AGREEMENT

between

VRTUL INC and THE SEXTON CORPORATION

and

MONTEREY BAY AQUARIUM RESEARCH INSTITUTE

This Agreement (hereinafter "Agreement") dated as of this 27th day of March, 2019 ("Effective Date) is entered into by and between, VRTUL INC ("VRTUL"), THE SEXTON CORPORATION ("SEXTON"), together "Manufacturer") and Monterey Bay Aquarium Research Institute. ("MBARI") (each individually a "Party" and collectively the "Parties").

WHEREAS, VRTUL shall provide the proposed unit to MBARI with certain technology and/or a commercial product based on, derived from, or incorporating technology created by VRTUL, SEXTON for MBARI as a result of this Agreement ("Technology").

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **SCOPE OF WORK**
   1.1. Subject to the terms and conditions of this Agreement. MBARI authorizes VRTUL and SEXTON to provide services relating to, but not limited to, the planning, financing, and development of the project set forth in Exhibit A (the "Work"), which is attached hereto and incorporated herein by reference.

2. **DEFINITIONS**
   2.1. "*Confidential Information*" includes without limitation, all information designated by a Party as confidential, all information or data concerning a Party's products or general business operations (including pricing methods, processes and customers); any information which, if not otherwise described above, is of such a nature that a reasonable person would believe it to be confidential and any information directly or indirectly under this Agreement.
   2.2. "*Affiliate*" shall mean, with respect to any specified person, any other person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such specified person, and for this purpose, "control," "controlled by" and "common control" shall mean the ownership and voting control of more than 50% of the outstanding voting securities or interest in capital or profits of such specified person, or the right to direct or control the management or affairs of such specified person by contract or similar arrangement. Should a person divest an Affiliate or should an Affiliate cease to satisfy this definition, such Affiliate's rights and obligations under this Agreement shall be terminated.
   2.3. "*Technology*" shall mean and refer to any technology and/or commercial product produced by or for VRTUL and SEXTON including specifications, schematics, procedures, designs, patterns, drawings, instructions, reports, data, documents, prototype, patents, patent applications, copyrights, trademarks, mask work rights, know-how, and trade secrets.
   2.4. "*VRTUL* Property" shall mean and refer to all intellectual property rights associated with an invention or discovery related to any technology created, either solely or jointly, as a result of, and directly resulting from, work conducted in accordance with or pursuant to this Agreement, including all specifications, schematics, procedures, designs, patterns, drawings, instructions, reports, data, documents, prototypes, tools, jigs, dies, fixtures, molds, equipment or other property supplied by either VRTUL or SEXTON. Intellectual property rights include, by way of example,

patents, patent applications, copyrights, trademarks, mask work rights, know-how, trade secrets, and other confidential information, and copyrights.

2.5. "*Patents*" shall mean and refer to any registered patents obtained on the Technology produced to achieve the Scope of Work set forth in Section 1.1 of this Agreement.

3. CONFIDENTIALITY AND INTELLECTUAL PROPERTY

3.1. It is understood that VRTUL is not by this agreement or otherwise granting any right or license to MBARI or any other party to use any trademarks or trade names of VRTUL or to utilize any information, know-how, data, or patent rights it may have, or may secure in the future, in the manufacture, use and sale of VRTUL products and/or component or accessories thereof save as may be reasonably necessary to enable MBARI and its successors in title to own, operate, maintain and repair the Work of let or hindrance. VRTUL warrants that no part or aspect of the Work infringes the intellectual property rights of any other person.

3.2. PRODUCT: All VRTUL Property developed in connection with the provisions of this Agreement or jointly by a Party pursuant to specifications or instructions provided by VRTUL or SEXTON, shall belong exclusively to VRTUL.

4. EXCLUSIVITY

4.1. MBARI agrees that they will not enter into any other joint development agreements similar to this Agreement to produce any technology substantially similar to this Technology, related to the Patents, or the Scope of Work described in Section 1.1 of this Agreement for any third party during the term of this Agreement.

4.2. MBARI further agree that they will not independently market or produce any technology substantially similar to this Technology, related to the Patents, or the Scope of Work described in Section 1.1 of this Agreement both during and after the term of this Agreement.

4.3. MBARI agrees to use VRTUL as the exclusive engineer in all the design and manufacturing work necessary for this Agreement, unless consent is given by all parties.

5. COSTS & PAYMENT

5.1 The total value of this agreement is US$ 80,000 which is fixed. Payment shall be made by a first installment of US$ 48,000 due upon execution of this Agreement. A second milestone payment of US$ 16,000 shall be made upon critical design review, after VRTUL has provided MBARI with a satisfactory progress report. The outstanding balance of US$ 16,000 shall be paid upon final delivery of the Work and after VRTUL has provided MBARI with a satisfactory completion report. Any failure by MBARI to meet the payment obligations required may result in the termination of any further work until resolution.

6. INDEMNIFICATION

6.1. MBARI shall indemnify, defend, protect and hold harmless VRTUL, SEXTON, and each of its shareholders, directors, officers, managers, employees, agents, attorneys, and representatives (collectively, the "Indemnified Parties) to the fullest extent permitted by applicable law from and against any and all Losses which may be incurred or suffered by any Indemnified Party and which may arise out of, result from or in any way relate to any claim, action, lawsuit or proceeding by any person, unless such losses caused by breach of the Agreement, misrepresentation, negligence, fraud, gross negligence, fault or willful default committed by VRTUL and (or) SEXTON.

7. LIABILITY AND WARRANTY

7.1. VRTUL warrants the Work for a period of twelve (12) months. The warranty period starts upon the delivery date to MBARI when final payment has been received. The warranty covers parts, which have become unserviceable during the warranty period due to defective material or workmanship. VRTUL accepts no responsibility for any personal injuries, damage to the property, direct or indirect costs or loss of profit in connection with this warranty.

7.2. The warranty will not cover any damages or failures resulting from: (1) Negligent handling or installation (2) Faulty or improper installation by user of gaskets or o-rings. (3) Installation by user of defective, worn out or generally faulty gaskets or o-rings; (4) Use by user of worn out serviceable items; (5) Installation by end user of unserviceable parts.

7.3. The warranty is only valid providing that: (1) the Work is utilized for its intended use; (2) that it is operated and maintained in accordance with VRTUL's operations, maintenance and safety instructions; (3) that the prescribed service inspections are carried out at the defined times, and (4) that all repairs are carried out by authorized personnel.

8. TERMINATION.

8.1. This Agreement shall continue until the completion is reached, or any earlier termination date as per the provisions of this Agreement.

8.1.1. *Immediate Right of Termination.* Either Party shall have the right to immediately terminate this Agreement by giving written notice to the other in the event that either Party does any of the following: files a petition in bankruptcy or is adjudicated as bankrupt or insolvent, or makes an assignment for the benefit of creditors, or an arrangement pursuant to any bankruptcy law, or if a Party discontinues or dissolves its business or if a receiver is appointed for a Party or for the Party's business and such receiver is not discharged within thirty (30) days.

8.1.2. *Right to Terminate on Notice of Default; Right to Cure.* In the event of breach or default according to the terms hereof, either Party may terminate this Agreement by providing the other Party thirty (30) days written notice of the breach or default, if the Party receiving such notice does not cure the breach or default within said 30-day period, then the Party providing the notice may consider the Agreement to be terminated.

8.1.3. *Fulfillment and Residual Rights Following Termination.* In the event of any termination the Parties agree to an orderly fulfillment of their respective responsibilities for matters which originated prior to the notice of termination which reasonably require completion subsequent to the date of termination.

8.1.4. In the event that this Agreement is terminated by VRTUL and (or) SEXTON by reason of any act, omission, neglect or default on the part of MBARI, MBARI shall pay all costs incurred by VRTUL and SEXTON as of the date of termination, subject to the maximum amount under this Agreement. In the event that the Agreement is terminated by MBARI by reason of any act, omission, neglect or default on the part of VRTUL and (or) SEXTON, then all payments received by SEXTON shall become due to to MBARI. Additionally, any ongoing responsibilities or residual rights which have inured by either Party as a result of this Agreement shall survive termination hereof.

9. MISCELLANEOUS.

9.1. Governing Law. This Agreement shall in all respects be interpreted, enforced and governed under the laws of the United States of America and by the laws of the State of California, without giving effect to any conflicts of laws principles that require the application of the law of a different jurisdiction.

9.2. Dispute Resolution. The Parties will attempt in good faith to resolve any dispute or claim arising out of in relation to this Agreement. If the dispute cannot be settled amicably between the Parties, then the Parties agree that the dispute will be resolved by binding arbitration in accordance with The California Arbitration Act.

9.3. Attorneys' Fees. In the event of any dispute arising in connection with this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and court costs from the non-prevailing party, in addition to any other relief granted by a court of competent jurisdiction.

9.4. Assignment. Neither Party shall assign its rights under this Agreement without the prior written consent of the other Party.

9.5. Notices. All notices and other communications under this Agreement shall be in writing and shall be deemed duly given when personally delivered, one day after sent by a reputable national overnight courier service to the address set forth below, or three (3) days after mailing if sent by registered or certified mail, return receipt requested, first class, postage prepaid to the address sent below, or when sent by e-mail at the e-mail address shown below provided that such e-mail is sent during the normal business hours of the Party to whom it was sent, and electronic confirmation of the successful transmission of such e-mail is obtained:

(a) If to **VRTUL:**
VRTUL INC
1617 Burgundy Road
Encinitas, CA 92024
E-mail: casey@vrtul.co

(b) If to **SEXTON:**
Sexton Corporation
2130 Davcor St SE
Salem, OR 97302
E-mail: jeremy@thesextonco.com

(c) If to **MBARI:**

Name:
Address:
Email:

9.6. No Third-Party Beneficiary. This Agreement is intended for the benefit of, and shall be enforceable by, the Parties hereto, their respective permitted successors and assigns, and not by any third parties.

9.7. Severability. If any provision of this Agreement or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforceable to the greatest extend permitted by law.

9.8. Entire Agreement. This Agreement, together with any certificates, documents, instruments and writings that are delivered pursuant hereto, constitutes the entire agreement and understanding of the Parties in respect of the subject matter hereof and supersedes all prior understandings, agreements or representations by or among the Parties, written or oral, to the extent they relate in any way to the subject matter hereof. The section headings contained in this Agreement are inserted for convenience only and will not affect in any way the meaning or interpretation of this Agreement.

9.9. Force Majeure. In discharging its duties as set forth in this Agreement, a Party shall be held to a standard of reasonableness and shall not be liable to other Parties for matters outside its control, including but not limited to acts of God, civil riot, war, strikes, labor unrest or shortage of material.

9.10. Amendment; Extension; Waiver. No amendment, modification, waiver, replacement, termination or cancellation of any provision of this Agreement will be valid, unless the same is in writing and signed by the Parties hereto. Each waiver of a right hereunder does not extend beyond the specific event or circumstance giving rise to the right. No waiver by any Party of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, may be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising because of any prior or subsequent such occurrence. Neither the failure nor any delay on the part of any Party to exercise any right or remedy under this Agreement will operate as a waiver thereof, nor does any single or partial exercise of any right or remedy preclude any other or further exercise of the same or of any other right or remedy.

9.11. Counterparts. This Agreement may be executed in counterparts, and each such counterpart shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement. This Agreement may be executed and delivered in counterpart signature pages executed and delivered via facsimile, e-mail or otherwise, and any such counterpart executed and delivered via facsimile, e-mail or otherwise shall be deemed an original for all intents and purposes.

Each person signing below respectively represents and warrants for itself that (i) it is authorized to enter into this Agreement, and (ii) that the representative executing this Agreement on its behalf is authorized to do so and to bind it.

COMPANY:

VRTUL Inc.

______________________ Date 3/27/2019

Casey Sapp
CEO of VRTUL

THE SEXTON CORPORATION

______________________ Date 3/27/2019

Jeremy Childress,
President/CEO of SEXTON

MBARI

______________________ Date 3-27-19