

Standard Terms & Conditions for Field Testing & Services

All Engineering and Testing Services shall be furnished by P.A.S Technologies, Inc., to act in an advisory capacity in accordance to the following terms & conditions of sale:

01.- Terms:

Our Terms are not on presentation. A service charge of 1.5% per month will be added to all unpaid invoices after 30 days.. Extended contracts may be partially invoiced at our discretion

02.- Travel rates:

For per diem contracts and extras to fixed price contracts, straight time rates shall be charged for all mutually agreed upon travel which occurs on Saturdays, Sundays and the nine major US Holidays. For the lump sum of fixed price contracts, payments shall be per proposal.

03.- Rate Adjustment

Rates will be adjusted to those in effect at the time the service is performed, unless otherwise specified in the proposal.

04.- Extras

For per diem contracts and extras to fixed price contracts, all hours incurred for personnel working on tall stacks (over 100 feet climb), will be charged at time and half. Only hours worked at the stacks are charged. This extra cost is to cover premium risk for the worker, High Risk Liability Insurance Coverage and special safety training and equipment.

05.- Expenses

For per diem contracts and extras to fixed price contracts, all necessary expenses incurred by the representative, including but not limited to transportation, traveling cost, living expenses, subsistence, processing cost for passport and inoculation, will be for the purchaser's account.

06.- Compensation & Payment.

A work day is defined as any day, Monday through Friday, whether actual work is performed or not. The work day is to eight (8) hours per day, and the work week is to be forty (40) hours per week, Monday through Friday. Time and half shall be paid for all work in excess of eight (8) or Saturday or Sunday. Double time shall be paid for Major Holidays only. For Lump sum, fixed price contracts, payment shall be as per proposal.

07.- Inclement Weather Testing

Inclement Weather is defined as lightning, Thunderstorms, strong winds, icing, or any other severe atmospheric conditions which may endanger or cause damage to P.A.S. personnel and/or equipment or have detrimental effects on the test results. The decision as to whether testing will be conducted or continued will be at the discretion of the P.A.S. testing team leader. All such delays are for purchaser's account.

08.-Postponement, Cancellation and Rush Fees

Postponement, or cancellation of testing by a client within seven (7) calendar days of a scheduled test date will result in a postponement fee of forty percent (40%); seven (7) to fourteen (14) calendar days a twenty percent (20%) postponement fee and greater than fourteen (14) calendar days a ten percent (10%) cancellation fee of the contract price, or of the estimated cost of completion for per diem projects, plus any cost incurred for the subject task, including packing or planning time travel, equipment rental fees, etc. Any project scheduled or rescheduled with less than fourteen (14) days notice will be assessed as ten percent (10%) rush rate. Note that the fee for postponement will be waived if the manpower in question can be rescheduled at no loss to P.A.S..

09.- Independent Contractor

P.A.S. shall be considered an independent contractor in respect to all work herein provided for and the representative furnished by P.A.S. under this agreement will not in any sense be considered an employee of the Purchaser. P.A.S. shall not be liable for damages or injury to property or persons unless attributed solely to the active negligence of the P.A.S. representative in no event shall P.A.S. be liable for consequential damages.

10.- Limitation of Liability

P.A.S. shall not be held responsible for an unsuccessful test due to failure, malfunction or improper operation of the client's process and/or equipment to be tested. It is the clients responsibility to have the process and/or equipment operating in a representative manner. P.A.S. may recommend adjustments to the operations but such actions will be at the discretion and risk of the client.

11.- Liability Insurance

During the performance of this work, P.A.S. shall be insured by a \$2,000,000 combined aggregate bodily injury and property damage insurance policy. A certificate of insurance will be forwarded upon request.

12.- No Other Agreements

All negotiations, proposals and agreements prior to the date of this agreement, are merged herein and superseded hereby, there been agreements, warranties, or understandings other than those written or specified herein, unless otherwise provided. No changes, modifications or amendments to this agreement shall be valid unless agreed to by the parties in writing.

13.- Commercial Arbitration

Any dispute between client and P.A.S., directly or indirectly, regarding the field engineering service agreement, its interpretation, the services performed by P.A.S. and/or the statement render to client by P.A.S. shall be submitted to binding arbitration in accordance with the rules, practices and procedure of the American Arbitration Association. Any arbitration proceeding shall take place in San Juan, Puerto Rico. The prevailing party at arbitration shall be entitled to recover as part of the arbitrators award all of its arbitration expenses, including, but not limited to, attorneys fees, expert fees, travel cost, court reporter fees and the like.