

CSI SERVICES, INC.
STANDARD TERMS AND CONDITIONS

1.0 CSI Services, Inc. - CSI Services, Inc. (CSI) is a California corporation with a principal offices located at 31331 Quail Valley Road, Castaic, CA 91384 and principal address for serving notice at P.O. Box 801357, Santa Clarita, CA 91380-2316

2.0 Duration of Proposal - The CSI proposal shall be valid for a period of sixty (60) days from the date shown on the title page of the Proposal unless otherwise expressly provided. The Proposal and these Terms and Conditions together form the Agreement between CSI and Client.

3.0 Effect of Executing Agreement - Upon the date of execution of an Agreement arising out of the Proposal, all former representations, proposals, and Client's authorization, if any, to proceed pursuant to any of said representations, or proposals, or both, shall be deemed merged and incorporated into the Agreement. The parties assert, acknowledge, and agree that there have been and exist no inducements to Agreement, no representations made for the purpose of inducing an Agreement, and no considerations, other than those expressly set forth herein. All work performed by CSI and all amounts chargeable by CSI to Client pursuant to Client's authorization shall be deemed to have been performed under the Agreement. Payments, if any, made to CSI pursuant to Client's authorization shall be deemed to have been paid under the Agreement.

4.0 Duration of Service - The terms, conditions, rate structures and duration of continuing services provided under any Agreement arising out of the Proposal shall continue for the duration of the contract unless a written request to renegotiate is made and the resulting changes are mutually acceptable.

5.0 Changes - Any additional terms, items, services or personnel requested by the Client that fall outside the scope of the Agreement arising out of the Proposal and these Terms and Conditions shall be negotiated as addenda to the Agreement at the time of the request. That Agreement can only be modified in writing, signed by both parties.

6.0 Termination - Either party shall have the right, at any time, to terminate the project which is the subject of the Proposal, in whole or in part, with or without cause, by giving to the other party thirty (30) days in advance, written notification of the terminating party's intention to so terminate. In the event the project is so terminated, Client shall reimburse CSI for all costs incurred by CSI to the date of termination, or associated with said termination, plus any applicable fee or surcharge. Should Client reinstate said project, the provisions of any Agreement arising out of the Proposal shall remain applicable and continue to control, subject to a good faith renegotiation of the contract price and/or fee schedule to account for any additional escalation.

7.0 Invoicing - (a.) Invoices shall be issued on a monthly basis or at the end of the project at CSI's discretion, or in accordance with a schedule mutually agreed upon between Client and CSI. As applicable, the invoice will include time charges, per-diem, direct

expenses, and other charges for the previous month. (b.) Normal accounting/invoicing procedures of CSI including itemizing charges described in (a.), shall be used. Specific requirements of Client as to invoicing, support information and approval of such must be requested by Client prior to executing the Agreement. Costs for providing any required special invoicing procedures that are outside of standard industry practice shall be reimbursable from the Client. (c.) All sales and services are subject to the approval of CSI's credit department. Unless otherwise agreed to in writing, terms of sale are net 30 days, par U.S. funds on date of invoice. A 1.5% per month late payment administrative charge will apply to payments not received within thirty (30) days of the date of the invoice. Interest will be charged at 18% APR or the highest rate permissible by law on all overdue balances. Delinquent accounts will be subject to cash-in-advance payments and all open account privileges will be automatically revoked. Client expressly agrees to pay all reasonable collection costs, including attorney fees incurred by CSI in collecting delinquent accounts. (d.) In the event of any question or dispute concerning the invoice, Client shall nevertheless pay the undisputed amount and notify CSI of the nature and extent of the disputed amount. Any dispute regarding any invoice must be lodged with CSI within thirty (30) days, in writing, from the date of submission. Otherwise, any such dispute will be automatically waived and payment will be due in full.

8.0 Pricing Where Work is on a Time and Material Basis - (a.) Billing rates, both standard and overtime, for each classification of professional services, are provided in the current "Standard Fee Schedule." These rates will be invoiced unless amended in writing. Fulltime standard work is termed 40 hours per week with part-time work being less than 32 hours per week. Client shall be invoiced for actual services provided by each job classification. (b.) Billing rates specified in the current "Standard Fee Schedule" include the following: direct wages, overall corporate and division overhead, insurance for fire, general and auto liability, legal and professional expenses, local telephone expenses, fringe benefits based on applicable law and CSI's current policies, including holidays, vacation, and sick leave, and an allowance for profit. (c.) CSI shall be reimbursed at cost for all out-of-pocket expenses (travel, food, lodging, etc.) and for provision of express package delivery, long-distance telephone charges and other miscellaneous costs incidental to work performed. Personal automobile mileage shall be billed at the current IRS allowable mileage rate of 50¢ per mile. CSI shall be reimbursed at cost plus a 15% markup for subcontractors and consultants utilized by CSI in the Work. For special services and for the use and/or purchase of special equipment required for the Work, CSI will be reimbursed according to prices or rates to be agreed upon between Client and CSI. (d.) Other charges will be detailed separately. Client shall also be invoiced for any applicable taxes which are, by law, client's responsibility. Local Business and Occupation Taxes, and Municipal Permits, Charges, registration fees, and other government-imposed charges will be invoiced as incurred. (e.) CSI shall maintain a library of approved timesheets and other chargeable expenses for audit by Client for two years from the time of the expense.

9.0 Safety - During the course of its scope of services and pursuant to OSHA's multiple-employer worksite policy, CSI is seldom the employer responsible for creating, controlling, or correcting any potential safety or health hazards at the job site. Unless otherwise specified, CSI relies on the host employer to provide safe and healthful access to the work

area. CSI relies on the safety and health programs and procedures of the host employer.

CSI provides construction hazard awareness training to its field personnel and equips its personnel with standard personal protective equipment including hard hats, half-mask air-purifying respirators, safety harnesses and lanyards, steel-toed boots as required, and safety glasses. In addition, applicable field personnel and inspection staff are trained as "Authorized Entrants" as defined in OSHA's confined space standard. CSI shall be reimbursed for any additional safety equipment or apparel, training, rigging, testing, or other special items required by the Client.

10.0 Non-raiding of CSI Personnel - Should Client extend any offer of employment or any direct contract relationship or arrange for an indirect offer of employment or indirect contract relationship to any individual assigned by CSI to Client during such assignment or for two (2) years following the completion of the assignment, Client shall pay CSI an amount equal to two hundred (200) percent of the annual salary offered to the assigned individual as liquidation of the damage suffered by CSI through the loss of the assigned individual. Such liquidation damage shall be reduced by ten (10) percent for each full year of service to Client by the assigned individual, down to a minimum of one hundred (100) percent.

11.0 Office Space and Equipment - Personnel to be supplied under the Proposal shall perform services at Client facility or at CSI offices as dictated by the scope of services. If assigned to the Client's facility, unless otherwise agreed upon in writing, the Client shall provide necessary office space, secure storage for instrumentation, furniture, equipment, supplies and utilities commensurate with the normal execution of assigned duties at no charge to CSI. Access to a copier, facsimile machine, and telephone for business purposes is required. Further, unless otherwise agreed upon in writing, CSI does require that the Client arrange for power to energize any sampling units (120 VAC) and provide for unit security. These units can be operated from a generator provided by the Client. Replacement/repair costs for damage to units while leased to the Client is considered a recoverable expense.

12.0 Indemnity - CSI shall protect, indemnify and save harmless Client from any and all, cost, damage or expense directly arising from any claim of death or injury to persons (except employees of CSI and its affiliates) and/or damage to property directly arising out of the performance of Work performed under the Agreement to the extent that CSI is legally liable for such claims. In the event that both CSI and Client appear to be liable for such claims, both parties agree to cooperate in defending such claim and shall share expenses in such proportion as their liability is found to be present by mutual agreement, final decisions of arbitration, or final judgement of a court.

13.0 Insurance - (a.) Unless otherwise directed by Client to secure additional insurance at the Client's expense, CSI shall carry the following insurance.

- i. Workers' Compensation insurance to statutory limits and Employer's Liability insurance to a limit of \$1,000,000, both being applicable to all employees

engaged in the Work.

- ii. Commercial General Liability and Professional Liability insurance on a claims-made basis to a combined total single limit of \$2,000,000,
- iii. Primary Comprehensive Automobile Liability insurance, to a combined total single limit of \$1,000,000 for bodily injury and property damage claims arising out of any one accident.
- iv. When required by Client, CSI is willing to pursue securing of higher limits at Client's costs.

(b.) CSI shall, upon request, furnish certificates showing that the above insurance coverages will be in effect during the term of any Agreement arising out of the Proposal. (c.) CSI does not instruct its insurance carriers to waive subrogation of other parties or name other parties as an additional insured.

14.0 Warranty - CSI shall warrant for a period of one (1) year from the date of Completion of the Work (as is defined in Scope of Services) that the services to be furnished shall conform to standards of professional practice customary for services of a similar nature. Should any failure to so conform appear during the term of the warranty, CSI shall, upon notification, revise or replace, at the option of CSI, the engineering drawings, specifications, reports, software or other work product(s) of CSI.

The provisions, and in particular the technical and numerical provisions relating to plant or equipment capacities, etc., which appear in the Proposal documents, the specification, and any other engineering documents are descriptive only and are not guarantees or warranties, nor are they guaranteed or warranted unless expressly stated so to be.

The foregoing warranty and remedy for breach thereof are exclusive and conditioned upon timely notification by Client. **THIS WARRANTY AND REMEDY FOR BREACH THEREOF ARE GIVEN BY CSI IN LIEU OF ANY AND ALL OTHER REMEDIES, GUARANTEES, AND WARRANTIES, EXPRESS OR IMPLIED, AND IN LIEU OF ANY WARRANTY OF MERCHANTABILITY AND WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE.**

15.0 Patents and Copyrights - CSI represents that it does not know of any United States patents or copyrights which would be infringed by the construction or use in the United States of the equipment and processes incorporated in the Work and designed or specified by CSI. Subject to timely notification that such patents or copyrights may exist, CSI shall have the right to modify the Work or to license rights in order to avoid such asserted infringement.

All other equipment and processes shall carry only the indemnity protection, if any, obtained from the supplier or manufacturer as the case may be. Client shall defend and indemnify CSI from and against alleged patent or copyright infringement and any award arising out of patent or copyright infringement related to equipment or processes that are incorporated in the Work in compliance with the specifications or requirements of Client. To the extent that the Work incorporates equipment or processes of others, Client shall procure all licenses from,

and pay all royalties to, the respective owners of the patent or copyright. Client use of any computer software is governed by the applicable licensing agreement and fee.

Any and all inventions conceived or made during the execution of the Work shall be and remain the property of CSI, subject to a nonexclusive royalty-free right of Client to use the invention in the subject facility.

16.0 Limitation of Liability - Whether arising in contract, equity, tort (including strict liability) or otherwise, CSI, its affiliates, and its subcontractors and the employees of each shall not be responsible or liable for loss of profit, loss of operating time, or loss of, or reduction in use of, any facilities (including existing facilities) or any portion thereof, increased expense of construction, operation, or maintenance, expense of replacement products, or for any special, indirect, or consequential damages. CSI's total liability to Client for any claims resulting from any Agreement whether arising in contract, equity; tort (including strict liability), shall not exceed the total agreed-upon price for the work scope specified.

17.0 Assignment - The Proposal and any Agreement arising out of the Proposal shall not be assigned or transferred by either party without the prior written consent of the other party. CSI shall be permitted to delegate performance of all or a portion of the Work to any of its affiliates.

18.0 Waiver - Waiver by either CSI or Client of any breach by the other of any of the terms or provisions of any Agreement arising out of the Proposal and these Terms and Conditions shall be deemed not to be a waiver or breach on any other occasion of the same terms or provisions, or a waiver of breach of any other term or provision thereof.

19.0 Records - (a.) Unless otherwise stated, all Work (such as documents, drawings, specifications or computer software) shall be prepared by CSI using its current standards and practices and remain the sole property of CSI. (b) The Client has the right to use the Work for the completion of the project or facility which is the subject of the Proposal. The Work is not intended or represented to be suitable for reuse by the Client or third parties as extensions of the project or facility or on any other project or facility. Further, and in addition, any reuse without written permission, verification, or adaptation by CSI will be at Client's sole risk and CSI shall have no liability or responsibility for such reuse. The Client shall indemnify and hold harmless CSI from all claims, and damages, including attorney's fees arising from such reuse. Any reuse, verification or adaptation is not included within the Scope of Services and CSI shall be entitled to further compensation for such services. (c.) CSI shall retain project files which it has in its possession at the time of project completion including final project deliverables (reports, drawings, specifications, magnetic tapes, laboratory results, etc.) for three (3) years from the completion of a project. The Client has the right to obtain copies upon payment of a copying fee. CSI may agree to provide retention beyond three (3) years if requested by the Client and Client agrees to pay all costs of such further retention. (d.) CSI will use reasonable care in maintaining project records. All of Client's documents, files, and other materials provided or turned over to CSI shall remain the property of the

Client. CSI shall treat all such documents, files, and material as confidential and shall safeguard them as CSI usually safeguards its own confidential information. Should such documents, files, or other materials be damaged, destroyed, or otherwise rendered unusable by circumstances beyond CSI's reasonable control, CSI shall be relieved of responsibility for retaining such records or any consequence thereof.

20.0 Disputes - All claims, disputes and other matters in question arising out of, or relating to, this Agreement, or the breach thereof, shall be decided through either binding arbitration or other legal process in the County of Los Angeles. This paragraph may be modified if the parties mutually agree to the modification. If either party to this Agreement must resort to arbitration or other legal process to enforce the terms of the Agreement, the prevailing party will be entitled to reasonable attorney's fees and costs incurred in addition to its other damages.

21.0 Use of CSI's Name - Client DOES NOT have permission to utilize CSI's name or any part thereof in any publication, distribution, or advertising associated with the Work without the express written approval of each use by an officer of CSI.

22.0 Proprietary Information - CSI and Client anticipate that they may reveal certain proprietary and confidential information to each other during the presentation of the Proposal or performance of the Work. Both CSI and Client agree to maintain the confidentiality of all such information and to take all appropriate measures to do so, such as, but not limited to, informing all persons having access to such information of its confidential nature.

For purposes of carrying out the proposed Work and marketing future projects, both CSI and the Client are permitted to acknowledge the existence of the Agreement between them and to divulge the general scope and approximate cost of the Work.

23.0 Governing Law - Any Agreement resulting from the Proposal, its administration and performance, and all the rights, obligations, liabilities and responsibilities of the parties hereto, shall be governed by and interpreted in accordance with the laws of the State of California.

24.0 Headings and Severability - (a.) Any headings preceding the text of any articles, paragraphs or parts of the Proposal, these Terms and Conditions, and any Agreement are inserted solely for convenience of reference and are not to be considered a part of the Proposal, Terms and Conditions, or Agreement nor shall they affect in any manner the meaning, interpretation or effect. (b.) The Proposal, these Terms and Conditions, and any resulting Agreement shall be severable such that the invalidity or unenforceability of any portion or provision shall in no way affect the validity or enforceability of any other portion or provision and the balance shall be construed and enforced as if it did not contain such invalid or unenforceable portion or provision.