



SUPPLEMENTAL TERMS AND CONDITIONS - SERVICES SUBCONTRACT/PURCHASE ORDERS

APPLICABILITY

When a deliverable item under this Contract includes the provision of Services, the following supplemental terms and conditions shall apply as specified herein. In the event of an inconsistency between these supplemental terms and conditions and another term or condition of this Contract, the "Precedence" Clause of this Contract shall apply and these supplemental terms and conditions shall have the same level of precedence as any other SRCTec, Inc. TC incorporated in the Contract; provided however that to the extent a provision of these supplemental terms and conditions cannot be reconciled with a provision in a "SRCTec, Inc. TC" applicable to this Contract, the provisions of these supplemental terms and conditions shall take precedence over the provision contained in such other SRCTec, Inc. TC.

The following supplemental terms and conditions apply to this Contract:

101. ASSIGNMENT OF NON-U.S. PERSONNEL

- (a) In order to assist SRCTec, Inc.'s compliance with U.S. security and export control requirements, SELLER shall not assign any persons who are not United States citizens or aliens granted permanent residency in the United States to work on this Contract without first obtaining SRCTec, Inc. written approval, which approval shall not be unreasonably withheld.
- (b) SELLER shall be responsible for ensuring that all personnel it assigns to this Contract have all required work permits, appropriate licenses, and security clearances necessary to perform the Work. SELLER shall produce such records at any reasonable time upon SRCTec, Inc. request.

102. CONTRACT COORDINATION

- (a) SRCTec, Inc. shall appoint a Technical Representative(s) who shall be responsible for maintaining liaison with SELLER's Lead Supervisor(s).
- (b) SELLER shall appoint a Lead Supervisor(s) who shall be responsible for supervising and directing the work of SELLER's employees and maintaining liaison with SRCTec, Inc.'s Technical Representative(s).
- (c) SRCTec, Inc. and SELLER shall inform each other, in writing, of names of the Technical Representative(s) and Lead Supervisor(s) appointed.
- (d) All notices to be furnished by SELLER shall be sent to the SRCTec, Inc. Procurement Representative with a copy to the SRCTec, Inc. Technical Representative.
- (e) The SRCTec, Inc. Technical Representative has no authority to make changes in, to amend, or to modify this Contract. Such changes, amendments or modifications can only be made by the SRCTec, Inc. Procurement Representative and must be in writing.

103. DEFINITIONS

The following terms shall have the meaning set forth below:

"Services" shall mean the time and effort of SELLER in performing identifiable labor tasks which are themselves a deliverable under this

Contract. Services covers activities performed both by professional and non-professional personnel of SELLER. Without limiting the foregoing, examples of Services include but are not limited to: engineering design; test functions; training; information technology support; equipment maintenance or repair; temporary labor, and contract labor suppliers; facility improvement, maintenance or repair; security guards; travel administration; and food preparation and cafeteria operations.

Unless expressly otherwise stated, all defined terms used in this Supplement shall have the same meaning set forth in the applicable SRCTec, Inc. TC(s).

104. INDEMNITY BY SELLER

In addition to, and without limiting, the indemnification provisions contained in the SRCTec, Inc. TC(s) applicable to this Contract, the following additional provisions shall apply:

- (a) **SELLER SHALL INDEMNIFY, HOLD HARMLESS AND, AT SRCTec, Inc.'s ELECTION, DEFEND SRCTec, Inc., ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, AND BENEFITS PLANS FROM AND AGAINST ALL LOSSES, COSTS, CLAIMS, PENALTIES, CAUSES OF ACTION, DAMAGES, LIABILITIES, FEES, AND EXPENSES, INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEYS' FEES, ALL EXPENSES OF LITIGATION AND/OR SETTLEMENT, AND COURT COSTS (HEREINAFTER COLLECTIVELY REFERRED TO AS "CLAIMS"), ARISING FROM OR RELATED TO:**
 - (1) ANY INJURY, INCLUDING BUT NOT LIMITED TO DEATH, TO ANY PERSON(S), OR DAMAGE TO PROPERTY, ARISING FROM OR RELATED TO OR CAUSED OR CLAIMED TO HAVE BEEN CAUSED BY ACTS OR OMISSIONS OF SELLER, ITS DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS, OR ANY OTHER PERSON OR ENTITY DIRECTLY OR INDIRECTLY EMPLOYED BY ANY OF THEM, WITH RESPECT TO OR IN CONNECTION WITH SERVICES UNDER THIS CONTRACT.
 - (2) ANY CLAIMS, MADE BY SELLER'S DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS (EXCEPT CLAIMS FOR PERSONAL INJURY OR DEATH ARISING FROM GROSS NEGLIGENCE OR INTENTIONAL TORTS ON THE PART OF SRCTec, Inc.) AGAINST SRCTec, Inc. OR ITS DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS IN EITHER THEIR OFFICIAL OR INDIVIDUAL CAPACITIES.
 - (3) ALLEGED IMPROPER CONDUCT OF ANY NATURE OR TYPE, INCLUDING, BUT NOT LIMITED TO, PHYSICAL, MENTAL OR SEXUAL ABUSE OR HARASSMENT, INVASION OF BODILY INTEGRITY, VIOLATION OF CIVIL RIGHTS, AND/OR DISCRIMINATION, BY OR ATTRIBUTABLE TO ANY OF SELLER'S DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SUPPLIERS OR SUBCONTRACTORS.
 - (4) SELLER'S FAILURE TO PAY ANY OF SELLER'S EMPLOYEES, AGENTS, SUPPLIERS, OR

SUBCONTRACTORS, FOR SERVICES RENDERED UNDER THIS CONTRACT.

- (b) SELLER shall notify SRCTec, Inc. as soon thereafter as is practicable, of any Claims arising from or related to subparagraphs 104 (a)(1)-(4). SELLER shall not settle, adjust, or compromise any such claim or any action or proceeding arising therefrom without the written approval of SRCTec, Inc. which shall not be unreasonably withheld. SRCTec, Inc. further agrees to cooperate with any investigation of such Claims and to provide SELLER any information reasonably available to SRCTec, Inc. (not of a classified, confidential or privileged nature), and reasonably necessary for the investigation or defense of such Claims.

105. INDEPENDENT CONTRACTOR RELATIONSHIP

In addition to, and without limiting, the "INDEPENDENT CONTRACTOR RELATIONSHIP" Clause contained in the SRCTec, Inc. TC(s) applicable to this Contract, the following additional provisions shall apply:

- (a) SELLER shall inform SRCTec, Inc. if a former employee of SRCTec, Inc. or its parent, subsidiary or affiliates will be assigned Work under this Contract, and any such assignment shall be subject to SRCTec, Inc. approval.
- (b) SELLER shall provide SRCTec, Inc. with any information about SELLER's personnel that SRCTec, Inc. is required by law to obtain, including, but not limited to, information on "leased employees" and "management services organization" as these terms are used in Sections 414(m), (n) and (o) of the Internal Revenue Code.

106. INFORMATION OF SRCTec, Inc.

This paragraph 106 shall apply in lieu of the "INFORMATION OF SRCTec, Inc." Clause contained in the SRCTec, Inc. TC(s) incorporated into this Contract.

- (a) SELLER shall not use, display, reproduce or disclose any information, knowledge, or data of SRCTec, Inc., except as provided under paragraph 106(c) below, which SELLER may receive from SRCTec, Inc. or come in contact with, including but not limited to, proprietary information of SRCTec, Inc. or of others when in possession of SRCTec, Inc. (hereinafter, collectively, SRCTec, Inc. INFORMATION). SRCTec, Inc. INFORMATION includes, but is not limited to, business plans, marketing information, personnel information, information about suppliers, cost estimates, forecasts, bid and proposal data, financial data, metrics, technical information, formulae, algorithms, software, hardware, firmware, compositions, products, processes, methods, procedures, inventions, trade secrets, systems, drawings or designs.
- (b) Prior to commencement of assignment, SELLER shall have a written agreement with each of its employees performing Work hereunder sufficient to enable SELLER to comply with this paragraph 106.
- (c) SRCTec, Inc. INFORMATION provided to the SELLER remains the property of SRCTec, Inc. (or third parties as applicable). SELLER shall not use any SRCTec, Inc. INFORMATION for any purpose except to perform this Contract and shall not disclose any SRCTec, Inc. INFORMATION to third parties without the prior written consent of SRCTec, Inc. Within thirty (30) days of the expiration or termination of this Contract or upon the request of SRCTec, Inc., SELLER shall return or certify the destruction of all SRCTec, Inc. INFORMATION and any reproductions, and SELLER shall promptly surrender all information or proprietary data developed by SELLER in performance of this Contract, unless its retention is authorized in writing by SRCTec, Inc.

- (d) The provisions set forth above shall take precedence over any conflicting obligations that may be contained in a Proprietary Information Agreement between SRCTec, Inc. and SELLER.

107. INSURANCE/ENTRY ON SRCTec, Inc. OR CUSTOMER PROPERTY

In addition to, and without limiting, the "INSURANCE/ENTRY ON SRCTec, Inc. OR CUSTOMER PROPERTY" Clause contained in the SRCTec, Inc. TC(s) applicable to this Contract, the following additional provisions shall apply:

- (a) SELLER's personnel, while on SRCTec, Inc.'s or Customer's premises, shall not sell, advertise or market any goods or services (other than the goods or services which may be the subject of this Contract) or memberships, or distribute printed, written or graphic materials without SRCTec, Inc.'s written permission or as permitted by law.
- (b) SELLER must coordinate in advance with SRCTec, Inc. access to SRCTec, Inc.'s or Customer's premises.
- (c) SELLER shall, at its sole cost and expense obtain and maintain in force throughout the original term, and any extension, of this Contract (to include the warranty period), the following minimum limits of insurance placed with a company reasonably acceptable to SRCTec, Inc., each of which shall be primary to any insurance of SRCTec, Inc.:

(1) Automobile General Liability:

For Owned, Hired & Non-Owned	
(bodily injury)	\$3,000,000 each occurrence
(property damage)	\$3,000,000 each occurrence

(2) Comprehensive General Liability (CGL):

Public Liability	\$1,000,000 each occurrence
(bodily injury)	\$3,000,000 aggregate
Public Liability	\$1,000,000 each occurrence
(property damage)	\$3,000,000 aggregate

(3) Employer's Liability: \$1,000,000 each occurrence

(4) Errors & Omissions: \$1,000,000 each occurrence
\$3,000,000 aggregate

(5) Products Liability : \$1,000,000 each occurrence
\$3,000,000 aggregate

(6) Worker's Compensation: Statutory

(7) Umbrella/Excess Liability: \$10,000,000 per occurrence
and in the aggregate.

- (d) The insurance coverage and limits required of the SELLER under this Contract are designed to meet the minimum requirement of SRCTec, Inc. They are not designed to limit the SELLER'S liability under this Contract or as a recommended insurance program for SELLER. The SELLER alone should seek professional assistance if the SELLER has any question concerning its exposure to loss under this Contract or the applicable insurance coverage that may be necessary to address such exposure.
- (e) SELLER shall cause SRCTec, Inc. its directors, officers, employees and agents to be named as an additional insured under each of the insurance policies required by this Contract, except Workers

Compensation. Insurance maintained pursuant to this paragraph shall be considered primary as respects the interest of SRCTec, Inc. and is not contributory with any insurance that SRCTec, Inc. may carry.

- (f) All policies, including Workers Compensation, shall contain a Waiver of Subrogation in favor of SRCTec, Inc.
- (g) SELLER shall, before commencing work under this Contract, deliver a Certificate of Insurance and/or actual insurance policies required by this Contract. Any Certificate of Insurance shall contain a provision that the coverage provided under the policies, as well as the policies, will not be canceled or materially changed unless the insurers provide SRCTec, Inc. with thirty (30) days written notice of the intent to cancel a policy, or materially change the coverage provided under the policy.
- (h) Unless otherwise specified in this Contract, SELLER shall be responsible for supplying all tools and equipment necessary to perform its Services under this Contract.

108. INTELLECTUAL PROPERTY

In addition to, and without limiting, the "INTELLECTUAL PROPERTY" Clause contained in the SRCTec, Inc. TC(s) applicable to this Contract, the following additional provisions shall apply:

- (a) To the extent that any deliverable items may not, by operation of law, be works made for hire, SELLER hereby assigns to SRCTec, Inc. the ownership of copyright in the deliverable items and SRCTec, Inc. shall have the right to obtain and hold in its own name copyrights, registrations and similar protection which may be available in the deliverable items. SELLER shall provide to SRCTec, Inc. or its designees all assistance reasonably required and documentation necessary to perfect such rights.

109. MAINTENANCE OF RECORDS

In addition to, and without limiting, the "MAINTENANCE OF RECORDS" Clause contained in the SRCTec, Inc. TC(s) applicable to this Contract, the following additional provisions shall apply:

SELLER's records shall also include time records, phone bills, travel receipts, expense reports, and job summaries.

110. MECHANICS AND OTHER LIENS

- (a) **TO THE EXTENT PERMITTED BY LAW, SELLER AGREES THAT IT WILL NOT ASSERT ANY MECHANICS LIEN, OR ANY OTHER LABOR OR MATERIAL LIEN, AGAINST ANY PROPERTY OWNED BY OR IN THE CARE, CUSTODY OR CONTROL OF SRCTec, Inc. TO SECURE PAYMENT OF ANY AMOUNTS THAT MAY BECOME DUE TO SELLER FOR FURNISHING ANY LABOR OR MATERIAL IN PERFORMANCE OF THIS CONTRACT OR FOR PERFORMING ANY WORK ASSOCIATED THEREWITH. SELLER UNDERSTANDS THAT BY ACCEPTING THIS CONTRACT IT HAS WAIVED ITS RIGHTS (IF ANY) TO ASSERT A LIEN AND IT WILL BE PRECLUDED FROM EXERCISING THE MECHANICS LIEN RIGHTS IT MAY OTHERWISE BE AFFORDED UNDER APPLICABLE STATE LAW. SELLER SHALL COOPERATE IN PROVIDING AND FILING ANY WAIVERS AND/OR RELEASES OF LIEN THAT SRCTec, Inc. MAY REQUIRE. IN THE EVENT THAT APPLICABLE LAW DOES NOT PERMIT THE SELLER'S WAIVER OF LIENS IN ADVANCE, SELLER AGREES THAT IT SHALL FOREBEAR FROM FILING A LIEN UNLESS AND UNTIL IT COMPLETES THE WORK REQUIRED BY THE CONTRACT AND WILL PROVIDE A RELEASE AND WAIVER SIMULTANEOUS WITH FINAL PAYMENT UNDER THE CONTRACT.**

- (b) **SELLER agrees to secure releases and waivers of lien in favor of SRCTec, Inc. from SELLER's suppliers and subcontractors coincident with SELLER's final payments to them.** In the event any of SELLER's suppliers or subcontractors assert a mechanics lien, or any other labor or material lien, against any property owned by or in the care, custody or control of SRCTec, Inc., SRCTec, Inc. at its election may immediately satisfy such lien and charge all amounts (including reasonable attorneys fees) associated with satisfying such lien to SELLER and/or offset such amounts against payments owed to SELLER.

111. OCCUPATIONAL SAFETY AND HEALTH

SELLER shall notify SRCTec, Inc. promptly in writing if a charge of noncompliance with the Occupational Safety and Health Act of 1970, as amended has been filed against SELLER arising from or related to SELLER's Services performed hereunder on premises owned, leased or operated by SRCTec, Inc.

112. WARRANTY

In addition to, and without limiting, the "WARRANTY" Clause contained in the SRCTec, Inc. TC(s) applicable to this Contract, the following additional provisions shall apply:

- (a) SELLER warrants that it is and shall remain free of any obligation or restriction which would interfere or be inconsistent with, or present a conflict of interest concerning, the Services to be furnished by SELLER under this Contract.
- (b) SELLER warrants that it will perform the Services under this Contract with the highest degree of professional skill and sound practices and judgment exercised by businesses that perform or offer Services of a similar nature.
- (c) If the Services fail to conform to the foregoing warranty, SELLER, at SRCTec, Inc.'s option, shall, without additional charge, promptly re-perform such Services. If re-performance of the Services is not timely or fails to correct the non-conformity, SRCTec, Inc. may elect to replace, re-procure or re-perform the Service at SELLER's expense. All warranties shall run to SRCTec, Inc. and its Customers.