

## GENERAL CONDITIONS OF SERVICE CONTRACT

**APPLIED TECHNICAL SERVICES, INC.**  
**1049 Triad Court, Marietta, Georgia 30062**  
**Phone 770-423-1400 Fax 770-424-6415**

- DEFINITIONS:** (a) "Company" means Applied Technical Services, Inc., (b) "Purchaser" means the person, company or firm who enters into this general conditions of service contract ("Contract") with Company, (c) "Services" mean all services, test reports, test results, test data, materials and other testing and labor of all kinds to be supplied by Company, pursuant to this Contract.
- ACCEPTANCE:** Purchaser's assent to the terms and conditions hereof may be expressed either by written acceptance or by failure to object to the terms and conditions hereof within five (5) days of receipt by Purchaser. This Contract is the complete and exclusive statement of the term and conditions governing the Services provided by Company. No addition to or any modification of any of these terms and conditions will be effective unless made in writing and signed by Company.
- PRICE:** The price for the Services shall be as set forth in the quotation provided by Company, or if no quote is provided, then shall be based upon Company's then-current fee schedule. The price is subject to change should the scope of work be changed by Purchaser.
- PAYMENT: WAIVER OF REMEDIES:** Payment in full for the Services provided by Company will be made in U.S. funds within thirty (30) days of the date of Company's invoice. Punctual payment as stipulated herein is of the essence.
- MODIFICATIONS:** Any alteration by the Purchaser in design, quantity, or testing requirement and specification, or delays in the Services due to Purchaser's instruction or lack of instruction may involve adjustment to the price and/or to the delivery time if Company's costs or schedule in carrying out the Services is thereby affected.
- VALIDATION:** If the method used is a Purchaser provided non-standard test method, Company does not assume responsibility for validation of the method.
- DEFAULT:** If Purchaser defaults in any payment, or commits an act of bankruptcy or enters into liquidation, or suffers a receiver to be appointed, Company may, at any time thereafter, without prejudice to any other remedy, suspend or cancel the Contract. Notwithstanding any suspension or cancellation, Purchaser remains obligated to pay Company for the Services rendered prior to such suspension or cancellation. If payment is not made as provided in paragraph 4, Purchaser shall be in default, and shall thereby waive the right to assert against Company any warranties or remedies provided in paragraph 10 or 12 hereunder. Company shall also be entitled to recover all collection fees, legal fees, expenses, administrative costs, and court costs associated with its efforts to collect payment of invoice(s) that are not paid within 30 days, as well as interest on the outstanding balance at a rate of 1.5% per month. In the event of non-payment, Purchaser agrees to immediately cease and desist any and all use of Company's Services and return to Company all tangible forms thereof, including all originals and copies. Company shall be entitled to specific performance of the foregoing sentence.
- INSPECTION AND ACCEPTANCE OF SERVICES:** If Purchaser requires any inspection or testing of the Services prior to completion thereof (other than Company's standard plant inspection and testing), Company shall carry out such tests and inspections or provide the facilities for the same, but such inspections or tests shall be paid for by Purchaser as an extra charge to the Contract. To the extent that Company is to provide testing services at a test site other than a Company office, Purchaser shall inspect the test results and notify Company of any defects in the performance of such tests prior to the time Company demobilizes from the test site. To the extent that Company is to provide testing services at a Company office, Purchaser shall inspect the test results and notify company of any defects in the performance of such tests prior to the time Company ships the tested material to Purchaser.
- TIME:** Where time for delivery or completion is specified, Company will make every effort to adhere thereto, but no liability whatsoever shall attach to Company for Purchaser caused delays in delivery or completion of Services.
- WARRANTY:** Company warrants that all Services provided by Company will be in accordance with the designated testing standard(s), or if none specified, industry accepted testing standard(s), for a period of twelve (12) months after Company completion of Services. Company will re-perform any non-conforming Services with no consequential, incidental or punitive damages. Company's warranty does not include the effects of improper operation, improper handling, accidents, improper storage, improper use and improper maintenance or repair not attributable to Company. THE FOREGOING WARRANTY IS EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, SPECIFICALLY INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE EVEN IF SUCH PURPOSE OR USE IS DISCLOSED.
- FORCE MAJEURE:** Neither Company nor Purchaser, except to the extent that Purchaser continues to make payments when due, shall be liable to the other for any delay in delivery or failure to deliver the Services, as a result of any cause beyond the either party's control including but not limited to fires, floods, strikes, other labor disputes or unrests, accidents to machinery, acts of sabotage, riots, precedence or priorities granted at the request of or for the benefit, directly, or indirectly, of the federal or any state government or any subdivision or agency thereof, delay in transportation or the lack of

transportation facilities, restrictions imposed by federal, state or other governmental registration or rules or regulations thereof.

12. **INDEMNIFICATION:** To the fullest extent permitted by law, each party agrees to defend, indemnify, and hold harmless the other party and its employees from and against all claims, demands, liens, lawsuits, and liabilities of any kind and nature including court costs, expenses, and reasonable attorneys' fees arising out of or related in any way to the indemnifying party's negligent acts or omissions under this Contract. Should Company provide Purchaser with inspection reports or test documents, Purchaser shall not use the report in any way, shape or form that will or could be detrimental to Company.
13. **GOVERNING LAW:** This Contract and the Services performed by Company thereunder will be interpreted to and governed by the laws of the State of Georgia.
14. **PATENT OR TRADEMARK INFRINGEMENT:** If the Services sold hereunder are prepared according to Purchaser's specifications, Purchaser shall indemnify Company against all claims or liability for any legal complaint, patent or trademark infringement on account of such Services performed by Company.
15. **CONCESSIONS:** In event of cancellation by Purchaser, Company will have the right to recover all material and labor costs incurred plus a reasonable profit through the date of cancellation.
16. **LIMITATION OF LIABILITY:** Company's liability to Purchaser and Company's Indemnification liability under paragraph 12, for any claim for loss, damage or expense of any nature and howsoever arising shall in no circumstances exceed the total fees paid to Company by Purchaser under the Contract within the prior one (1) year period, or \$50,000, whichever is the less. In the event of any claim, Purchaser must give written notice to Company within thirty (30) days of discovery of the facts alleged to justify such claim and, in any case, Company shall be discharged from all liability for all claims for loss, damage, or expense unless suit is brought within one (1) year from the date of performance by Company of the Services which give rise to the claim, or the date when the Services should have been completed in the event of any alleged non-performance. In no event shall either party be liable to the other party for any special, indirect, incidental, punitive or consequential loss or damage arising under this Contract.
17. **TERMINATION:** Either party may terminate this Contract at any time, with or without cause, by providing not less than ten (10) days advance written notice to the other party. Company may terminate this contract immediately in writing if Purchaser becomes insolvent, enters bankruptcy, receivership, or other like proceeding (voluntary or involuntary) or makes an assignment for the benefit of creditors. Purchaser shall compensate Company for all Services performed hereunder through the date of any termination and all reasonable costs and expenses incurred by Company in effecting the termination, including non-cancelable commitments and demobilization costs.
18. **CONFIDENTIAL INFORMATION:** Any non-public drawings, designs, specifications, samples, know-how, processes, plans or other similar items or other technical, commercial, or financial information relating to either party's business and which is clearly marked as "Proprietary" or "Confidential" ( the "Confidential Information") which the other party may obtain or which a party may in any way disclose to the other party in connection with or related to the performance of the Services, shall be deemed to be confidential and the receiving party shall not use the Confidential Information for its own purposes (other than for the performance of the Services), and shall not disclose the Confidential Information to any person or firm, other than those that may be specifically authorized by the disclosing party in writing. Upon completion or termination of this contract, the receiving party shall return all Confidential Information to the disclosing party, except that the receiving party may retain one (1) copy of all Confidential Information for legal and quality archival purposes, which shall be treated as confidential until its destruction after a period of seven (7) years (or ten (10) years for nuclear related Confidential Information).
19. **MISCELLANEOUS:** If any one or more provisions of these terms and conditions are found to be illegal or unenforceable in any respect, the validity , legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Applied Technical Services, Inc. (ATS) appreciates the opportunity to provide our testing, calibration, inspection or other services requested by Purchaser pursuant to this Contract. Services performed outside the scope of ATS accreditation are in compliance with ISO 9001 requirements only.