



## TERMS & CONDITIONS (Project Assignment)

**A. Purpose.** These Terms & Conditions shall govern the terms of the Project Assignment where there is no other active Agreement for services between UIS and Customer. (The Project Assignment & Terms and Conditions shall be collectively referred to as this "Agreement".) Project Assignments created for Customers, who have existing Services Agreements with UIS, shall be governed by the Terms & Conditions of those agreement(s) and shall be interpreted as a Special Project Assignment as set forth in said other agreements.

**B. Term.** The Term of the Project Assignment will begin on the Effective Date and will run until termination as set forth herein or according to the terms of the Project Assignment.

**C. Fees.** Services shall be charged as set forth through the hourly fee structure, as describe above in the "Labor Costs" in the Project Assignment. If the Project Assignment is an Estimate (which is clearly indicated in multiple places on the Project Assignment), Services will be charged according to the actual costs incurred to finish the Services. If the Project Assignment is a Flat Rate, Services will be charged according to the agreed upon Flat Rate costs as set forth in the Project Assignment. Except for Flat Rate costs, UIS will track time and round up to the nearest 15-minute increment. In the event of request(s) for services outside the Scope of Services in the Project Assignment, the fees (for both Estimated and Flat Rate), shall be amended to include the actual cost(s) of the additional services charged on an hourly basis, unless mutually agreed to otherwise in writing. Compensation shall be paid in the manner selected in the Project Assignment on or before the fifteenth (15) day after the "Invoice Date" printed on the UIS invoice. Any and all complaints regarding UIS' Services must be sent to UIS in writing by Facsimile Transmission to UIS within fourteen (14) calendar days of the "Invoice Date" printed on UIS' invoice. Customer shall owe any and all undisputed charges by the 15<sup>th</sup> day from the Invoice Date. Customer will owe a late fee of 1.5 percent per for each UIS Invoice, past due thirty (30) day period, or the maximum allowed by law, whichever is greater for any and all past due payments, including credit card disputes by Customer or if the charge card is declined and another credit card is not supplied immediately upon notice by e-mail or Facsimile from UIS. If Customer pays by check, there shall be a returned check fee of \$50.00 added to Customer's Invoice, which is in addition to the above-referenced late fee. If Customer fails to pay for any undisputed portion of a UIS invoice and UIS has contacted Customer to request payment of overdue UIS Invoice(s) with no payment within five (5) calendar days, UIS may, at its sole discretion, suspend any and all Services to Customer until overdue UIS Invoice(s) are paid. Customers must pay for Services by credit card (MasterCard, Visa or American Express).

**D. UIS Services & Responsibilities.** UIS shall be responsible for the Services as set forth in Scope of Services in the Project Assignment. Any requests by Customer to perform services outside said Scope of Services must be accepted and approved by UIS and either party shall confirm said additional services in writing (may be confirmed by e-mail or other noticing methods contained herein).

**E. Customer Responsibilities.** Customer shall be responsible paying all invoices in a timely matter and communicating in a professional manner with UIS, its staff and engineers.

**F. Client Backup Responsibility.** This Agreement is expressly contingent upon an understanding by Customer that UIS cannot guarantee backup of Customer's data, because such backups are in the control and are the responsibility Customer. If Customer's actions in anyway cause any system or data failure,

Customer indemnifies UIS for any and all damages resulting from Customer's actions.

**G. Purchase of Equipment for Customer.** UIS may, at its sole discretion, advance the cost of equipment necessary to perform the Services to Customer. UIS shall invoice Customer for the cost of said equipment, and Customer shall pay UIS for such advance(s). All purchases greater than \$500 shall be approved by Customer prior to purchase by UIS on Customer's behalf.

**H. Professionalism; Timeliness; Supervision.** UIS agrees to exercise the highest degree of professionalism, and to utilize its expertise and creative talents in completing services. In completing the Services, UIS agrees to provide its own equipment, tools and other materials at its own expense, except as to materials, components or other new purchases necessary for completion of the Services to be owned by Customer and/or mutually agreed to by the parties which shall be billed to the Customer as provided herein. As appropriate, Customer will make its facilities, equipment, software and staff available to Contractor in a timely manner when necessary. UIS shall have the right to determine the method, details, and means of performing the work to be performed for Customer. Customer shall be entitled to exercise general power of supervision and control over the results of work performed by UIS to ensure that satisfactory performance is within the Services, including the right to inspect, the right to stop work, the right to make suggestions, recommendations and propose modifications to the work, unless agreed to in writing by the parties.

**I. Scheduling, Reporting & Place of Work.** The Services provided by UIS are expected to require a substantial part of UIS' available business time and availability. UIS will use its best efforts to accommodate work schedule requests as possible. Customer and UIS shall develop appropriate administrative procedures for coordinating with each other and reporting status. UIS will perform its work for Customer primarily at Customer's premises except when such projects or tasks require UIS to travel off-site. UIS reserves the right to work on tasks for other UIS customers during work performed for Customer, provided that Customer will only be billed by UIS for time spent on Customer's work.

**J. Assignment.** UIS may assign part or all of its Services in this Agreement and all attachments to an outside contractor without Customer's prior written consent. UIS will be responsible for the conduct of its contractor(s) and Customer should make any concerns or comments regarding the work product of said contractor(s) to UIS, so that UIS may address said concerns or comments with its contractor(s).

**K. Termination.** Each party may terminate this Agreement upon one (1) days prior written notice at its convenience. Additionally, either party may terminate this Agreement immediately upon one (1) day prior written notice if (i) the other has breached any of its obligations, which is material to the essential purpose of this Agreement and has failed to remedy the breach within five (5) days of notice (including, but not limited to, failure by Customer to pay any UIS Invoice in a timely manner); and/or (ii) the other commits an act of insolvency whereby the other ceases or threatens to cease to carry on business or executes any assignment for the benefit of creditors, or makes a composition with creditors or suffers the appointment of a receiver, administrative receiver or administrator of the whole or a substantial part of the other's assets or undertakings, or whereby an order is made or notice issued calling a meeting of the other's stockholders to consider the passing of a resolution for, or a resolution is passed for, the winding up of the other's



business, other than for the purpose of amalgamation or reconstruction, or if any distress or execution is levied on the effects of the other's business or any judgment remains unsatisfied for a period of 21 days.

**L. UIS' Rights Upon Termination.** Immediately upon such an event of termination, as described in Section K above: (i) UIS may immediately repossess its property without further notice and for that purpose freely enter upon the Customer's premises; (ii) the Customer shall ensure that any receiver, administrator or liquidator appointed is made aware of UIS' interest in property supplied in the fulfillment of this Agreement; and (iii) the Customer shall pay the balance of charges due under this Agreement to the earliest date on which the Agreement could lawfully be terminated.

**M. Omitted**

**N. Omitted**

**O. Administrative Fee & Reimbursement of Expenses.** If Customer accepts UIS recommendations with regard to purchase of hardware and/or software or other equipment and said hardware and/or software or other equipment is purchased through UIS' vendors, Customer shall pay UIS an administrative fee of ten percent (10%) over and above the cost of purchase, taxes and shipping charges of said hardware and/or software or other material. Customer shall pay for all UIS expenses reasonably incurred in furtherance of its performance hereunder, including but not limited to travel time at the rates in section 5 of the Agreement. UIS may request an initial deposit prior to purchase of equipment and material which shall be applied to said purchase equipment and materials.

**P. Rate Changes.** Changes in hourly rates for the Services will be noticed within thirty (30) days of the end of each month and will be effective at the beginning of the ensuing month.

**Q. Taxes.** As an independent contractor, UIS shall pay and report all federal and state income tax withholding, Social Security taxes, and unemployment insurance applicable to UIS. UIS shall bear sole responsibility for any health or disability insurance, retirement benefits, or other pension benefits, if any, to which UIS may be entitled. UIS shall not be entitled to participate in health or disability insurance, retirement benefits, or other welfare or pension benefits to which employees of Customer may be entitled.

**R. Insurance.** Each party shall maintain adequate insurance protection covering its respective activities hereunder, including coverage for statutory workers' compensation, comprehensive general liability for bodily injury and property damage and adequate coverage for vehicles.

**S. Return Policy.** Any materials and/or equipment purchased by UIS on behalf of Customer in which Customer desires said materials and/or equipment be returned, must make such request in writing within ten (10) calendar days of purchase of said material and/or equipment.

**T. Proprietary Information.** UIS agrees during the term of this Agreement and thereafter that it will take all steps reasonably necessary to hold Customer's Proprietary Information in trust and confidence, will not use Proprietary Information in any manner or for any purpose not expressly set forth in this Agreement, and will not disclose any such Proprietary Information to any third party without first obtaining Customer's express written consent on a case-by-case basis. By way of illustration, but not limitation, "**Proprietary Information**" includes (a) trade secrets, inventions, mask works, ideas, processes, formulas, source and object codes, data, programs, other works of authorship, know-how, improvements, discoveries, developments, designs and techniques (hereinafter collectively referred to as "**Inventions**"); and (b) information regarding plans for research, development,

new products, marketing and selling, business plans, budgets and unpublished financial statements, licenses, prices and costs, suppliers and customers; and (c) information regarding the skills and compensation of other employees of Customer. Notwithstanding the other provisions of this Agreement, nothing received by UIS will be considered to be Customer Proprietary Information if (1) it has been published or is otherwise readily available to the public other than by a breach of this Agreement; (2) it has been rightfully received by UIS from a third party without confidential limitations; (3) it has been independently developed for UIS by personnel or agents having no access to the Customer Proprietary Information; or (4) it was known to UIS prior to its first receipt from Customer.

**U. Third Party Information.** UIS understands that Customer has received and will in the future receive from third parties confidential, proprietary, attorney-client privileged, doctor-patient privileged, therapist-patient privileged, and/or other privileged information ("**Third Party Information**") subject to a duty on Customer's part to maintain the confidentiality of such information and use it only for certain limited purposes. UIS agrees to hold Third Party Information in confidence and not to disclose to anyone (other than Customer personnel who need to know such information in connection with their work for Customer) or to use, except in connection with UIS' work for Customer, Third Party Information unless expressly authorized in writing by an officer of Customer.

**V. Indemnification for Customer's Alterations.** If Customer or any Third Party alters any Services or equipment provided by UIS, Customer does so at its own risk and expense. Customer shall defend, indemnify, and hold harmless UIS from and against all claims, liability, losses, damages, and expenses (including attorney's fees and court costs) arising from or in connection with Customer's alterations of UIS' work.

**W. Indemnification for Intentional / Negligent Acts.** Customer shall defend, indemnify and hold harmless UIS, its owners, shareholders, directors, officers, employees and agents against any claim, loss or liability arising out of or resulting in any way from work performed under this Agreement due to the willful or negligent acts (active or passive) or omissions by Customer's directors, shareholders, members, officers, employees or agents. The acceptance of said Services and duties by UIS shall not operate as a waiver of such right of indemnification.

**X. LIMITATION ON DAMAGES.** UIS SHALL NOT BE LIABLE TO CUSTOMER FOR ANY AMOUNT EXCEEDING THE TOTAL PORTION OF THE CONTRACT PRICE FOR SERVICES ACTUALLY PAID BY THE CLIENT WITHIN THE TERM, AS DEFINED IN SECTION A ABOVE) THAT THE DAMAGES AROSE. IN NO EVENT SHALL UIS BE LIABLE, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), LAW, EQUITY OR OTHERWISE, FOR ANY INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFIT OR BUSINESS INTERRUPTION EVEN IF UIS IS NOTIFIED IN ADVANCE OF SUCH POSSIBILITY) ARISING OUT OF OR PERTAINING TO THE SUBJECT MATTER OF THIS AGREEMENT.

**Y. ALTERNATIVE DISPUTE RESOLUTION AND ARBITRATION.** ALL DISPUTES IN CONNECTION WITH THIS AGREEMENT BETWEEN THE PARTIES SHALL BE BROUGHT TO EACH PARTY'S ATTENTION NO MORE THAN 90 DAYS FOLLOWING THE DETECTION OF AN ALLEGED CAUSE FOR DISPUTE. FAILING AN AMICABLE SETTLEMENT, ANY CONTROVERSY, CLAIM, OR DISPUTE ARISING UNDER OR RELATING TO THIS AGREEMENT (OTHER THAN THOSE DESCRIBED BELOW), INCLUDING THE EXISTENCE, VALIDITY, INTERPRETATION, PERFORMANCE,



TERMINATION OR BREACH THEREOF, SHALL FINALLY BE SETTLED BY BINDING ARBITRATION IN ACCORDANCE WITH THE ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION ("AAA"). THE LANGUAGE OF THE ARBITRATION SHALL BE ENGLISH. THE ARBITRATOR WILL NOT HAVE THE AUTHORITY TO AWARD PUNITIVE DAMAGES TO EITHER PARTY. IN THE EVENT OF ARBITRATION OR OTHER DISPUTE RESOLUTION UNDER THIS SECTION Y, INCLUDING ANY ATTEMPT TO SEEK RELIEF IN A COURT OR TRIBUNAL, THE PREVAILING PARTY IN SUCH PROCEEDING SHALL BE ENTITLED TO RECEIVE ITS REASONABLE ATTORNEYS FEES, EXPERT WITNESS FEES AND OUT-OF-POCKET COSTS INCURRED IN CONNECTION WITH SUCH PROCEEDING, IN ADDITION TO ANY OTHER RELIEF IT MAY BE AWARDED. THIS AGREEMENT WILL BE ENFORCEABLE, AND ANY ARBITRATION AWARD UNDER THIS SECTION Y WILL BE BINDING AND FINAL, AND JUDGMENT THEREON MAY BE ENTERED IN ANY COURT OF COMPETENT JURISDICTION. THE ARBITRATION WILL BE HELD IN SAN JOSE, CALIFORNIA, USA. NOTWITHSTANDING THIS SECTION, EACH PARTY MAY SEEK RESOLUTION IN SMALL CLAIMS COURT IN THE COUNTY OF SANTA CLARA, CALIFORNIA IF THE AMOUNT IN CONTROVERSY IS WITHIN THE JURSDICTIONAL LIMIT.

**Z. No Conflict.** UIS represents and warrants that it has no obligations to any third party that will in any way limit or restrict its ability to perform consulting services to Customer hereunder, except where an emergency arises that affects another UIS customer that has a more severe, as solely determined by UIS, than the consulting services that are being provided to Customer. If an event occurs where UIS must support another customer suffering a severe emergency, than the UIS consultant will return to finish Customer's work at a later time or UIS will send another consultant to complete the task. Customer shall be entitled to the same response in the event it suffers a severe emergency where UIS will redeploy its consultants from another UIS customer's site to Customer's worksite.

**AA. Customer Property.** Customer must ask for the return of any and all customer property from UIS at the end of each day, including, but not limited to, hardware, software and keys. Customer shall indemnify and hold harmless UIS from any and all damages the loss, theft or other disappearance of Customer property.

**BB. No Recruiting.** Except as provided herein, during the term of this Agreement and for a period of one (1) year thereafter, the parties shall not knowingly solicit, entice, or persuade any employee(s) of the other party to terminate their employment for any reason. Notwithstanding the foregoing, if Customer recruits a UIS employee during the term of this Agreement or within one (1) year thereafter, due to the significant difficulties in ascertaining the costs of recruitment and technical training of a UIS employee, which Customer hereby stipulates to such difficulty to ascertain costs, Customer agrees to pay liquidated damages to UIS in the amount a one-time payment equal to said recruited UIS employee's annual gross pay at the time said recruited UIS employee's start date.

**CC. Miscellaneous** This Agreement and all amendments, attachments and exhibits thereto, constitutes the entire agreement of the parties hereto and supersedes all prior representations, proposals, discussions, and communications, whether oral or in writing, as of the effective date above. This Agreement may be modified only in writing and shall be enforceable in accordance with its terms when signed by both

parties. UIS shall not be liable to Customer for any failure or delay caused by events beyond UIS' control, including, without limitation, Customer's failure to furnish necessary information; sabotage, failure, or delays in transportation or communication; failures or substitutions of equipment; labor disputes; accidents; shortages of labor, fuel, raw materials, or equipment; or technical failures. This Agreement shall be governed and construed in all respects in accordance with the laws of the State of California as they apply to a contract entered into and performed in that State. The parties are and shall be independent contractors to one another, and nothing herein shall be deemed to cause this Agreement to create an agency, partnership, or joint venture between the parties. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee between Customer and either UIS or any employee or agent of UIS. All notices required or permitted hereunder shall be in writing addressed to the respective parties as set forth herein, unless another address shall have been designated, and shall be personally delivered, delivered by registered or certified mail with postage prepaid, facsimile transmission, or by commercial overnight courier with signature required upon receipt. This Agreement was a product of negotiation between the parties, who had access to legal representation if they so desired, so no party will have been deemed to have solely drafted this Agreement for the purposes of interpretation. The Section headings used in this Agreement are for convenience of reference only and will not limit or extend the meaning of any provision of this Agreement. If any provision of this Agreement is held to be invalid or unenforceable by any court or administrative body of competent jurisdiction, the remaining provisions will continue in full force without being impaired or invalidated in any way. The Parties agree to replace any invalid provision with a valid provision that most closely approximates the intent and economic effect of the invalid provision. The waiver by either party of a breach of any provision of this Agreement will not operate or be interpreted as a waiver of any other or subsequent breach. No failure by either party to exercise, or any delay by any party in exercising any right, power, privilege, or remedy hereunder shall impair that right or constitute a waiver of it, subject to applicable limitations periods under applicable law. If any dispute arises between the parties with respect to the matters covered by this Agreement which leads to a proceeding to resolve such dispute, the prevailing party in such proceeding shall be entitled to receive its reasonable attorneys fees, expert witness fees and out-of-pocket costs incurred in connection with such proceeding, in addition to any other relief it may be awarded. Neither party shall be excluded from seeking equitable relief in the courts of competent jurisdiction. This Agreement may not be assigned by Customer without UIS' prior written consent, and any such attempted assignment shall be void and of no effect. Modifications to this Agreement must be proposed within sixty (60) days prior to the end of each annual term and agreed to in a writing signed by both parties prior to the start of the ensuing term. The modified terms will become effective at 12:01 am on the start date of the ensuing term. The following sections shall survive termination of this Agreement: sections C, T, U, V, W, X, Y, AA, BB and CC. This Agreement may be signed in counterparts and all parts shall be gathered together to form one fully-executed agreement.