreement or after MFIC conditional acceptance of the Agreement with MFIC having the sole and exclusive right not to proceed with the rental if it deems the material to be proceed to pose an unacceptable biohazard or health hazard. No Rented Equipment will be shipped to Renter and this Agreement shall be null and void unless Renter shall have supplied true and accurate MSDS for each of the intended Products to MFIC prior to MFIC's execution of this agreement.

In the event that no MSDS exists for the materials/products to be processed on the Rented Equipment then Renter will supply a similar disclosure containing a full description of the materials/product and components parts to be processed including but not limited to a full risk analysis of exposure and stating all necessary precautions to be used in the storage and handling of such materials/product.

Rental of the Rented Equipment is predicated and in reliance upon Renter's use of the Rented Equipment solely to process the Products specified and disclosed to MFIC in Exhibit A attached hereto. Renter may only process other products and materials on the Rented Equipment with the advance written permission of MFIC after submitting a written request to do so accompanied by MSDS for such products/materials.

Renter agrees that MFIC may invoice Renter against the original purchase order for additional rental fees (billed in one month increments) under the following circumstances: if the Rented Equipment has not been returned to MFIC within one (1) week after the end of the rental Term (plus any applicable grace period), and/or if Renter shall fail to comply with all material requirements of return of the Rented Equipment as hereinafter provided.

2. REPRESENTATIONS AND WARRANTIES

Renter represents: (i) that it has the requisite authority and approval to enter into and perform this Agreement and that its exercise and performance will not violate or contravene any other contract, agreement or indenture to which it is a party and that when executed will constitute a valid and binding obligation enforceable in accordance with its terms, (ii) that it acknowledges that the Rented Equipment embodies and/or utilizes MFIC's valuable intellectual property, know-how and trade secrets, including, without limitation, confidential, proprietary and trade secret

information associated with the design, operation and use of the interaction or reaction chamber associated with such Rented Equipment (collectively, the "Trade Secret Information"). Renter hereby agrees, represents and warrants that it will not, nor will it aid, assist or permit any other person to: (i) tamper with the Rented Equipment, including specifically the interaction or reaction chamber thereof, (ii) utilize any imaging equipment or other modality to reveal the inner structures and/or designs of the Rented Equipment, including specifically the interaction or reaction chamber thereof, (iii) attempt to disassemble or reverse engineer the Rented Equipment, including specifically the interaction or reaction chamber thereof, or any interaction or reaction chambers purchased, rented or used by it, or (iv) otherwise discover and/or utilize any of the Trade Secret Information. Renter further agrees, represents and warrants that it will not disclose, nor will it aid, assist or permit any other person to disclose, any information which it may learn or discover about the materials and methods of construction, design, assembly, functioning, geometries, measurements and tolerances of the internal components of the Rented Equipment, including specifically the interaction or reaction chamber(s) thereof and the functionality that it provides. Renter furthermore agrees that its violation of any of the foregoing provisions shall make it liable to MFIC for any and all actual and potential, direct and indirect, incidental and consequential damages, including, without limitation, lost profits, arising therefrom, (iii) that it will abide by all other terms contained in MFIC's Standard Terms & Conditions - M5, available online at: www.microfluidicscorp.com/pdf/M-5.pdf, and (iv) that it shall keep the Rented Equipment free and clear of any encumbrances and claims by third parties that might result from Renter's actions or inaction.

3. PERMITTED USE

Renter further warrants and represents that it will not use the Rented Equipment for other than its own use without the express written consent of the MFIC and that Renter will not sublease, rent, sell or allow third parties (whether or not related) to use the Rented Equipment. Renter represent that it will use the Rented Equipment for _____ . **Renter further warrants and represents that any product or formulation made by it on the Rented Equipment will not be provided by it for consumption or use in or on humans or animals, whether for clinical trials or any other purpose.**

4. PLACE OF USE

The Renter's use of the Rented Equipment shall be confined to Renter's facility located at:

5. MAINTENANCE

Other than as provided for under MFIC's customary warranty afforded to the purchasers of the Equipment, Renter will bear the cost and responsibility for all maintenance to be performed and/or required.

6. INSURANCE: STANDARD OF CARE

It is the sole responsibility of the MFIC to procure and pay for all insurance on the Rented Equipment relating to loss or damage whether by fire or theft. Notwithstanding the above, Renter agrees to exercise due and ordinary care in the placement, use, maintenance, storage and accessibility of the Rented Equipment so as to ensure its safety and proper functioning.

7. LIABILITY FOR DAMAGE TO EQUIPMENT

Renter agrees that it will pay MFIC at the then current and prevailing rate and charges, for MFIC's repair of damage to the Rented Equipment, beyond normal wear and tear, occasioned by Renter's use of the Rented Equipment. Such repair of damage will include (but not be limited to) broken or missing parts and tools, and disassembled or tampered with interaction chambers of the Rented Equipment.

8. CONDITION OF THE RETURNED EQUIPMENT

Renter further agrees:

- a. to thoroughly clean the Rented Equipment in accordance with all GMP, OSHA, Bio-Hazard, D.O.T, and/or other applicable U.S., and local governmental regulations ("Regulatory Compliance") and Section 8 b) below before returning it to MFIC (either at the end of the Term, or earlier as provided for). If the Rented Equipment is not returned thoroughly cleaned internally and externally in accordance with Regulatory Compliance, including but not limited to flushing of the operating system, then MFIC is authorized by Renter to either: a) have its employees perform such cleaning and Regulatory Compliance with Renter being charged for MFIC's labor, costs and expenses related thereto, or, at MFIC's sole election, b) have such cleaning and Regulatory Compliance performed by an outside firm or company at the sole expense of the Renter including and charges for crating, rigging, cartage or delivery. In the event that MFIC must undertake action under either preceding provision, then Renter agrees to promptly pay for such cleaning and Regulatory Compliance when invoiced for same. Renter will be charged for and pay for MFIC's cost and expenses to so clean such Rented Equipment, and
- b. to ensure the safety of MFIC's employees, agents and personnel and to indemnify MFIC from any liability, danger and/or consequences of handling or disposal any of Renter's product residue remaining in or on the interior or exterior of the Rented Equipment, including internal mechanisms and flow paths, upon return of the Rented Equipment to MFIC. In regard to the foregoing, Renter will provide to MFIC prior to the return of the Rented Equipment MSDS for all Products, materials and formulations actually processed during the rental Term on the Rented Equipment and provide to MFIC a signed certification of Renter's compliance with and completion of applicable Regulatory Compliance for the cleaning of this unit.
- c. Notwithstanding the above the above, the Renter's ability to indemnify is subject to the limitations of Massachusetts General Law.

9. SHIPPING COSTS

The Renter will pay for all shipping costs of the Rented Equipment F.O.B. MFIC's facility in Newton, Massachusetts. Any collect return shipments will be refused by MFIC.

10. RETURN AUTHORIZATION AND ACCOMPANYING DOCUMENTS

The Renter must obtain a Return Authorization Number from MFIC prior to shipment of the Rented Equipment back to MFIC. No Return Authorization will be issued without Renter's prior compliance with the provisions of Section 8 above. All shipments to MFIC should be directed to MFIC's address set forth below and shall prominently display the Return Authorization Number on all shipping labels, invoices, and/or bills of lading. All return shipments should be directed and addressed to Microfluidics Corporation, 1238 Chestnut St., Newton, MA 02464. All returned Rented Equipment must be accompanied by MSDS for all Product(s) processed on unit, a complete and accurate packing list, Renter's duly signed certification of cleaning in accordance with the provisions of Sections 8 a) and 8 b) herein. Such Return Authorization and required documentation must be affixed to the outside of the packing crate in a see through plastic or glassine package.

11. TERMINATION

In the event that the Renter breaches any material obligation under this Agreement, or in the event that any material representation or warranty made by Renter proves to be false or inaccurate then MFIC may immediately terminate this rental agreement and be entitled to the immediate return of the Rented Equipment together with any outstanding rental charges, or, at MFIC's sole discretion in the event of the occurrence of excessive damage, non-permitted use (especially if posing a health hazard to MFIC employees), unanticipated use rendering the equipment unsuitable for further rental, and other the like conditions or occurrences, payment by Renter of the full purchase price of the Rented Equipment less any rental payments made by Renter.

12. MISCELLANEOUS

- a. **Governing Law:** the construction, validity, performance and effect of this Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.
- b. **Entire Agreement:** This Agreement constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes any prior negotiations, discussions or understandings, whether oral or written, relative to such matters.
- c. **Amendments:** No amendment, modification of this Agreement shall be effective or enforceable unless in writing and signed by the Parties.
- d. **Assignment:** Neither this Agreement nor any rights or obligations hereunder shall be assignable or transferable by Renter without the prior written consent of MFIC.
- e. **Notices:** All notices pertaining to or required under this Agreement shall be effective after three (3) business days from dispatch if sent to the other party by postage pre paid U.S. Postal Service Certified Mail, Return Receipt Requested, or by private expedited carrier with signature required to the parties at the following address:

If to MFIC to: Robert P. Bruno, President & COO
 MFIC Corporation
 30 Ossipee Road
 Newton, MA 02464-9101

If to Renter to: _____

13. SEVERABILITY

In the event that a particular provision or section of this Agreement shall contravene or otherwise be invalid where enforcement is sought then the Agreement shall be construed as though not containing the contravening provision or such provision shall be automatically reformed and modified so as to comply with such law but in any event the remainder of the Agreement and its provisions are intended to remain in full force and effect.

This Agreement is intended to take effect as a sealed instrument as of the date first appearing on page 1 hereof.

MFIC CORPORATION

RENTER

By: _____

By: _____

Robert P. Bruno

Print Name: _____

President & COO

Title: _____

EXHIBIT A

The Provided Equipment (Microfluidizer® processor model) _____

Serial # _____

Will be used for _____ at User's facility

Located at: _____

Phone: _____

EXHIBIT B**CERTIFICATE OF CLEANING**

We hereby certify that the following machinery was cleaned according to all Microfluidics conditions as specified in our Rental Equipment Agreement and all applicable GMP, OSHA, Bio-Hazard, D.O.T., and US, or other local governmental regulations, codes, and laws.

Machine Description: Microfluidizer® processor

Model: _____

Serial Number: _____

Name of Renter: _____

Address: _____

Other standards (if any) which apply:

Signed: _____

Date: _____

Name: _____

Position: _____