

April 21, 2025



City of St. James
1205 6th Avenue S.
St. James, MN 56081

Attn: Brianna Sanders-Economic Development Director

RE: Proposal for Geotechnical Services
Mayberry Industrial Park
7th Street South
St. James, MN 56081
AET #P-0042382

Dear Ms. Sanders:

American Engineering Testing, Inc. is pleased to submit a proposal for this project. In this proposal, we present our understanding of the project, an outline of the scope of services we are to provide, a fee schedule, and an estimate of charges for our services.

Purpose

The purpose of this geotechnical work is to explore the subsurface conditions at the site, and based on our characterization of the obtained data, to prepare a geotechnical engineering report presenting comments and recommendations to assist you and your design team in planning and construction.

Project Information

We understand that you are planning to construct a new storm water pond. Utilizing the borrow from the pond, you plan to grade a new street and 13 new commercial/industrial building lots. The proposed buildings for the new lots are unknown at this time. We do not have any specific structural loading information; we assume light to moderate loads for a structure of this type. We understand that the site has previously not been developed and is currently farmland. Additional soil borings and geotechnical engineering recommendations could be required for the proposed buildings/structures depending on final locations and loadings.

Scope of Services

Field Exploration

As requested by you, our subsurface exploration program will consist of the following:

- Perform 12 standard penetration test borings (ASTM: D1586) 6 to a depth of 14.5 feet and 6 to a depth of 21 feet or auger refusal each.
- Seal the boreholes per Minnesota Department of Health requirements.

1730 First Avenue | Mankato, MN 56001

Phone (507) 387-2222 | (800) 972-6364 | Fax (651) 659-1379 | teamAET.com | AA/EEO

This document shall not be reproduced, except in full, without written approval from American Engineering Testing, Inc.

We assume the proposed soil boring locations will be staked and the surface elevations provided by BMI prior to performing our One Call. We have not had an opportunity to observe the project site; we assume that the proposed boring locations will be accessible to our truck mounted equipment in dry weather. A rubber tire, all terrain drill rig could be mobilized at an additional cost. Also, if required, snow removal costs have not been included in this proposal.

We will drill the borings using hollow stem augers or by rotary mud drilling, and sampling by the split-barrel method (ASTM D1586). Our crew will keep field logs noting the methods of drilling and sampling, the Standard Penetration Values (N-values, "blows per foot"), preliminary soil classification, and observed groundwater levels. Representative portions of recovered samples will be sealed in jars to prevent moisture loss and submitted to our laboratory for review, testing and final classification. We will backfill the boreholes and soundings to comply with the Minnesota Department of Health Regulations.

Even after backfilling, some sloughing of the backfill may occur, resulting in a potential tripping hazard to pedestrians. We assume that the property owner will backfill and repair any boreholes that may slough after our exploration is complete. AET cannot accept any liability associated with pedestrian injury. Accessing the boring locations may leave ruts in the ground. We assume that the property owner will perform any site restoration work, if needed. We have not included a fee for site restoration in our cost estimate.

Underground Utilities

Before we drill, we will contact Gopher State One Call to locate public underground utilities. Gopher State One Call does not currently charge for this service, but they will not locate private underground utilities or structures. Examples of private utilities include, but are not limited to, propane lines, sewer laterals, storm sewer, sprinkler systems, site lighting, and electric and data lines between buildings. **The property owner is responsible for locating all private underground utilities and structures.** Please provide us with any maps, plans and records showing the location of all private utilities and structures.

We can provide you with names and contact information for private utility locators. These companies usually charge a fee for their services. Also, please note that private locators cannot guarantee that all private utilities will be located. For the private locator to be accurate and effective, the property owner must provide maps, plans and records showing the location of all private utilities and structures. The property owner must also provide a knowledgeable site representative to meet with the private locator and AET personnel.

AET shall be entitled to rely upon the accuracy of all location information supplied by any source. We will not be responsible for any damages to underground utilities or structures not located or incorrectly identified by the property owner, any maps, plans or records, or public or private utility locator providers.

Laboratory Testing

We will initiate routine laboratory testing by reviewing each recovered soil sample to assess the major and minor soil components, while also noting the color, degree of saturation, and lenses or seams in the samples. If we encounter cohesive soil, we will test selected samples for dry density, moisture content, Atterberg Limits, and unconfined compressive strength tests.

On completion of testing, we will visually/manually classify each sample on the basis of texture and plasticity in accordance with the Unified Soil Classification System and prepare the boring logs.

Engineering Report

Upon completion of the drilling and laboratory work, we will prepare a geotechnical report describing the subsurface conditions encountered and presenting our recommendations for the proposed construction. The report will also discuss earthwork recommendations and present our geotechnical engineering opinions and recommendations regarding the following:

- Grading procedures to prepare the lot areas for structural support, including comments on the suitability of the on-site soils for reuse as fill.
- Foundation types and depths, including allowable soil bearing capacity and estimates of foundation settlement.
- Backfilling procedures, including material types and compaction requirements.
- Ground floor slab support, including recommendations on the need for a vapor or capillary water barrier.
- Preparation of the subgrade for pavements
- Pavement section thickness designs
- Recommendations for support of new utilities installed within the proposed streets
- Comments on other items which may affect final performance or constructability, such as frost heave and drainage considerations

Insurance

For the mutual protection of you and American Engineering Testing, we maintain both general and professional liability insurance. Certificates of such insurance can be provided at your request.

Project Direction

Services we perform on your project will be done under the direction of an experienced geotechnical engineer registered in the State of Minnesota.

Fees

The scope of work defined in this proposal will be performed on a lump sum basis in accordance with the attached schedule of fees. For the scope of work described above, the estimated cost will be as follows:

<u>Task</u>	<u>Cost</u>
Mobilization/Demobilization/Per Diem	\$900.00
Clear Utilities, Soil Boring Layout by BMI	\$200.00
Soil Borings	\$7,800.00
Pavement Coring	\$0.00
MDH Sealing Notification	\$0.00
Laboratory Testing	\$1,000.00
Report and Project Management	\$2,000.00
TOTAL	\$11,900.00

We would not exceed \$11,900.00 without prior authorization. If additional drilling is required for proper soil evaluation it would be charged at a unit rate of \$40/foot.

In the event the scope of our services needs to be revised due to unanticipated conditions or for proper evaluation, we will review such scope adjustments and the associated fees with you and receive your approval before proceeding.

Minnesota Department of Health Fees

Effective July 1, 2019, the Minnesota Department of Health (MDH) has changed the borehole sealing and notification requirements. For sites where borings are drilled to a depth of 15 feet or deeper, all licensed drilling companies are required by law to grout the boreholes upon completion. For borings 25 feet in depth or deeper all licensed drilling companies must submit written notification to the MDH prior to drilling along with a fee of \$75. Projects that span multiple properties will require multiple notifications. The MDH also requires that a Sealing Record be submitted to the MDH, with a copy to you, after the borings are completed. The above fee estimate for our geotechnical services includes the MDH fee for the proposed scope of drilling; however, because final boring depths can change, for example, due to possible unanticipated poor soil conditions, the final MDH fee (including an administrative charge of \$75 per notification) will be added, if necessary, to our final invoice to you.

The MDH Notification and Sealing Record requires the Property Owner name and mailing address (the Property Owner will also receive a copy of the Sealing Record). Please provide this information below.

Property Owner's name/company name:

Property Owner's mailing address:

Performance Schedule

Weather permitting; we anticipate drilling operations can begin within about 3 to 5 weeks after receiving authorization to proceed. Verbal results of the drilling activities can be obtained shortly after completion of the drilling. We anticipate the geotechnical report can be prepared within about 2 weeks after completion of the field work and laboratory testing. We are available to review special schedule needs with you.

Environmental Concerns

This proposal is presented for engineering services to evaluate the structural properties of the soil at the specified site. This proposed does not cover environmental assessment of the site or environmental testing of the soil or groundwater. If you wish to have us provide these additional services, please contact us.

Terms and Conditions

All AET Services are provided subject to the Terms and Conditions set forth in the enclosed Service Agreement—Terms and Conditions, which, upon acceptance of this proposal, are binding upon you as the Client requesting Services, and your successors, assignees, joint venturers and third-party beneficiaries. Please be advised that additional insured status is granted upon acceptance of the proposal.

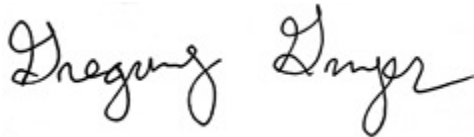
Acceptance

AET requests written acceptance of this proposal in the Proposal Acceptance box below, but the following actions shall constitute your acceptance of this proposal together with the Terms and Conditions and Amendments: 1) issuing an authorizing purchase order for any of the Services described above, 2) authorizing AET's presence on site or 3) written or electronic notification for AET to proceed with any of the Services described in this proposal. Please indicate your acceptance of this proposal by signing below and returning a copy to us. When you accept this proposal, you represent that you are authorized to accept on behalf of the Client.

We have enclosed with this proposal a copy of the "Environmental/Geotechnical Service Agreement-Terms and Conditions." The terms contained in this attachment are incorporated herein and are an integral part of this contract for professional engineering services.

If you have any questions regarding our services, or need additional information, please do not hesitate to contact us.

Sincerely,
American Engineering Testing



Gregory Guyer, PE
Senior Engineer
gguyer@teamAET.com
C: 507.420.3867
GAG/ZLH/lmh



Zane Hiller, PE (SD)
Engineer II
zhiller@teamaet.com
C: 605.595.8769

cc: Adam Jacobs, PE – Bolton and Menk

Attachments
Service Agreement (4 pages)

ACCEPTANCE AND AUTHORIZATION: AET Proposal No. P-0042382

SIGNATURE: _____
PRINTED NAME: _____
COMPANY: _____
ADDRESS: _____
PHONE NUMBER AND EMAIL: _____
DATE: _____

INVOICING INFORMATION (Provide Company AP Department Information, if present.)

AP CONTACT NAME: _____
BILLING/MAILING ADDRESS: _____
AP PHONE NUMBER AND INVOICE EMAIL: _____
P.O. NO./ PROJECT NO.: _____

SECTION 1 - RESPONSIBILITIES

1.1 - This Service Agreement – Terms and Conditions (“terms and conditions”) is applicable to all services (“Services”) provided by American Engineering Testing, Inc. (AET). As used herein “Services” refers to the scope of services described in the proposal submitted by AET to Client. The proposal, these terms and conditions and any appendices attached hereto shall comprise the agreement (“Agreement”) between AET and Client for Services described in the proposal and are binding upon the Client, its successors, assignees, joint ventures and third-party beneficiaries.

AET requests written acceptance of the Agreement, but the following actions shall also constitute Client’s acceptance of the Agreement: 1) issuing an authorizing purchase order, task order, service order, or any other documentation for any of the Services, 2) authorizing AET’s presence on site, or 3) written or electronic notification for AET to proceed with any of the Services. Issuance of a purchase order, task order or service order by Client which contains separate terms and conditions will not take precedence or modify the terms and conditions contained in this Service Agreement AND THE TERMS AND CONDITIONS OF THIS SERVICE AGREEMENT AND ANY CORRESPONDING PROPOSAL ISSUED BY AET SHALL GOVERN UNLESS AUTHORIZED IN WRITING IN ADVANCE BY AET.

1.2 – Prior to AET performing Services, Client will provide AET with all information that may affect the cost, progress, safety and performance of the Services. This includes, but is not limited to, information on proposed and existing construction, all pertinent sections of contracts between Client and their Client and/or Owner which contain flow-down provisions to AET, if they are provided, site safety plans or other documents which may control or affect AET’s Services. If new information becomes available during AET’s Services, Client will provide such information to AET in a timely manner. Failure of Client to timely notify AET of changes to the project including, but not limited to, location, elevation, loading, or configuration of the structure or improvement will constitute a release of any liability or indemnity obligations of AET for loss or damages related to such changes. Client will provide a representative for timely answers to project-related questions by AET.

1.3 - AET is responsible only for performance of the Services. AET will not be held responsible for work or omissions by Client or any other party working on the project. The Services do not include construction management, general contracting or surveying services. AET will not be responsible for directing or supervising the work of other parties, unless specifically authorized and agreed to in writing.

1.4 – Client acknowledges the limitations inherent in sampling to characterize buried subsurface conditions. Variations in soil conditions occur between and beyond sampled/tested locations. The passage of time, natural occurrences and direct or indirect human activities at the site or distant from it may alter the actual conditions. Client assumes all risks associated with such variations in soil and subsurface conditions.

1.5 - AET is not responsible for interpretations or modifications of AET’s recommendations by other persons.

1.6 - Should changed conditions be alleged, Client agrees to notify AET before evidence of alleged change is no longer accessible for evaluation.

1.7 – Pricing in the proposal assumes use of these terms and conditions. AET reserves the right to amend pricing if Client requests modifications to the Agreement or use of Client’s alternate contract format. Any contract amendments made after Client has authorized the Services shall be applicable only to Services performed after the effective date of such amendment. The proposal and these terms and conditions, including terms of payment, shall apply to all Services performed prior to the effective date of such amendment.

1.8 - The AET proposal accompanying these terms and conditions is valid for thirty (30) days after the proposal issuance date to the Client. Any attempt to authorize Services after the expiration date is subject to AET’s right to revise the proposal as necessary.

SECTION 2 - SITE ACCESS AND RESTORATION

2.1 - Client will furnish AET safe and legal site access.

2.2 Client acknowledges that in the normal course of its Services, AET may unavoidably alter existing site conditions or affect the environment in the area being studied. AET will take reasonable precautions to minimize alterations to the site or existing materials. Restoration of the site is the responsibility of the Client.

SECTION 3 - UNDERGROUND UTILITIES AND STRUCTURES (FACILITIES)

3.1 - AET’s sole responsibility under this section will be to contact the state “call before you dig” notification center (e.g. Gopher State One Call in Minnesota), if such an entity exists, for location information of public utilities only. AET shall have no obligation to proceed with the work until Client has fully complied with all the requirements of this Section 3.

3.2 - Client will mark or cause to be marked the location of all other Facilities that service or are located on the site. AET shall be entitled to rely upon the accuracy of all location information supplied by any source.

3.3 - Client acknowledges that location data may be incorrect or that some Facilities may not be capable of location and Client fully accepts this risk and waives any claims against AET for incorrect locations or Facilities incapable of location.

3.4 - Client shall hold harmless, indemnify and defend AET from all claims, damages, losses, fines, penalties and expenses (including attorney’s fees) arising out of or related to the following: a) Facilities that are not shown or vary from the locations shown on any plans or drawings, b) Facilities that are not located by or vary from the locations marked by Client, governmental or quasi-governmental locator programs, or private utility locating services, or c) any other Facilities that are not disclosed or vary from locations provided by the Client. The obligation to defend AET shall be independent of the obligation to indemnify and hold harmless AET and shall be with independent counsel acceptable to AET.

SECTION 4 - CONTAMINATION

4.1 - Client acknowledges and accepts all contamination risks which may be associated with the Services. Risks include, but are not limited to, cross contamination created by linking contaminated zones to uncontaminated zones during the drilling process; containment and proper disposal of known or suspected hazardous materials, drill cuttings and drill fluids; and decontamination of equipment and disposal and replacement of contaminated consumables. Discovery of actual or suspected hazardous materials shall entitle AET to take immediate measures it deems necessary in its sole discretion, including regulatory notification, to protect human health and safety, and/or the environment. Further, discovery of such materials constitutes a changed condition for which Client agrees to pay associated additional cost.

4.2 - Client shall indemnify and hold AET harmless from all liability, damages, claims or costs resulting from contaminants on the site.

SECTION 5 - SAFETY

5.1 - Client shall inform AET of any known or suspected hazardous materials or unsafe conditions at the site. If, during the course of AET's Services, such materials or conditions are discovered, AET reserves the right to take measures to protect AET personnel and equipment or to immediately terminate Services. Client shall be responsible for payment of such additional protection costs.

5.2 - AET shall only be responsible for safety of AET employees at the site; the safety of all others shall be Client's or other persons' responsibility.

SECTION 6 – SAMPLES

6.1 - Client shall inform AET of any known or suspected hazardous materials prior to submittal to AET. All samples obtained by or submitted to AET remain the property of the Client during and after the Services. Any known or suspected hazardous material samples will be returned to the Client at AET's discretion.

6.2 - Non-hazardous samples will be held for thirty (30) days and then discarded unless, within thirty (30) days of the report date, the Client requests in writing that AET store or ship the samples. Storage and shipping costs shall be borne solely by Client.

SECTION 7 - PROJECT RECORDS

The original project records prepared by AET will remain the property of AET. AET shall retain these original records for a minimum of three years following submission of the report, during which period the project records can be made available to Client at AET's office at reasonable times.

SECTION 8 - STANDARD OF CARE

AET performs its Services consistent with the level of care and skill normally performed by other firms in the profession at the time of this service and in this geographic area, under similar budgetary constraints.

SECTION 9 - INSURANCE

AET maintains insurance with coverage and minimum limits shown below. AET will furnish certificates of insurance to Client upon request.

9.1 –

Workers' Compensation Employer's Liability	Statutory Limits \$100,000 each accident \$500,000 disease policy limit \$100,000 disease each employee
Commercial General Liability	\$1,000,000 each occurrence \$1,000,000 aggregate
Automobile Liability	\$1,000,000 each accident
Professional/Pollution Liability Insurance	\$1,000,000 per claim \$1,000,000 aggregate

9.2 - Commercial General Liability insurance will include coverage for Products/Completed Operations extending one (1) year after completion of AET's Services as outlined in our proposal, Property Damage, Personal Injury, and Contractual Liability coverage applicable to AET's indemnity obligations under this Agreement.

9.3 - Automobile Liability insurance shall include coverage for all owned, hired and non-owned automobiles.

9.4 - Professional/Pollution Liability Insurance is written on a claims-made basis and coverage will be maintained for one (1) year after completion of AET's Services as outlined in our proposal. Renewal policies during this period shall maintain the same retroactive date.

9.5 - To the extent permitted by applicable state law, and upon Client's signing of the proposal, which includes these Terms and Conditions, and return of the same to AET, or Client provided forms of acceptance as defined in Section 1.1; Client and Owner shall be named an "additional insured" on AET's Commercial General Liability Policy (Form CG D4 14, which includes blanket coverage for the Additional Insured on a Primary and Non-Contributory basis). Client and Owner shall also be named an "additional insured" on a Primary and Non-contributory basis on AET's Automobile Liability Policy (Form CA T4 74). Any other endorsement, coverage or policy requirement may result in additional charges.

9.6 - AET will maintain insurance coverage required by this Agreement at its sole expense, provided such insurance is reasonably available, with insurance carriers licensed to do business in the state in which the project is located and having a current A.M. Best rating of no less than A minus (A-). Such insurance shall provide for thirty (30) days prior written notice to Client for notice of cancellation or material limitations for the policy or ten (10) days' notice for non-payment of premium.

9.7 - AET reserves the right to charge Client for AET's costs for additional coverage requirements unknown on the date of the proposal, e.g., coverage limits or policy modification including waiver of subrogation, additional insured endorsements and other project specific requirements.

SECTION 10 - DELAYS

If delays to AET's Services are caused by Client or Owner, other parties, strikes, natural causes, pandemic, weather, or other items beyond AET's control, a reasonable time extension for performance of the Services shall be granted, and AET shall receive an equitable fee adjustment.

SECTION 11 - PAYMENT, INTEREST, AND BREACH

11.1 - Invoices are due net thirty (30) days from the date of receipt of an undisputed invoice. Invoices will be paid without reductions for bond or retention. Client will inform AET of invoice questions or disagreements within fifteen (15) days of invoice date; unless so informed, invoices are deemed correct.

11.2 – Invoices remaining unpaid for sixty (60) days shall constitute a material breach of this Agreement, permitting AET, in its sole discretion and without limiting any other legal or equitable remedies for such breach, to terminate performance of this Agreement and be relieved of any associated duties to the Client or other persons. Further, AET may withhold from Client data and reports in AET's possession. If Client fails to cure such breach, all reports associated with the unpaid invoices shall immediately upon demand be returned to AET and Client may neither use nor rely upon such reports or the Services.

11.3 – AET reserves the right to pursue any unpaid invoice utilizing available remedies at law. AET explicitly reserves its Mechanic Lien or Bond Claim rights for nonpayment of an undisputed invoice. Client is responsible for paying AET expenses and attorney fees related to collection of past due invoices.

11.4 – AET reserves the right to charge a 2.5% fee on any payment made using a credit card or debit card.

SECTION 12 - CHANGE ORDERS

AET's proposal associated with this project may provide an estimated cost for the work. If the proposal amount is a time and material estimate, or if changes occur affecting the project scope, estimated quantities, project schedule or other unforeseen conditions, AET will communicate with Client request a change order. However, nothing in this agreement shall be construed in any way as a waiver of payment by Client to AET for Services authorized under this agreement. Approval of a change order may be in writing, by electronic communication, or any directive for additional Services.

SECTION 13 - MEDIATION

13.1 - Except for enforcement of AET's rights to payment for Services rendered or to assert and/or enforce its lien rights, including without limitation assertion and enforcement of mechanic's lien rights and foreclosure of the same, Client and AET agree that any claim, dispute or other matter in question arising out of or related to this Agreement shall be subject to mediation as a condition precedent to arbitration or the institution of legal or equitable proceedings by either party; provided however that if either party fails to respond to a request for mediation within sixty (60) days, the party requesting mediation may without further notice, proceed to arbitration or the institution of legal or equitable proceedings.

13.2 - Mediation shall be in accordance with the Construction Industry Mediation Rules of the American Arbitration Association. Request for mediation shall be in writing and the parties shall share the mediator's fee and any filing fees equally and each party shall pay their own legal fees. The mediator shall be acceptable to both parties and shall have experience in commercial construction matters.

SECTION 14 - LITIGATION REIMBURSEMENT

Except for matters relating to non-payment of fees, which is governed by Section 11 hereof, payment of attorney's fees and costs associated with lawsuits or arbitration of disputes between AET and Client, which are dismissed or are judged substantially in either party's favor, shall be paid by the non-prevailing party. Applicable costs include, but are not limited to, attorney and expert witness fees, court costs, and other direct costs.

SECTION 15 - MUTUAL INDEMNIFICATION

15.1 - Subject to the limitations contained in Sections 15 and 18, AET agrees to indemnify Client from and against damages and costs to the extent caused by AET's negligent performance of the Services.

15.2 - Client agrees to indemnify AET from and against damages and costs to the extent caused by the intentional acts or negligence of the Client, Owner, Client's contractors and subcontractors or other third parties.

15.3 - If Client has an indemnity agreement with other persons or entities relating to the project for which AET's Services are performed, the Client shall include AET as an additional Insured.

15.4 - AET's indemnification to the Client, including any indemnity required or implied by law, is limited solely to losses or damages caused by its failure to meet the standard of care and only to the extent of its negligence.

SECTION 16 - NON-SOLICITATION

Each party to this Agreement (a "Party") agrees that it will not encourage, induce, or actively solicit any employee of the other party to leave their employment for any reason, provided that neither Party is precluded from (a) hiring any such employee who has been terminated by a Party or its subsidiaries prior to commencement of employment discussions between a Party and such employee, or (b) soliciting any such employee by means of a general advertisement or through an employment agency that does not specifically pursue the employee, or (c) hiring employees or former employees of the other Party who contact the Party on its own accord. This Non-Solicitation provision shall be effective and enforceable for six (6) months following termination of this Agreement.

SECTION 17 - MUTUAL WAIVER OF CONSEQUENTIAL DAMAGES

Except as specifically set forth herein and to the extent permitted by applicable law, Client and AET waive against each other, and each other's officers, directors, members, subcontractor, agents, assigns, successors, partners, and employees any and all claims for or entitlement to special, incidental, indirect, punitive, or consequential damages arising out of, resulting from, or in any way related to the Services provided by AET under this Agreement. This mutual waiver of consequential damages includes, but is not limited to, the following: loss of profits; loss of revenue; rental costs/expenses incurred; loss of income; loss of use of property, equipment, materials or services; loss of opportunity; loss of rent; loss of good will; loss of financing; loss of credit; diminution of value; loss of business and reputation; loss of management or employee productivity or the services of such persons; increased financing costs; cost of substitute facilities; cost of substitute goods/property/equipment; cost of substitute services; and/or cost of capital. This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination of this Agreement in accordance with the provisions of the Agreement and related documents and shall survive any such termination.

SECTION 18 - LIMITATION OF LIABILITY

To the fullest extent permitted by applicable law, the total aggregate liability of AET and its officers, directors, partners, employees, subcontractors, agents, and sub-consultants, to Client and/or Client's employees, officers, directors, members, agents, assigns, successors, or partners, or anyone claiming through Client, for any and all injuries, damages, claims, losses, or expenses (including attorney's fees and costs) arising out of, resulting from or in any way related to Services provided by AET from any cause or causes, including, but not limited to, its negligence, professional errors and omissions, strict liability, breach of contract, or breach of warranty, shall not exceed the total compensation in excess of costs received by AET for Services or \$50,000, whichever is less. The limitation of liability set forth herein does not apply to claims arising solely out of or related to the willful or intentional acts of AET.

SECTION 19 - POSTING OF NOTICES ON EMPLOYEE RIGHTS

Effective June 21, 2010, prime contracts with a value of \$100,000 or more and signed by federal contractors on projects with any agency of the United States government must comply with 29 CFR Part 471, which requires physical posting of a notice to employees of their rights under Federal labor laws. The required notice may be found at 29 Code of Federal Regulations Part 471, Appendix A to Subpart A. The regulation also has a "flow-down" requirement for subcontractors under the prime agreement for subcontracts with a value of \$10,000 or more. AET requires strict compliance of its subcontractors working on federal contracts subject to this regulation. The regulation has specific requirements for location of posting and language(s) for the poster.

SECTION 20 - TERMINATION

After 7 days' written notice, either party may elect to terminate this Agreement for justifiable reasons. In this event, the Client shall pay AET for all work performed, including demobilization and reporting costs to complete the Services.

SECTION 21 - SEVERABILITY

Any provisions of this Agreement later held to violate a law or regulation shall be deemed void, and all remaining provisions shall continue in force. However, Client and AET will in good faith attempt to replace an invalid or unenforceable provision with one that is valid and enforceable, and which comes as close as possible to expressing the intent of the original provision.

SECTION 22 - GOVERNING LAW

This Agreement shall be construed in accordance with the Laws of the State of Minnesota without regard to its conflicts of law provisions.

SECTION 23 - ENTIRE AGREEMENT

This Agreement, including these terms and conditions and attached proposal and appendices, is the entire agreement between AET and Client. Regardless of method of acceptance of this Agreement by the Client, this Agreement supersedes any written or oral agreements, including purchase/work orders or other Client agreements submitted to AET after the start of our Services. Any modifications to this Agreement must be mutually acceptable to both parties and accepted in writing. No considerations will be given to revisions to AET's terms and conditions or alternate contract format submitted by the Client as a condition for payment of AET's accrued Services.