



**PREMIER
SOLUTIONS
FOR MODERN
INDUSTRY.**

ENGINEERING SERVICES TERMS & CONDITIONS

Payment Terms: If required and specified above, a down payment equal to 20% of the total amount for all deliverables is due upon project initiation. A project is considered initiated when a services agreement issued by Chief Engineering, PLLC or a purchase order issued by the buyer is signed by the buyer and received by Chief Engineering, PLLC. Chief Engineering, PLLC will provide an acknowledgment to the buyer upon receipt of a signed services agreement or purchase order to signify the project initiation. Work on project deliverables will halt if the 20% down payment is not received within 30 days. All projects will be invoiced per deliverable completion. Payment is due no later than 30 days following deliverable completion and receipt of deliverable invoice. Invoices not paid within 30 days are subject to interest at Prime Rate.

Purchase Orders: Please address all purchase orders to:
Casey Shockey, President
Chief Engineering, PLLC
1901 Vinton Ave.
Memphis, TN 38104

Schedule: Chief Engineering, PLLC and the buyer will agree upon dates for deliverable completion prior to project or change order initiation. In the event of any delay beyond Chief Engineering, PLLC's control, the schedule will be adjusted accordingly and communicated to the buyer. In this case, billing will switch to time and materials until the issue is resolved. Tracking and documentation will be provided as proof of time and materials.

Change Orders and Modifications: Changes to project scope or deliverables must be mutually agreed upon by Chief Engineering, PLLC and the buyer. Any project changes resulting in a change in total cost will be communicated through a change order agreement document, which will be sent by Chief Engineering, PLLC for signature from the buyer. Work will not begin on deliverables contained within the change order until the buyer has provided a signed copy of the agreement. If the buyer prefers to send a purchase order before work is initiated on the deliverables contained within the change order, the buyer should notify Chief Engineering, PLLC prior to providing a signed copy of the change order agreement. Changes to a contractor's scope of work (outside of Chief Engineering, PLLC's scope of work) will be billed directly by the contractor.

Travel Expenses: The buyer will be responsible for payment of all travel expenses. Travel expenses will be included as a deliverable within the initial services agreement. Chief Engineering, PLLC and the buyer will mutually agree upon additional travel needs. Chief Engineering, PLLC will issue a change order agreement Travel expenses include:

- Tickets for commercial airline travel, rental car fees, and hotel expenses, which will be billed at cost. It is assumed that Chief Engineering, PLLC representatives will select the best available rates when booking travel accommodations. Receipts will be available upon buyer's request.
- Meals and incidental travel expenses, which will be billed at a rate of \$60 per day.
- Mileage, which will be billed at a rate of \$0.545 per mile.

Taxes: The buyer is responsible for payment of any manufacturer's tax, use tax, sales tax, or duty of any kind that may be incurred with this project to the appropriate authority. The buyer is expected to reimburse Chief Engineering, PLLC for any taxes or duties paid on the buyer's behalf. All tax exemption certificates and documentation must be provided to Chief Engineering, PLLC as necessary.

Cancellation: After project initiation, the buyer may cancel a contract at any time after payment for already incurred expenses are received, including the project down payment. Chief Engineering, PLLC will provide a final invoice for incurred expenses that have not already been billed to the buyer. Payment is due no later than 30 days following receipt of the final invoice. Invoices not paid within 30 days are subject to interest at Prime Rate.

Deliverable warranty: In the event that the buyer deems the deliverables by Chief Engineering, PLLC deficient or inaccurate, reasonable efforts will be made to meet buyer expectations. Refunds will only be issued if deliverables do not meet requirements within the buyer's services agreement, purchase order, or change order. Customers must provide all copies of project drawings and documentation back to Chief Engineering, PLLC in exchange for a refund.

Combustible Dust Data: Per NFPA 652, Combustible dust data must either be supplied to Chief Engineering PLLC or be tested to determine accurate combustible dust data for the dust being handled within the scope. If data is not readily available, testing can be provided and will be quoted separately. If the combustible dust data is not provided by the customer, then the customer, not Chief Engineering PLLC, shall be responsible ensuring that their system is in compliance with all NFPA and OSHA guidelines to ensure the safety of their operation.

Protection from Hazardous Materials, Fires and Explosions: The buyer is responsible for properly installing and maintaining all necessary fire and explosion detection and/or suppression systems and safety systems at the buyer's facilities. All equipment within scope must meet current NFPA and OSHA regulations. Upon project initiation, it is assumed that all of the buyer's facilities and systems are equipped with the necessary fire and explosion suppression and detection systems and safety systems and that these systems have been maintained appropriately according to the manufacturer's specifications. Per NFPA 654, the buyer must:

1. Supply accurate Kst and Pmax values of any dust to be handled and will be required to validate those values periodically.
2. Verify that all explosion vents are of the appropriate size.
3. Maintain all documentation specific to combustible dust.

Documentation: Except as otherwise specifically set forth in the scope of work provided as part of the services agreement, all documents, including drawings, specifications, computer files, electronic media, data, engineering calculations, notes, and other documents and instruments prepared or furnished by Chief Engineering, PLLC (collectively the "Documentation") are the property of Chief Engineering, PLLC and shall not be considered works for hire. Chief Engineering, PLLC shall retain all common law, statutory and other reserved rights, including copyright, applicable to the Documentation. The Documentation is not intended or represented to be suitable for use on any other project. Any reuse of the Documentation without written verification or adaptation by Chief Engineering, PLLC for the specific purpose intended is prohibited and will be at the buyer's sole risk and without liability or legal exposure to Chief Engineering, PLLC. The buyer agrees to defend, indemnify and hold Chief Engineering, PLLC harmless against all claims, damages, losses, and expenses (including reasonable attorneys' fees) arising from or in any way connected with the unauthorized use or modification of the Documentation by Customer or any person or entity that acquires or obtains the Documentation from or through the buyer without the written authorization of Chief Engineering, PLLC.

Intellectual Property Rights: Each party shall retain ownership of all intellectual property it had prior to project initiation. Except as otherwise set forth on the scope of work, the buyer shall own the rights to all discoveries, improvements, and inventions conceived of or made by Chief Engineering, PLLC that are a direct result of the Engineering Services performed for the buyer. At the buyer's request and expense, Chief Engineering, PLLC shall execute all papers and deliver to the buyer all data and other information, and perform other acts as the buyer may require, to assign and transfer all Chief Engineering, PLLC's right, title and interest therein to the buyer and to enable the buyer to apply for, obtain, and enforce patent protection thereon. Time and expenses incurred by Chief Engineering, PLLC as a result of these efforts are to be paid by the buyer.

Compliance with Law: The parties agree to comply with all applicable federal, state, or local laws in connection with the Engineering Services being provided pursuant to this agreement.

Subcontractors: All subcontractors shall be responsible for their own insurance and liability. Chief Engineering, PLLC will not be held liable for any contractor-related issues beyond the company's control. Subcontractors will be held responsible for meeting customer requirements for insurance and liability coverage. The subcontractor is responsible for complying with all customer safety-related requirements.

Indemnification: Chief Engineering, PLLC will be held harmless from all liability, costs, and expenses which may be incurred from any damages or injury, including loss of profits or business interruption or loss of use of equipment, however, caused, unless due to sole negligence or willful misconduct of Chief Engineering, PLLC. Any damages or injury resulting from the buyer's modification or alteration of equipment, or failure to: operate and/or maintain equipment properly based on manufacturer recommendations or specifications; place necessary safety information, warnings or devices on equipment; and/or supply any necessary fire and explosion detection and/or suppression equipment; or failure of the buyer to provide necessary and accurate information about combustible dust or explosive materials, including Kst and Pmax values, to Chief Engineering, PLLC, results in the buyer, not Chief Engineering, PLLC, assuming responsibility for any damages, injuries or other costs associated with insufficient fire and explosion protection.