# Vendor Services Agreement

# THE MICHAELSON GROUP HOLDINGS, L.L.C.

Agreement entered into this date \_\_\_\_\_\_by and between The Michaelson Group Holdings, L.L.C., Inc., having its principal place of business at Dallas, TX, and \_\_\_\_\_\_, having its principal place of business at \_\_\_\_\_\_, In consideration of the mutual covenants, terms, and conditions herein contained, the parties agree as follows:

#### **DEFINITIONS.**

As used herein, the following terms shall have the meanings ascribed to them as set forth below:

#### 1. SERVICES.

The services and other materials provided to The Michaelson Group by Vendor (collectively, the "Services") are described, and must be provided at the times and in the manner set forth in, Exhibit A attached hereto and incorporated herein by this reference.

1.1 SCOPE OF SERVICES/STATEMENT OF WORK 1.2 ATTACHMENTS TO AGREEMENT 1.2.1 Attachment A: Description of Services 1.2.2 Attachment B: Pricing

#### 2. TERM

(the "Initial Term").

2.1 Extension of Term and/or Options

The term may be extended or renewed for an additional term ("Renewal Term") only by written agreement of the parties. If the term of the Agreement expires without being formally renewed or extended, both parties may continue to perform as set forth in this Agreement on a month-to-month basis until terminated by either party with thirty (30) days prior written notice.

#### 2.2 Termination for Convenience

The Michaelson Group may terminate this agreement, (in whole or in part), without penalty, at any time by giving the vendor notice of the termination at least thirty (30) days prior to the termination date specified in the notice.

2.3 Termination for Cause

#### 2.3.1 The Michaelson Group Termination

The Michaelson Group may terminate this agreement if Vendor fails to perform any of its material obligations under this agreement and does not cure such failure within thirty (30) days after being given notice specifying the nature of the failure. Without limiting this Subsection, repeated breaches by Vendor of its duties or obligations under this Agreement, or Vendor's failure to achieve the Service Levels shall each be deemed a material breach of this agreement.

#### 2.3.2 Vendor Termination

Vendor may terminate this agreement by giving notice to Client if Client fails to pay undisputed Fees for a period of three (3) months or more and fails to make such payment within thirty (30) days after being given notice of such failure.

#### 2.4 Sale of Business to Client Competitor

If Vendor enters into an agreement to sell all or substantially all of its business to a direct competitor of The Michaelson Group, Vendor must inform The Michaelson Group prior to completion of the sale of this transaction.

Under this circumstance, Client can immediately terminate the agreement such that any data The Michaelson Group deems to be confidential or proprietary can be destroyed before ownership changes hands.

#### 2.5 Discontinuance of Services

Upon receipt of any termination notice, Vendor shall discontinue the Services on the date and to the extent specified in the notice. Vendor shall be paid for the actual costs incurred during performance hereunder, up to the termination date specified in said notice, any costs not previously reimbursed by The Michaelson Group to the extent such costs are actual, necessary, reasonable and verifiable costs which have been incurred by Vendor and which are otherwise reimbursable hereunder. In no event shall such cost include unabsorbed overhead or anticipated profit.

#### 3. GOVERNING LAW AND JURISDICTION

THIS AGREEMENT, AND ALL OTHER ASPECTS OF THE BUSINESS RELATIONSHIP BETWEEN THE PARTIES, IS CONSTRUED, INTERPRETED, AND ENFORCED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS WITHOUT REGARD TO CHOICE OF LAW PROVISIONS. VENDOR AGREES, WITH RESPECT TO ANY LITIGATION ARISING DIRECTLY OR INDIRECTLY OUT OF, OR THAT IN ANY WAY RELATES TO, THIS AGREEMENT, THE BUSINESS RELATIONSHIP OR ANY OTHER TRANSACTION, MATTER, OR ISSUE BETWEEN THE PARTIES, TO COMMENCE IT EXCLUSIVELY IN THE STATE OF TEXAS COURTS OF DALLAS COUNTY, TEXAS OR THE UNITED STATES DISTRICT COURT AT DALLAS, TEXAS, AND VENDOR BY THIS AGREEMENT CONSENTS TO THE JURISDICTION OF THESE COURTS.

#### 4. COMPLIANCE WITH LAWS

Vendor shall comply with all applicable national, multi-jurisdictional, federal, state, and local laws, rules, statutes, treaties, regulations and orders.

# 4.1 FOREIGN CORRUPT PRACTICES ACT (FCPA).

Vendor shall, and shall be responsible for ensuring that its representatives and subcontractors shall, perform all obligations of Vendor under the Agreement in compliance with all laws, rules, regulations and other legal requirements.

Vendor represents and warrants that it is familiar with all applicable domestic and foreign antibribery or anticorruption laws, including those prohibiting Vendor, and, if applicable, its officers, employees, agents and others working on its behalf, from taking corrupt actions in furtherance of an offer, payment, promise to pay or authorization of the payment of anything of value, including but not limited to cash, checks, wire transfers, tangible and intangible gifts, favors, services, and those entertainment and travel expenses that go beyond what is reasonable and customary and of modest value, to: (i) an executive, official, employee or agent of a governmental department, agency or instrumentality, (ii) a director, officer, employee or agent of a wholly or partially government-owned or -controlled company or business, (iii) a political party or official thereof, or candidate for political office, (iv) an executive, official, employee or agent of a third party; while knowing or having a reasonable belief that all or some portion will be used for the purpose of: (a) influencing any act, decision or failure to act by a Government Official in his or her official capacity, (b) inducing a Government or instrumentality to affect any act or decision of such government or entity, or (c) securing an improper advantage; in order to obtain, retain, or direct business.

Vendor represents and warrants that it and its subcontractors would now be in compliance with all applicable domestic or foreign anti-bribery or anticorruption laws, including those prohibiting the bribery of Government Officials, and will remain in compliance with all applicable laws; that it will not authorize, offer or make payments directly or indirectly to any Government Official; and that no part of the payments received by it will be used for any purpose that could constitute a violation of any applicable laws.

#### **5. DATA PRIVACY AND SECURITY**

As a result of this Agreement, Vendor may obtain certain information relating to identified or identifiable individuals ("Personal Data"). Vendor shall, and shall ensure its employees, agents, representatives and Vendors ("Vendor

Personnel") collect, access, maintain, use, process and transfer Personal Data in accordance with the requirements set forth in this section and for the sole purpose of performing Vendor's obligations under this Agreement.

**Protection of Personal Data**. Vendor shall at all times comply with The Michaelson Group's instructions regarding Personal Data, as well as all applicable laws, regulations and international accords, treaties, or accords, including without limitation, the EU/US Safe Harbor program (collectively, "Legal Requirements"), and shall refrain from engaging in any behavior which renders or is likely to render The Michaelson Group in breach of same. Without limiting the generality of the foregoing, with respect to any data received directly or indirectly from the European Economic Area or from The Michaelson Group's European affiliates, Vendor shall abide by the Safe Harbor Privacy Principles of the U.S. Department of Commerce, located at http://www.export.gov/safeharbor, as may be amended from time to time (the "Safe Harbor Principles"), excluding the Notice, Choice and Enforcement provisions contained within the Safe Harbor Principles.

Vendor shall take all appropriate legal, organizational, and technical measures to ensure the confidentiality of Personal Data, and protect Personal Data against accidental or unlawful destruction or accidental loss, alteration, unauthorized disclosure or access, and against all other unlawful forms of processing, keeping in mind the nature of such data. Vendor may only disclose Personal Data to third parties (including Vendor Personnel), who have a need to know and have signed agreements that require them to protect Personal Data in the same manner as detailed in this Agreement. Vendor shall hold such third parties with access to Personal Data accountable for violations of this Agreement, including imposing sanctions, and where appropriate, terminating contracts and employment.

Vendor shall take all reasonable steps to ensure that Personal Data is reliable for its intended use, and is accurate, complete and current. Immediately upon The Michaelson Group's request, or as otherwise may be necessary to comply with this Agreement, Vendor shall correct, delete and/or block Personal Data from unauthorized processing and/or use. Vendor shall promptly notify The Michaelson Group if it receives any requests from an individual with respect to Personal Data, including but not limited to "opt-out" specifications, information access requests, information rectification requests and all like requests, and shall not respond to any such requests unless expressly authorized to do so by The Michaelson Group. Vendor shall promptly and properly deal with inquiries and requests from The Michaelson Group in relation to the processing of Personal Data under this Agreement. Vendor acknowledges that it shall have no right, title or interest in any Personal Data obtained by it as a result of this Agreement.

**Security Procedures**. Vendor shall maintain reasonable operating standards and security procedures, and shall use its best efforts to secure Personal Data through the use of appropriate physical and logical security measures including, but not limited to, appropriate network security and encryption technologies. Vendor shall use reasonable user identification or password control requirements and other security procedures as may be issued, from time to time by The Michaelson Group in relation to the Personal Data. Vendor shall promptly notify The Michaelson Group in the event that Vendor learns or has reason to believe that any person or entity has breached or attempted to breach Vendor's security measures, or gained unauthorized access to Personal Data ("Information Security Breach"). Upon any such discovery, Vendor will (a) investigate, remediate, and mitigate the effects of the Information Security Breach"). Upon any such discovery, Vendor will not recur. Additionally, if and to the extent any Information Security Breach or other unauthorized access, acquisition or disclosure of Personal Information occurs as a result of an act or omission of Vendor or Vendor's Personnel, and if The Michaelson Group determines that notices (whether in The Michaelson Group's or Vendor's name) or other remedial measures (including notice, credit monitoring services, fraud insurance and the establishment of a call center to respond to customer inquiries) are warranted, Vendor will, at The Michaelson Group's request and at Vendor's cost and expense, undertake the aforementioned remedial actions.

#### 6. AUDIT

Upon 30 days notice, The Michaelson Group or a 3rd party of their choosing, may audit, copy, and inspect the records, transactions, and Vendor processes during the term of this agreement, and a period of at least 3 years after the termination of this agreement, or any Order, whichever occurs last. Vendor will maintain all records pertaining to services rendered or products delivered for the term of this agreement and for the ensuring 3 year period. In addition to record maintenance, Vendor will agree to provide 100% of transactions requested for the period under audit in a database format of either Microsoft Access of Excel. The transactions provided will agree to the total amount invoiced to The Michaelson Group for the period requested. Vendor agrees to review findings identified as a result of the audit and provide feedback within 30 days after receipt of the audit findings unless a different timeframe is agreed upon by both parties. Vendor agrees to refund all overcharges identified by The Michaelson Group, without

waiver or limitation of any rights, may deduct from any amounts due to Vendor in connection with this agreement, or any other Agreement between The Michaelson Group Services and Vendor any audit findings identified during the course of the audit not repaid by Vendor within the 2 week timeframe. At The Michaelson Group's request, Vendor, will at no charge provide The Michaelson Group with copies of any routine SSAE-16 Type I and II audit reports, or any successor reports ("SSAE-16 Reports") directly related to the Services provided hereunder.

# 7. REPRESENTATIONS AND WARRANTIES

Vendor represents and warrants that: (i) its performance under this Agreement will at all times conform to the highest professional and ethical standards; (ii) due care and its best efforts will be utilized by Vendor in the performance of this Agreement; (iii) it is under no obligation or restriction that would conflict with the Services required to be furnished by Vendor and its other obligations under this Agreement, or that otherwise would in any manner prevent the full performance by Vendor of the terms, conditions, and requirements of this Agreement (Vendor must immediately disclose to The Michaelson Group any actual or potential conflict of interest that may arise during the Vendor's performance of this Agreement). In the event Vendor breaches any of the above warranties in any material respect, The Michaelson Group may exercise all rights and remedies available to it under applicable laws and all other rights and remedies under this Agreement.

#### 8. LIMITATION OF LIABILITY

Except with respect to damages arising from sections 5, 9, 13, and 14 herein, neither party is liable to the other party for incidental, consequential, punitive, or exemplary damages arising in connection with this Agreement or the performance, omission of performance, or termination hereof including, without limitation, lost sales and profits and other business interruption damages, even if the party has been advised of the possibility of such damages and without regard to the nature of the claim or the underlying theory or cause of action (whether in contract, tort, or otherwise).

# 9. INDEMNIFICATION

#### 9.1 Vendor's Obligations

To the fullest extent permitted by law: Vendor must reimburse, indemnify, defend, and hold harmless The Michaelson Group Holdings, L.L.C., its subsidiaries and affiliates and each of its subsidiary's and affiliate's present, former, and future shareholders, employees, officers, and directors from and against all loss, damage, expense (including attorney's fees and expenses), and penalty, and any claim or action therefore by or on behalf of any person, (collectively, "Loss") arising out of or in connection with the performance or failure of performance of this Agreement including, without limitation, Loss arising out of or occurring in connection with: (i) any acts or omissions by Vendor or its employees or agents, including, without limitation, personal injury and death claims; (ii) all claims of Vendor's employees, agents, and subcontractors, whether for injury, death, compensation, social security, pension, unemployment compensation, etc.; (iii) the provision, ownership, installation, operation, maintenance, use, or repair of any of the Services; and (iv) all third-party claims alleging that any of the Services infringes any patent, copyright, trademark, or other proprietary right or constitutes a misuse of any trade secret information. Vendor will not be relieved of the foregoing indemnity and related obligations by allegations or any claim that The Michaelson Group was negligent; but Vendor is not liable to the extent any injury or damage is finally judicially determined by a court of competent jurisdiction to have been proximately caused by the sole negligence or willful act of The Michaelson Group.

#### 9.2 Client's Obligations

The Michaelson Group agrees to timely advise Vendor of any suit, claim, or proceeding, and to reasonably cooperate with Vendor in the defense or settlement of such suit, claim, or proceeding, but Vendor will have sole control thereof. If an injunction is obtained against The Michaelson Group's use of any of the Services, in whole or in part, Vendor must promptly at The Michaelson Group's option either: (i) procure right to continue using the Services enjoined from use or replace or modify them so that Vendor's use or possession is not subject to any such injunction, or (ii) refund to The Michaelson Group all amounts paid to Vendor for the Services. If this indemnification provision is construed by a court of competent jurisdiction to require indemnification over and above that permitted by applicable law or public policy, the parties intend that the Agreement be judicially modified to afford The Michaelson Group the maximum indemnification allowed.

# **10. INSURANCE**

Vendor will maintain during the term of this Agreement at least the following types and limits of insurance with insurers possessing an A.M. Best Rating of not less than A- and authorized to do business under the laws of the State (s) and/or Country (ies) where work/services are performed:

Workers' Compensation on the Vendor employees, in amounts no less than required by law; Employer's Liability insurance with a limit of \$1,000,000;

Commercial General Liability insurance, including bodily injury and property damage, contractual liability, and products and completed operations, with a \$1,000,000 per occurrence, \$2,000,000 aggregate; Vendor will provide The Michaelson Group with certificates of this insurance coverage evidencing the required coverage upon signing of this Agreement and upon renewal of the policies describes above.

# 10.1 Government Insurance Requirements

Vendors performing work on U.S. Government owned or controlled property or installations on behalf of, or in joint venture with The Michaelson Group, may have different insurance requirements depending upon various factors. In the event that insurance requirements are different as described above, an attachment with such requirements will be contained in an addendum to this contract.

# **11. INDEPENDENT CONTRACTOR**

Vendor is an independent contractor in the performance of this Agreement, and nothing contained in this Agreement may be construed to create or constitute a joint venture, partnership, agency, franchise, lease, or any other arrangement other than as expressly granted in this Agreement. Vendor is responsible for its operation and any subcontracted operations. Vendor must exercise control over its employees, agents, representatives, subcontractors, and suppliers and is solely responsible for the verification of identity and employment eligibility, for the payment of any wages, salaries, or other remuneration of its employees, agents, representatives, subcontractors, and suppliers, and for the payment of any payroll taxes, contributions for unemployment or workers compensation, social security, pensions, or annuities that are imposed as a result of the employment of Vendor's employees, agents, representatives, subcontractors, and suppliers. Vendor must not pledge credit, incur any obligation or liability, hire any employee, nor purchase any merchandise or services in the name of The Michaelson Group or any subsidiary or affiliate thereof. Unless otherwise provided in this Agreement, all costs, charges, and expenses incurred in connection with Vendor's performance of this Agreement must be borne by Vendor.

# 11.1 WAGES

All employees performing work for vendor on U.S. Government installations, or U.S. owned or controlled property or premises on behalf of The Michaelson Group, shall pay its employees at least the minimum guideline wages and fringe benefits as outlined in the prevailing wage determination for that location, county, and state, without exception. Failure to do so is immediate grounds and just cause for termination of this agreement. A current prevailing wage determination will be provided prior to the signing of this agreement.

# **12. ASSIGNMENT**

Neither party may assign or otherwise transfer its rights, obligations, and/or duties under this Agreement without the prior written consent of the other party, given at the other party's sole option; but The Michaelson Group may assign this Agreement to a subsidiary or affiliate upon notice to Vendor. Any prohibited assignment is void.

# **13. INTELLECTUAL PROPERTY**

Vendor hereby assigns, conveys, and transfers all right, title, and interest in and to the Services, which include all related work product of Vendor and its employees, to The Michaelson Group. Vendor understands that all Services produced, developed or otherwise created by Vendor or its employees hereunder are the exclusive property of The Michaelson Group. Consistent with this understanding, Vendor must not use the Services for the benefit of any party other than The Michaelson Group.

If applicable, Vendor warrants that all creators and/or contributors to the Services, including but not limited to, all persons engaged by Vendor to make any contributions to the Services, were, at the time of the Services' creation, bona-fide employees of Vendor who made their contributions to the Services within the scope of their employment as work for hire or that Vendor has obtained and possesses a written assignment of the copyright, title, and interest from all the creators or contributors not otherwise considered bona-fide employees. Vendor must maintain an agreement with each of its employees consistent with the obligations set forth in sections 5, 13, and 14 and is

responsible for enforcing such agreements. Vendor must provide a copy of such agreement at the request of The Michaelson Group.

#### **14. CONFIDENTIALITY**

Both parties acknowledge that they are held to the terms of the mutual nondisclosure agreement signed prior to the execution of this agreement.

#### **15. ENFORCABILITY**

If any provision of this Agreement is held to be void or unenforceable by any judicial or administrative authority, or is unlawful or unenforceable under any applicable law, the remaining provisions are considered to be severable and their enforceability is not to be affected or impaired in any way by reason of such law or holding.

#### **16. INVOICING & PAYMENT**

The Michaelson Group's terms for payment is net 30 (every 30 days). Vendor will submit a monthly, consolidated invoice for all services set forth in Exhibit A. For services rendered on U.S. Government installations, or U.S. Government-Owned or controlled property or premises, sales tax, or any other tax **shall not** be applied. One complete copy of the invoice may be faxed or emailed with a statement of activity for the prior 30 day period. The Michaelson Group will not pay for any services that are invoiced greater than 90 days following the date services are actually performed. All invoices must include, at a minimum, the following information: (1) Name and address of Vendor; (2) Invoice number; (3) Description of Services provided; (4) Date; and (5) Dollar amount due. The Michaelson Group agrees to pay Vendor for Services rendered in the amounts set forth in Exhibit A after the receipt of a correct invoice from Vendor. The Michaelson Group will pay all undisputed invoice amounts within 30 days of invoice date. Any disputed invoice amounts will be documented in writing and forwarded to Vendor within 30 days of invoice receipt. Within 30 days of Vendor's receipt of documentation of disputed amounts, Vendor will have responded to The Michaelson Group's claim. Upon resolution of disputed items in favor of Vendor, payment will be remitted within 10 days. If the resolution of disputed items is in favor of The Michaelson Group and not contested, no further action is required.

Upon 30 days notice, The Michaelson Group or a 3<sup>rd</sup> party of their choosing, may audit, copy, and inspect the records, transactions, and Vendor processes during the term of this agreement, and a period of at least 3 years after the termination of this agreement, or any Order, whichever occurs last. Vendor will maintain all records pertaining to services rendered or products delivered for the term of this agreement and for the ensuing 3 year period. In addition to record maintenance, Vendor will agree to provide 100% of transactions requested for the period under audit via Excel. The transactions provided will agree to the total amount invoiced to The Michaelson Group for the period requested. Vendor agrees to review findings identified as a result of the audit and provide feedback within 30 days after receipt of the audit findings unless a different timeframe is agreed upon by both parties. Vendor agrees to refund all overcharges identified by The Michaelson Group or a 3<sup>rd</sup> party auditor within 2 weeks after Vendor feedback has been provided. The Michaelson Group, without waiver or limitation of any rights, may deduct from any amounts due to Vendor in connection with this agreement, or any other Agreement between The Michaelson Group and Vendor any audit findings identified during the course of the audit not repaid by Vendor within the 2 week timeframe.

# 17. TAXES

This Vendor agreement is for services rendered to the U.S. Government, a tax-exempt entity, on behalf of, or in conjunction with a services contract procured by The Michaelson Group, therefore, the collection of any tax for services rendered is not applicable. Further, Vendor's pricing and fees for professional services are exclusive of applicable federal, state, local and foreign taxes, duties, assessments and levies attributable to the provision of Vendor's services. Vendor is solely liable and shall not bill The Michaelson Group for any Taxes based on or measured by Vendor's property, capital, income or receipts.

Any sales, value added, or other tax properly imposed by a jurisdiction in connection with the Vendor's services ("Taxes") shall be the responsibility of the Vendor.

# **18. CODE OF CONDUCT**

Vendor will use commercially reasonable efforts to ensure that its employees or representatives comply with its Code of Business Conduct and Ethics and any other policy in relation to corporate gifts, entertainment, and bribery. Said policies will be made available to The Michaelson Group upon request. If either party has reason to believe their employee or representative has committed a violation of their respective code of Business Conduct with respect to the other party, said party will report the suspected violation of the Code of Business Conduct to the other party in writing.

# 18.1 AUTHORITY TO CONTRACT

Each person signing below warrants and represents that he/she has full power and authority to execute this Agreement on behalf of the party he/she represents. Upon request, each party must provide an official letter of authority authorizing the undersigned to enter into and sign this Agreement.

# 18.2 REPRESENT & WARRANT

Vendor and The Michaelson Group each expressly represent and warrant to the other that each has relied solely and exclusively on its own judgment and the advice of its own attorneys in entering into this Agreement, and that no representative or agent of the other has made any statement or representation to it beyond those in this Agreement that have induced signing of this Agreement.

# 18.3 FINAL & COMPLETE AGREEMENT

This Agreement is the final and complete agreement between The Michaelson Group and Vendor with respect to the subject matter hereof. No representations, inducements, promises, or understandings in relation to the subject matter hereof, whether oral or written, exist unless expressly set forth in this Agreement, and this Agreement supersedes all prior understandings, agreements, contracts, or arrangements between the parties, whether oral or written, unless otherwise expressly incorporated in this Agreement.

No agreement or other understanding purporting to add to or to modify the terms and conditions hereof is binding unless agreed to by duly authorized representatives of the parties in writing. Any terms or conditions in any forms of the parties used in the performance of this Agreement that are in conflict with the terms and conditions hereof are void.

# 18.4 ADDENDUMS, MODIFICATIONS, & CHANGES

This vendor agreement is for services rendered to the U.S. Government and/or any of it's Departments or Agencies on behalf of The Michaelson Group, primary contractor. As such, The Michaelson Group is responsible for, and contractually bound to provide and perform services in addition to the initial Statement Of Work (SOW) or Performance Work Statement (PWS). Additional services may be required for staffing surges or reduction, temporary projects or conditions, supplement of additional locations, addition of job descriptions and tasks, emergencies, or any other reason the U.S. Government identifies as an additional need for services. Therefore, Vendor <u>must</u> agree to provide such additional, extra, or modified services upon request in order to be compliant with this agreement.

The Michaelson Group shall notify Vendor immediately after receiving a request for additional or extra services, including the timeframe to comply with such requests. All such requests shall be incorporated into this agreement and contractually bind both parties for it's performance thereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

# The Michaelson Group Holdings, L.L.C.

Printed Name	
Signature	
Title	
Date Signed	
Vendor Name	
Signature	
Printed Name	
Title	
Date Signed	