

CSNW STANDARD TERMS AND CONDITIONS

Rev 4-2025

These terms and conditions shall apply generally to each Control Systems NW LLC (CSNW) Work Order, although specific terms may not apply to a particular Work Order. If a Work Order requires CSNW to only procure materials and/or equipment, terms applicable to professional services would not apply.

TIME OF BEGINNING AND COMPLETION. Control Systems NW LLC (CSNW) agrees to perform the work described in the Work Order. If CSNW is delayed in the performance of the work by conditions which are beyond their control, or by a change in the Scope of Work, the schedule may be revised. CSNW shall begin on the date the Work Order is executed and conclude on or before the date of Expected Completion, as identified in the Work Order, unless terminated under the Termination provision.

PAYMENT. Unless otherwise modified by the Work Order, CSNW will send monthly invoices to the Client, which shall include any services provided and the cost of materials, supplies, equipment, and expenses necessary to fulfill the Work Order regardless of whether such materials, supplies, and equipment have been installed or incorporated into the work, and any necessary storage costs if the project is delayed or not sufficiently progressed for such installation or incorporation. Estimated sales taxes shall be included in the Work Order unless an applicable reseller permit is in effect for the Client. True sales tax may vary at the time of billing and Client acknowledges that the value of the Work Order may require modification to account for true sales tax. Expenses may also include mileage and related travel expenses, shipping and delivery, fees to government agencies, and other expenses incurred in the direct interest of the project. Client shall compensate CSNW per the terms of the Work Order and CSNW's obligations under the Work Order shall not commence until any required deposit is received. Hourly fees, where applicable, shall be billed per the current CSNW Schedule of Rates and Charges, and are subject to annual update. The cost of services, equipment, and materials furnished by a third party shall include an additional markup for CSNW's administrative costs. Invoices are due within thirty (30) days from the date of the invoice. Sums not paid within thirty (30) days shall be considered past due, and shall accrue interest at the rate of 1.5% per month from the due date of the invoice. The Client agrees that the balance stated on each invoice from CSNW is correct, conclusive, and binding on the Client unless the Client notifies CSNW in writing within 30 days after receipt of the invoice of the particular item that is alleged to be incorrect.

COST INCREASES. CSNW shall be entitled to additional compensation from Client when the price for project materials increases due to any unforeseen duties, freight, tariffs, supplier pricing changes, surcharges, exchange rate fluctuations, or any other market increases. In any such instance, Client shall pay CSNW, on request, the increased amount. Materials to which this provision applies include, but are not limited to, lumber, plywood, steel, sheet metal, roofing materials, fuel, manufactured products, special ordered items, and equipment. CSNW is entitled to demonstrate any such price increase through the use of quotes, supplier list prices, invoices, or receipts, if requested by Client.

FORCE MAJEURE. If CSNW's performance is prevented, hindered or delayed by reason or cause(s) beyond CSNW's reasonable control and which cannot be overcome by reasonable diligence, including war, labor disputes (including strikes and lockouts), civil disorders, governmental acts, pandemic, epidemics, quarantines, embargoes, fires, earthquakes, storms, acts of God, or the like ("Force Majeure"), then, provided CSNW provides prompt notice to Client of the occurrence of the Force Majeure event, CSNW shall be excused from its performance for the period of the Force Majeure event. Notwithstanding anything in this section, Client shall not be excused from the payment of any sums of money which may become due to CSNW during the Force Majeure event or under the terms of this Agreement.

ADDITIONAL SERVICES. Where applicable, additional services not included CSNW's Work Order may be provided and compensated upon mutual agreement, and such additional services shall be subject to these terms and conditions.

SUBLETTING & ASSIGNMENT. CSNW may engage subcontractor services as expressed in the Work Order. When necessary, CSNW may engage support from its parent company RH2 Engineering, Inc., without additional authorization from the Client. Such support shall be subject to any governing Client terms and conditions incorporated into the Work Order.

TERMINATION. The Work Order may be terminated by either party upon seven (7) days written notice. In the event of termination, the Client shall pay CSNW in full for all work previously authorized and performed, including services provided by third party consultants, and for all materials, supplies, and equipment, if any, ordered prior to the effective date of termination. CSNW shall not be responsible for the return of materials, supplies, or equipment ordered prior to the effective date of termination or for any restocking fees.

CLIENT PROVIDED INFORMATION. Where applicable and as appropriate to the scope of the Work Order, the Client shall provide, at its expense, normal and customary documents and services deemed necessary by CSNW. The Client agrees that CSNW shall be entitled to rely on the accuracy and completeness of all information, of whatever type, provided by the Client, or by those retained by or acting for the Client. The Client shall retain ownership of the information it provides, but grants to or will obtain for CSNW a non-exclusive, royalty-free, fully-paid right and license to copy, distribute, display, modify, create derivative works from, and generally to use and commercially exploit the Client-provided information for purposes of fulfilling CSNW's obligations under the Work Order.

The Contractor agrees that all confidential information provided by the Client shall be used solely for the purpose of performing the work under the Work Order and, except as may be required to perform the work, shall not be disclosed to any third party without the prior consent of the Client. Each third party receiving confidential information in order to perform the work shall agree in writing to comply with this confidentiality provision.

STANDARD OF CARE. CSNW's professional services provided under the Work Order, if any, will be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances in the location of the project.

PRODUCT WARRANTY. To the extent CSNW procures any materials, supplies and/or equipment for the Client, CSNW warrants that such materials, supplies and/or equipment will be of good quality and new unless the Work Order requires or permits otherwise. This warranty excludes any remedy for damage or defect caused by abuse, improper installation and/or alterations to the materials, supplies and/or equipment by the Client or a third party, improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage. CSNW shall collect, assign, and deliver to the Client any specific written warranties given by third parties, and this warranty excludes any remedy by CSNW where a defect is covered by a third-party warranty. CSNW shall have no obligation to maintain or extend any third-party warranty that has been assigned to the Client. CSNW makes no warranty, expressed or implied, other than those expressed herein.

DELAY / RISK OF LOSS. CSNW shall notify the Client of any material delay in the performance of its obligations under the Work Order, but shall not be liable for and the Client waives claims of loss or damages occasioned by delays resulting in whole or in part from causes beyond the control and without the fault or negligence of CSNW, its contractors, or its consultants, including, without limitation, stoppages and strikes, acts of God and natural disaster, failure of a public agency to act in a timely manner, and/or acts of the Client or anyone or any entity retained by the Client. For materials, supplies, and/or equipment procured by CSNW under the Work Order, delivery dates are approximate and based upon receipt of all available information from the Client and vendor or manufacturer. Unless otherwise specified by CSNW, delivery will be made and title and risk of loss or damage will pass FOB point of shipment to the Client and each shipment or delivery shall be considered a separate and independent transaction.

LIMIT OF LIABILITY. CSNW's liability under the Work Order, whether arising out of CSNW's breach of contract or arising out of CSNW's breach of duties owed independent of contract, if any, including but not limited to breach of warranty, indemnity, negligence, strict liability, or other tort or statutory cause or causes of action, or otherwise related to the Work Order, or any amendment thereto, inclusive of costs and attorney's fees, shall not exceed the cost of correcting or replacing any defective services or materials.

In no event shall CSNW be liable for and the Client waives claims of all indirect, incidental, consequential, or special damages of any kind, including without limitation lost revenues, lost profits, or loss of use, even if CSNW has been advised of the possibility of such damages.

Notwithstanding any other provision in these terms and conditions, nothing shall be construed as to void, vitiate, or adversely affect any insurance coverages held by either party to the Work Order.

INSURANCE. CSNW shall maintain for the duration of the Work Order general liability and property damage in the amount of \$1.0 million per occurrence, \$2.0 million in aggregate; auto liability coverage in the amount of \$1.0 million per accident; and professional liability coverage in the amount of \$2.0 million per claim and \$2.0 million in aggregate. If the Work Order includes professional services, CSNW shall, at the Client's request, submit to the Client a completed Standard ACORD Certification Form as proof of insurance.

MUTUAL INDEMNIFICATION. CSNW and the Client agree to defend, indemnify, and hold harmless each other and all of their respective personnel from and against any and all claims, damages, losses and expenses (including reasonable attorney's fees) to the extent arising out of or relating to the Work Order or the performance thereof, but only to the extent caused by any negligent act or omission of the indemnifying party, its agents, consultants, or employees. When performing in the State of Washington, for the purposes of the foregoing indemnification provision only, and only to the extent of claims brought hereunder, the parties specifically waive any immunity they may be granted under the Washington State Industrial Insurance Act, Title 51 RCW.

OWNERSHIP OF WORK PRODUCTS AND INTELLECTUAL PROPERTY. Upon completion of the work, CSNW shall provide the Client with copies of the work products in accordance with the Work Order. The Client shall retain ownership of the source files and information developed by CSNW in preparing the work products. CSNW shall retain copies of all software work products. Any reuse, reproduction, or modification of the work products beyond the scope of the Work Order shall be without liability to CSNW. Distribution of the work products by or to any third party without written permission from CSNW, are prohibited. The Client shall defend, indemnify, and hold CSNW harmless from any claims relating to such unauthorized use.

In the event the contract is terminated prior to completion of the Work Order, CSNW can transfer the incomplete work products to the Client when the following conditions are met: (1) payment for work performed to the date of termination; (2) written release of liability for the Client's use of incomplete work products; and (3) written agreement to indemnify CSNW from claims arising out of the Client's use of incomplete work products.

Upon prompt notice by the Client of any claim of U.S. patent, copyright, or trademark infringement with respect to any materials or equipment procured by CSNW under the Work Order, CSNW will use reasonable efforts to secure for the Client such indemnity rights as the manufacturer may customarily give with respect to such goods. This shall be the Client's sole and exclusive remedy against CSNW regarding the infringement by any goods of any third-party intellectual property rights, including, without limitation, any patents or trademarks.

RELATIONSHIP OF THE PARTIES. Nothing contained in the Work Order or these terms and conditions shall be deemed or construed by the parties hereof or by any third party to create the relationship of principal and agent or partnership or of any association between any of the parties hereto other than independent contracting parties.

SEVERABILITY. If any of the provisions of these terms and conditions shall be finally determined to be unenforceable in whole or in part, the remaining provisions hereof shall remain in full force and effect, and be binding on the parties

hereto. The parties agree to revise these terms and conditions to replace any such invalid or unenforceable provision with a valid and enforceable provision that fulfills as closely as possible the intention of the stricken provision.

GOVERNING LAW AND VENUE. The Work Order and these terms and conditions shall be governed by and construed and enforced under the laws of the state in which the work will be performed, without regard to conflict of laws principles. For any disputes or claims arising under or in connection with the Work Order not resolved in mediation, any appropriate state or federal court located in the County in which the work will be performed shall have exclusive jurisdiction and shall be a proper forum in which to adjudicate such disputes or claims. The Client consents to both personal and subject matter jurisdiction.

MEDIATION AS CONDITION PRECEDENT TO LITIGATION. In an effort to resolve any conflicts that arise during or following the completion of the project, CSNW and the Client agree that as a condition precedent to any litigation, all disputes arising out of or relating to the Work Order shall be submitted to non-binding mediation before a single mediator. If the parties are unable to agree on a single mediator, they shall submit the claims to Judicial Dispute Resolution, or such other similar alternative dispute resolution service provider for appointment of a single mediator according to its procedures. The cost of the mediator shall be shared equally by the parties. Any mediation relating to the Work Order shall be held in the County in which the work will be performed. This mediation requirement cannot be waived except by an explicit written waiver signed by both parties.