STATE OF HAWAII

COMPENSATION AND PAYMENT SCHEDULE

In full consideration for services satisfactorily performed by the CONTRACTOR under this Contract, the STATE agrees, subject to receipt of federal funds under the Federal Grant and subject to allotments to be made by the Director of Finance, State of Hawaii, pursuant to Chapter 37, Hawaii Revised Statutes, to pay the CONTRACTOR a total sum of money not to exceed THREE HUNDRED SEVEN THOUSAND DOLLARS ($307,000.00) and 00/100, the amount of federal funds to be received under the Federal Grant, which shall be paid in accordance with and subject to the following:

a. Payments shall be made upon the monthly submission by the CONTRACTOR of invoices in duplicate for the services provided in accordance with Attachment-S1 "Scope of Services".

b. Invoices shall be certified by the CONTRACTOR and submitted along with the scheduled deliverables required under this Agreement.

c. If an amount of reported expenditures is preliminarily determined by the STATE to be inappropriate and unallowable, the STATE may deduct an equivalent amount from the next payable installment and may withhold payment of the amount of moneys equivalent to the questioned expenditures until later resolution of the discrepancy by audit or other means. If, after payment of the last installment prior to the final payment, investigation and examination reveal additional expenditures that are determined by the STATE to be inappropriate and unallowable, the STATE may require that an equivalent amount of moneys be refunded by the CONTRACTOR notwithstanding the STATE's preliminary determination of appropriateness and allowability. The amount of moneys to be refunded by the CONTRACTOR may be offset against the amount of moneys withheld by the STATE in determining the amount of the final payment to be made to the CONTRACTOR in final settlement of this Contract. Final settlement of this Contract shall include submission and acceptance of all reports and other materials to be submitted by the CONTRACTOR to the STATE, resolution of all discrepancies in expenditures or performance of services, and completion of all other outstanding matters under this Contract.

d. Invoices will be submitted to the State Laboratories Division, Biological Response Section, 2725 Waimano Home Road, Pearl City, Hawaii, 96782.