

APPENDIX F TO DIR CONTRACT NO. DIR-TSO-3424

SADA Systems, Inc. TECHNICAL SERVICES AGREEMENT

This **TECHNICAL SERVICES Agreement** ("Agreement"), is made and entered into as of **[EFFECTIVE DATE]** (the "Effective Date"), by and between SADA Systems, Inc., a corporation organized under the laws of the state of California, with offices at 5250 Lankershim Blvd., Suite 620, North Hollywood, CA 91601 ("SADA"), and **[CUSTOMER NAME]**, a **[GOVERNMENTAL ENTITY]** organized under the laws of the **[STATE OR COUNTRY OF _____]** with offices at **[CUSTOMER ADDRESS]** ("Customer"). SADA and Customer may be referred to in this Agreement individually as a "Party" and collectively as the "Parties."

1. BACKGROUND, OBJECTIVES, CONSTRUCTION AND INTERPRETATION

1.1 Background and Objectives. This Agreement will serve as a framework under which SADA will provide certain information technology services (the "Services"), as described in Exhibit A (Statement of Work), attached hereto and incorporated herein, and as further requested by Customer from time to time during the term of this Agreement and agreed upon in an executed Statement of Work (as defined in Section 2.2).

1.2 Definitions.

(A) Capitalized terms used in this Agreement have the meaning assigned to them in the applicable Section. Terms, acronyms and phrases that are used in the information technology industry or other pertinent business context should be interpreted in accordance with their generally understood meaning in such industries or business context.

(B) The word "include" and its derivatives (such as "including" and "includes") mean "include without limitation."

1.3 References and Interpretation.

(A) Headings, captions and titles used in this Agreement are included for convenience only and in no way define the scope or content of this Agreement or are to be used in the construction or interpretation of this Agreement. Any reference to a particular article or section number or exhibit is a reference to that specified article, section or exhibit of this Agreement, except to the extent that the cross-reference expressly refers to another document.

(B) If there is a conflict or inconsistency between the terms of DIR Contract No. DIR-TSO-3424, this Agreement and any executed Statement of Work, the terms of this DIR Contract No. DIR-TSO-3424 will prevail except to the extent that the executed Statement of Work specifically and expressly states an intent to supersede specific terms of DIR Contract No. DIR-TSO-3424 with applicability only to that executed Statement of Work. Notwithstanding the preceding sentence, no executed Statement of Work will be effective to: (1) expand, eliminate or restrict the scope of any indemnity obligation set forth in Article 10; (2) change any limitation of liability set forth in Article 11; (3) settle or resolve any dispute between the Parties; (4) diminish any right of the Customer or any obligation of SADA under DIR Contract No. DIR-TSO-3424; or (5) impose further obligations on Customer or grant additional rights to SADA.

2. SCOPE OF SERVICES

2.1 Provision of Services. SADA will perform the Services identified in Exhibit A and those Services identified in additional Statements of Work entered into and executed by each of the Parties. Absent an executed Statement of Work, this Agreement does not, in and of itself, represent a commitment by either Party to provide any minimum amount of charges or services.

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2.2 Statements of Work. From time to time during the term of this Agreement, Customer may ask SADA to perform services that are not described in an executed Statement of Work or this Agreement. Following any such request, SADA will prepare and deliver a statement of work substantially in the form of Exhibit A (“Statement of Work”). Each Statement of Work will contain:

(A) a description of the work SADA expects to perform in connection with such project, including a description of any deliverables;

(B) a prospective schedule for commencing and completing such work; and

(C) SADA’s prospective charges for such work, which must be priced according to the charges detailed in Appendix C of DIR Contract DIR-TSO-3424.

If a proposed Statement of Work is mutually acceptable to the Parties, the Parties will execute such Statement of Work. Each executed Statement of Work will be a separate agreement and, except for any provisions of this Agreement that are specifically excluded or modified in such executed Statement of Work (subject to Section 1.3(B)), each executed Statement of Work will incorporate and be subject to all the terms and conditions of DIR Contract No. DIR-TSO-3424 and this Agreement.

2.3 Modification of an Executed Statement of Work. Either Party may request modifications to an executed Statement of Work by submitting a written change order request to the other Party (each, a “Change Order”). If acceptable to both Parties, the Change Order will be executed by the Parties and will become part of the applicable executed Statement of Work. SADA will not be bound by the terms of any Change Order until it is executed by SADA.

2.4 Cooperation. Customer understands that SADA’s performance is dependent on Customer’s timely and effective cooperation, and that the quality of the Services are dependent on Customer providing timely and accurate information to SADA and access to the required Customer resources in accordance with the objectives of the applicable executed Statement of Work. Accordingly, any delay or nonperformance by SADA will be excused if and to the extent that such delay or nonperformance results from Customer’s failure to perform its responsibilities so long as SADA uses commercially reasonable efforts to perform notwithstanding Customer’s failure (it being agreed that SADA will have no obligation to incur additional charges in connection with such efforts unless Customer agrees in writing to reimburse SADA for such expenditures).

3. TERM, TERMINATION AND SUSPENSION OF SERVICES

3.1 Term. The term of this Agreement will begin on the Effective Date and will continue in effect until the later of (A) **TBD** years after the Effective Date, and (B) the expiration or earlier termination of the last remaining executed Statement of Work, unless extended or terminated earlier in accordance with the terms of Appendix A, Section 11B of DIR Contract No. DIR-TSO-3424. The Parties may agree to extend the term by written agreement to that effect.

3.2 Termination for Cause. Terminations shall be handled in accordance with Appendix A, Section 11B of DIR Contract No. DIR-TSO-3424.

3.3 Consequences of Termination. If this Agreement or any executed Statement of Work is terminated in accordance with Appendix A, Section 11B of DIR Contract No. DIR-TSO-3424, SADA will be entitled to receive payment for all Services performed prior to termination in accordance with the terms of A, Section DIR Contract No. DIR-TSO-3424 including the cost of any third party licenses procured for Customer that cannot be canceled. Termination of an executed Statement of Work will not affect any other executed Statements of Work then in effect. Termination of this Agreement will result in immediate termination of all executed Statements of Work then in effect.

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4. SADA PERSONNEL

4.1 Oversight and Responsibility.

(A) SADA will assign an adequate number of SADA personnel to perform the Services. SADA personnel will be properly trained and fully qualified for the Services they are to perform.

(B) SADA may utilize subcontractors and SADA affiliates to perform the Services, but all elements of the Services must be performed from locations within the United States.

(C) SADA will be responsible for the appropriate oversight and supervision of all SADA employees and any subcontractors who perform Services hereunder, each considered "SADA personnel" for purposes of this Agreement. SADA will remain responsible for any Services performed by subcontractors to the same extent as if SADA performed such Services itself.

4.2 Non-Solicitation. From the effective date of the applicable executed Statement of Work until 24 months after completion of its obligations under such executed Statement of Work, a Party will not directly or indirectly solicit or seek to procure (other than by general advertising), without the prior written consent of the other Party, the employment of: (A) in the case of Customer, SADA's employees engaged in the provision of the Services under such executed Statement of Work; and (B) in the case of SADA, any Customer employees engaged in activities related to the Services, unless, in either case, such employee has resigned from working for or been terminated by the applicable Party.

5. PROPRIETARY RIGHTS

5.1 Customer IP. Intellectual Property shall be handled in accordance with Appendix A, Section 5 of DIR Contract No. DIR-TSO-3424.

6. CHARGES AND INVOICES

6.1 General. Subject to the provisions of DIR Contract No. DIR-TSO-3424 and this Agreement, Customer will pay SADA the amounts set forth in each executed Statement of Work (including any Change Orders thereto) in accordance with Appendix C Pricing Index of DIR Contract No. DIR-TSO-3424.

6.2 Reimbursement of Expenses. Customer agrees to reimburse SADA for pre-approved costs and expenses incurred in connection with SADA's performance of the Services, including computer, telephone, copy and delivery charges, material fees and reasonable travel expenses (including air travel, ground transportation, lodging, meals); provided Customer has approved such expenses (which approval may be evidenced in an executed Statement of Work). SADA will provide Customer with receipts or other documentation substantiating all such reimbursable costs and expenses. Reimbursement shall be paid in accordance with the Texas Travel Management Guide issued by the Comptroller of Public Accounts.

6.3 Invoices and Payment. SADA will invoice Customer for all amounts due under an executed Statements of Work in accordance with the schedule set forth in such executed Statement of Work. Each invoice submitted to Customer pursuant to this Agreement will be due and payable in accordance with Appendix A, Section 8J of DIR Contract No. DIR-TSO-3424.

6.4 Taxes. Taxes shall be handled in accordance with Appendix A, Section 8E of DIR Contract No. DIR-TSO-3424.

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6.5 Disputed Fees and Late Payments.

Any disputed fees or late payments will be handled in accordance with the Texas Prompt Pay Act.

7. CONFIDENTIALITY

7.1 Disclosure of Confidential Information. Confidentiality shall be handled in accordance with Appendix A, Section H of DIR Contract No. DIR-TSO-3424

8. REPRESENTATIONS, WARRANTIES AND COVENANTS

8.1 Authorization.

Each Party represents and warrants to the other that: (A) it has the requisite power and authority to enter into this Agreement and to carry out the transactions contemplated by this Agreement; and (B) the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated by this Agreement have been duly authorized by the requisite corporate action on the part of such Party.

8.2 Performance of Services. SADA represents, warrants and covenants to Customer that the Services will be performed by qualified personnel with promptness and diligence in a workmanlike manner, consistent with applicable industry standards.

8.3 Viruses and Disabling Code. SADA will use commercially reasonable efforts to prevent the coding or introduction of viruses, disabling code or similar items into the Customer systems by SADA or its agents; and SADA will, in the event a virus, disabling code or similar item is found to have been introduced into the software Deliverables or Customer systems by SADA or its agents, at no additional charge, assist Customer in reducing the effects of the virus, disabling code or similar item.

8.4 Disclaimer. OTHER THAN AS PROVIDED IN THIS AGREEMENT, NEITHER PARTY PROVIDES ANY EXPRESS WARRANTIES OR IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OR OTHERWISE. IN ADDITION, SADA MAKES NO EXPRESS OR IMPLIED WARRANTIES RELATING TO THIRD PARTY PRODUCTS OR SERVICES.

8.5 Limited Warranty. In the event that any implied warranties, guarantees or conditions implied by local law cannot be waived, then any such implied warranties are limited in duration to 90 days from delivery of the applicable Service or deliverable.

9. INSURANCE

Insurance shall be handled in accordance with Appendix A, Section 10N of DIR Contract No. DIR-TSO-3424.

10. INDEMNIFICATION

10.1 Indemnification shall be handled in accordance with Appendix A, Section 10A of DIR Contract No. DIR-TSO-3424.

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11. LIABILITY

11.1 Limitation of Liability.

Limitation of Liability shall be handled in accordance with Appendix A, Section 10K of DIR Contract No. DIR-TSO-3424

12. FORCE MAJEURE

Force Majeure shall be handled in accordance with Appendix A, Section 11C of DIR Contract No. DIR-TSO-3424.

13. DISPUTE RESOLUTION AND GOVERNING LAW

Any and all claims, disputes or controversies arising out of or relating to this Agreement, including disputes relating to the interpretation of any provision of this Agreement or any Party's performance or breach hereunder, will be resolved in accordance with Appendix A, Section 4F and Section 11A of DIR Contract No. DIR-TSO-3424.

13.3 Governing Law; Jurisdiction and Venue. This Agreement will be governed by and construed in accordance with the laws of the State of Texas and unconditionally submit to the exclusive venue of state courts in Travis County, Texas. Nothing herein shall be construed to waive the sovereign immunity of the State of Texas.

13.4 No Limitation on Rights. Each Party agrees that the provisions contained in this Article do not limit either Party's right to terminate this Agreement as provided in Article 3.

14. GENERAL PROVISIONS

14.1 Notices. Notices shall be handled in accordance with Appendix A, Section 12 of DIR Contract No. DIR-TSO-3424.

14.2 Binding Nature and Assignment. This Agreement will be binding on the parties and their respective successors and assigns. Assignments shall be handled in accordance with Appendix A, Section 14D of DIR Contract No. DIR-TSO-3424.

14.3 Relationship of the Parties. SADA, in furnishing the Services, is acting as an independent contractor. SADA is not an agent of Customer and has no authority to represent Customer as to any matters, except as expressly authorized in this Agreement.

14.5 Waiver of Default. No delay or omission by either Party to exercise any right or power under this Agreement will be construed to be a waiver thereof. A waiver by either Party of any breach or covenant will not be construed to be a waiver of any succeeding breach thereof or of any other covenant.

14.6 Third Party Beneficiaries and Use of Work. Neither Party intends this Agreement to benefit, or create any right or cause of action in or on behalf of, any person or entity other than the Parties. Customer understands and agrees that Services performed by SADA under this Agreement are intended only for the parties specified in the applicable executed Statement of Work and may be misleading if used in another context or for another party and agrees not to use any deliverables or documents produced under this Agreement for any purpose other than the intended purpose without SADA's prior written consent.

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14.7 Survival. The provisions of Section 4.2, Article 5, Section 6.4, Article 7, Section 8.4, Article 10, Article 11, Article 13 and this Article, as well as any other provision of this Agreement that contemplates performance or observance subsequent to termination or expiration of this Agreement will survive expiration or termination of this Agreement and continue in full force and effect for the period set forth therein, or if no period is set forth therein, indefinitely.

14.8 Severability. If any provision of this Agreement is found to be illegal or otherwise unenforceable in any respect, that provision will be deemed to be restated to reflect as nearly as possible the original intent of the Parties in accordance with applicable law. The remainder of this Agreement will remain in full force and effect.

14.9 Entire Agreement; Amendment and Waiver. DIR Contract No. DIR-TSO-3424, this Agreement and each of the executed Statements of Work hereto, including any exhibits referred to herein or therein, each of which is incorporated herein for all purposes, constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior agreements, whether written or oral, with respect to the subject matter contained in this Agreement. No change, waiver or discharge hereof will be valid unless made in writing and signed by an authorized representative of the Party against which such change, waiver of discharge is sought to be enforced.

14.10 Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together will constitute one single agreement between the Parties.

Invoices Sent To:

Full Name

Title

Phone

Email

Payment Terms

Payment

Invoice Date

Payment Due

All payments shall be made in accordance with Appendix A, Section 8J of DIR Contract No. DIR-TSO-3424.

As a best practice, SADA recommends a Maintenance and Support (M&S) agreement be put in place for any tool or solution (denoted in pricing table with ^) that has been configured or developed by SADA during the project, and which is expected to remain in place beyond the project's completion.

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Accept

Customer agrees to provide unattended remote access to the appropriate machine(s) required for this service for the duration of the agreement's term to facilitate break/fix support.

_____ Customer Initials or
Signature

Decline

Customer understands that by declining break/fix support, that Customer assumes full responsibility for all ongoing maintenance, upgrades, troubleshooting, and fixes after project close.

_____ Customer Initials or
Signature

IN WITNESS WHEREOF, this Agreement has been executed by the Parties through their duly authorized officers as of the date set forth above.

Signatures

SADA Systems, Inc.

Tony Safoian, President and CEO

Date: _____

[CUSTOMER]

Print name: _____

Print title: _____

Date: _____

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Exhibit A to Technical Services Agreement

This Statement of Work is entered into in connection with the Technical Services Agreement (“Agreement”) by and between SADA Systems Inc. (“SADA”) and [CUSTOMER NAME] (“Customer”) dated [DATE OF AGREEMENT]. The terms and conditions of DIR Contract No. DIR-TSO-3424 and the Agreement are incorporated herein by reference. Capitalized terms not defined in this Statement of Work will have the same meaning given to them in the Agreement. This Statement of Work describes certain Services and deliverables that will be provided by SADA to Customer pursuant to the terms and conditions of DIR Contract No. DIR-TSO-3424 and the Agreement.

GENERAL INFORMATION

**Term of
SOW:**

SADA will provide development and deployment services not to exceed a 120-day period after project kickoff. If SADA receives no communication from Customer for a 30 day period, SADA will close the project and bill for services rendered.

Service Descriptions

The following are product and service descriptions for the items listed in the ‘pricing’ section. Pricing will be in accordance with Appendix C of DIR Contract No. DIR-TSO-3424. Only the items included in the pricing table will be considered within scope.

TBD