

## TSI Managed Services Terms and Conditions

### 1. Parties

This Contract for Managed Information Technology Services and Support, is entered into by and between TSI, VA LLC ("TSI"), a Virginia limited liability company with headquarters located at 2525 Pointe Center Court, Suite 200, Dumfries, VA 22026, and customer ("The Client"), with headquarters located on proposal address, each individually, a "Party", and collectively, the "Parties".

#### PREMISES

**WHEREAS**, TSI in the terms of this contract is in the business of servicing and maintaining computer equipment and networks; and

**WHEREAS**, Client and TSI desire to enter into this Contract, as of the date of fully signed agreement, to maintain such computer equipment and networks (including but not limited to cybersecurity protections) consistent with best practices in the industry.

**NOW, THEREFORE**, in consideration of the premises set forth hereinabove, which are incorporated herein by reference and made a part of this Contract, the promises, agreements, representations, and warranties hereinafter set forth, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged by the Parties, TSI and Client hereby agree as follows:

**Terms of Agreement & Renewal** – This Contract shall become effective upon execution of this Contract by both of the Parties hereto at the Effective Date hereof and shall continue for a term of thirty (36) months thereafter (the "Initial Term"), unless terminated earlier by either party as provided herein. This Contract will be automatically renewed at the end of the Initial Term unless Client provides TSI with written notice in accordance with the terms hereof not less than thirty (30) days prior to the expiration of the Initial Term or the expiration of any subsequent Renewal Term (as hereafter defined) requesting the non-renewal of this Contract for another 36-month period (the "Renewal Term", together with the Initial Term, the "Term").

### 2. Services

(a) **Quarterly Business Reviews** – Quarterly regular business reviews ("Quarterly Reviews") shall be timely scheduled in advance and held between TSI and Client to review monitoring reports and service requests, compliance with policies and procedures, discuss priorities and expectations, assess the overall satisfaction of the services provided, and such other matters as either Party deems necessary or desirable.

(b) **Client Portal Access** – TSI will provide the Client access to an online portal to view Client's past service tickets, invoices, knowledge base regarding past issues, and access to create trouble ticket requests that post directly to TSI. TSI will provide support for the trouble ticket requests based on the level of support provided in this Contract.

(c) **Single Point of Contact** – TSI will be the single point of contact for technology needs/issues that arise regarding specific applications, services and vendors associated with Client's computer network. Each application requires a valid support contract from the vendor unless otherwise noted in a separate Client Applications document that will be reviewed as part of the quarterly meetings.

(d) **Remote Support** – Systems or end-user problems or issues that involve systems listed as part of this Contract, assuming Client has met all expectations and requirements contained herein, and assuming the nature of the issue is not listed as an exclusion, will be handled in the most appropriate and expedient manner, and are included in the services provided under this Contract.

(e) **Help Desk Support** – TSI will provide Client with remote access to their Help Desk support team during service hours, 7:00am through 7:00pm ET, Monday through Friday.

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(f) **Onsite Service** – TSI can provide onsite support granted work is scheduled at least seven days in advance and client approves all related expenses for travel in advance. TSI also reserves the right to utilize subcontracted "Smart Hands" located in-or-around the customers business locations during normal business hours, 8:00am through 5:00pm ET, Monday through Friday. All onsite work will be billed according to TSI's annually published rate list for the current year (available by request) and subject to a minimum of four hours.

(g) **Windows Patch Management** – TSI will monitor the Microsoft Windows operating system patch levels of managed computers that run approved operating systems and are connected to the network. TSI will deploy patches utilizing strategic timing based on industry recognized best practices and Client's needed system availability. TSI will provide the Client with a monthly Executive Summary report that provides ongoing status about the server, workstations managed, and will be proactive in curing any patches that remain outstanding.

(h) **Managed Backups** – TSI will perform, manage, and monitor nightly backups of all servers covered by this Contract. Backups will be performed nightly and backed up to local storage onsite at Client location. Client is responsible for cost of hardware adequate for staging of nightly backups. Backups will be uploaded nightly to TSI's remote storage repository. TSI agrees to test the backups periodically, and as part of the quarterly meeting will reaffirm to Client that the backups are working as intended. If any issues are found with the backups, TSI will alert the client immediately and work to rectify them immediately.

(i) **Service Level Agreement** – Appendix A

### 3. Exclusions & Assumptions

(a) **Project/Integration Work** – Project/Integration work is defined as any service designed to add or increase functionality or capacity; in other words, any work that is not designed to support existing systems or persons. Projects are outside the scope of this Agreement and as such, will be quoted and invoiced separately. Project/Integration work will be identified to the Client as such before any work is performed.

(b) **Repairs/Services** – Any work that is designed to repair any non-functioning part of the network or services that is not covered by managed services is considered outside the scope of this Agreement.

(c) **Hardware Replacement Cost** – Hardware replacement strategy is handled on a case-by-case basis and as such, the cost associated with hardware replacement falls outside this agreement. Hardware replacement can take the form of warranty, extended warranty, manufacturer's support contract, TSI Support Contract, onsite spare, or purchase, as needed.

(d) **After Hours & Emergency Services** – As a managed services client, the Client is eligible for emergency and after-hours service on covered equipment as part of this contract. After Hours and Emergency hours are defined as hours that fall outside of TSI regular business hours. Regular business hours are defined as Monday through Friday, 7:00am – 7:00pm (excluding major holidays). Generally, all requests made to support during After Hour time periods will be addressed beginning on the next workday. Client will be provided with an after-hours emergency services request line that will reach an on-call technician if needed.

### 4. General Terms & Conditions

(a) **Payments** – Billing for managed services will occur on the first business day of every month, and payments shall be due upon receipt of the invoice. Payments shall be made by ACH, Check or Credit Card. We would prefer ACH services above all else. There will be a 3% processing fee for credit card transactions.

(b) **Existing Issues** – Existing matters which have already been identified by TSI and Client will be addressed within the first ninety (90) days of the start of this Contract. These issues will be covered under the terms of this contract and will be handled as provided herein.

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(c) **Client Licensing Expectations** – The following guidelines will be followed regarding expectations on which systems will or will not be included within the Managed Services Agreement. Exceptions may be made based on circumstances which must be agreed upon between TSI and the Client in writing. All TSI managed services are consumption-based pricing. Any managed service device or user active will be included of the invoice date will be included on that month's invoice. Only ticket-based actions will be used for addition or removal of devices on the invoice.

- User based licensing – All users that have assigned licenses in the organizational directory structure must be included for all user based licensing scenarios.
- Servers – All servers that qualify (based on hardware and OS specifications/requirements) must be included, unless there is a special situation approved by TSI (where applicable).
- Firewalls – All firewalls that qualify must be included, unless there is a special situation approved by TSI (where applicable).
- Sites/Locations – All sites (and or other business locations) that qualify must be included, unless there is a special situation approved by TSI (where applicable).
- Printers – All network printers that qualify must be included, unless there is a special situation approved by TSI (where applicable).
- Access Points – All access points that qualify must be included, unless there is a special situation approved by TSI (where applicable).
- Network Switches – All switches that qualify must be included, unless there is a special situation approved by TSI (where applicable).

(d) **Pricing** – Monthly recurring charges and all other agreed upon pricing in this Contract will be invoiced and are due upon receipt. On the anniversary date of agreement signing there is a 4% escalation on the total cost of services. Notification of increases in fees will be in writing by TSI (30) days prior to implementation. All project based work will be billed on a Time and Materials basis using Appendix B as bill rates.

(e) **Termination** – Either Party may terminate this Contract for any reason or no reason upon (ninety) (90) days prior written notice by the terminating Party to other Party. Notwithstanding the foregoing, in the event the Client fails to pay one or more invoices in accordance with this Contract, or should otherwise materially breach this Contract, TSI may terminate this Contract if the breach remains uncured for a period of fifteen (15) business days after the earlier of the date on which written notice thereof is (i) delivered to Client in person, by email or by recognized overnight courier and (ii) mailed to Client. Except in the event of a termination for gross negligence, willful misconduct or fraud, Client's obligation to pay all accrued charges and any finance charges shall survive any termination of this Contract. In the event an action or suit is brought by either Party to this Contract to enforce any of its terms, including any appeal therefrom, the Parties agree that the prevailing Party shall be entitled to recover its costs, including reasonable attorneys' fees and costs of investigation such costs to be fixed by the trial court and/or appellate court.

(f) **Typographical Errors** – TSI cannot be held responsible for typographical errors or omissions.

(g) **Force Majeure & Malicious Acts** – This Contract is designed to cover the support needs of the Client during normal operating conditions. TSI shall not be liable for damages, delay or default in performance if such delay or default is caused by conditions beyond its control including, but not limited to, acts of God, government restrictions (including the denial or cancellation of any export or other necessary license), wars, insurrections, labor difficulties (whether among the employees of TSI, Client or third-party) and/or any other cause beyond the reasonable control of either Party. Furthermore, damage and/or significant problems that result from anomalies and/or abnormal circumstances such as fire, flood, electrical surges, deliberate malicious acts, theft, acts of God, wars, insurrections and/or any other cause beyond the reasonable control of either party fall outside the terms of this Contract.

(h) **Limitations of Technology** – Client acknowledges that technologies are not universally compatible, and that there may be services and/or devices that TSI may be unable to monitor, manage or patch. TSI agrees to timely inform Client when such a situation exists. Client and TSI agree to collectively work together to correct the situation, if applicable, and to hold TSI harmless in any case.

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Because there are risks associated with applying and failing to apply patches, TSI constantly reviews and updates our best practices based on the relative threats to patch delivery timing. Every effort is made to balance the reduction of vulnerabilities with the slight destabilization risk associated with applying new patches to otherwise stable systems. TSI will try to minimize, but is not responsible for system destabilization or negative effects due to the application or operation of patches.

Patch definitions and antivirus definitions are distributed by their respective software vendors and, as such, TSI has no direct control of the effectiveness or lack thereof of the software being applied. TSI shall not be held responsible for interruptions in service due to patches released by software vendors, but will actively monitor any issues, and timely advise Client as to best practices to remedy the interruption.

The preventive maintenance activities carried out as a part of a service of TSI in no way guarantees the network will not face incidents or attacks of virus(es), spyware, trojan(s) and/or any other malicious activity (generally referred to as “Cyber Incidents”). TSI cannot be held responsible for downtime, loss of data or any other loss incurred by Client due to such an incident. TSI will not be held responsible and will not compensate for any loss of data or downtime.

Should there be any incident(s) of virus(es), spyware, Trojan(s) and/or any other malicious activity on Client’s network despite the preventive maintenance activities carried out as part of the TSI services hereunder, a remote remediation to solve the problem will be carried out on a best efforts, time-is-of-the essence basis using a combination of temporarily killing process spawned by the virus, spyware, Trojan or any other malicious activity and running scanning and removal tools. If a remote resolution is not possible, an onsite remediation will be immediately implemented and deployed to remediate the Cyber Incident or activity or, if full remediation is not possible, to mitigate such risks.

(i) **Exclusions** – For the avoidance of any doubt, the following exclusions to the terms of this Contract include (but are not limited to):

- Maintenance or troubleshooting of personal/non-approved software applications installed by a user without the knowledge or consent of Client and TSI.
- Problems caused by Client resources not under TSI management.
- Loss of internet connectivity for any reason other than due to a failure to provide needed upgrades or maintenance by TSI.
- Network changes which Client failed to communicate to TSI.
- Circumstances that constitute a Force Majeure event as described in the Force Majeure & Malicious Acts paragraph 4(g) of this Agreement.
- Service failures that result from actions or inactions of Client contrary to TSI recommendations.
- Delays or downtime due to any factor outside of TSI’s reasonable control.
- A defect/malfunction in any hardware or software which adversely affects TSI’s ability to perform the services.
- Computer Systems not identified under this Contract.

(j) **Non-Solicitation** – For a period of one (1) year following the date of termination of this Contract, Client agrees it will not engage in any direct solicitation or enter into a direct contract with any employee or contractor of TSI or hire an employee, former employee or contractor who was employed or retained by TSI, as the case may be, to provide services hereunder during the term of this Contract. For the avoidance of any doubt, the prohibitions set forth in this paragraph shall not apply to situations resulting from solicitations of employment of individuals or retention of contractors by public dissemination not directed at any one individual or contractor through newspapers of general circulation, trade publications and similar means.

Except as permitted by the immediately preceding paragraph, should Client choose to enter into such an agreement, either contractual or employment, with an employee, former employee, or contractor of TSI covered by this paragraph J during this period, a fee of \$35,000 will be paid to TSI by Client for placement services. TSI reserves all rights to seek recovery of any damages suffered due to Client’s actions in employing or contracting with such person in violation of this paragraph (j).

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(k) **Loaned/Rented Equipment** – Client agrees that any equipment and software licenses utilized by TSI, in the execution of this or any service provided hereunder, that is not explicitly purchased by Client shall remain the property of TSI, and must be returned upon termination of this Agreement. Client further agrees to cease the use of any technology that remains the property of TSI upon termination of this Contract.

(l) **Confidentiality** – Neither Party shall disclose any proprietary or confidential information obtained from the other unless so directed by a court of law or government authority having jurisdiction over such Party. Client agrees not to disclose rate(s), term(s) or any information regarding this Contract without the prior written consent of TSI. TSI agrees that all information received by TSI during the performance of the Contract that is specific to the business of Client including, but not limited to, customer lists, sales statistics, recurring service problems, sales strategies, target markets, customer service, purchase and warranty records, product information, results or analyses of the services, and financial data, and such other information reasonably expected to be treated as confidential (collectively, “Confidential Information”) shall be kept strictly confidential and shall not be disclosed to anyone other than TSI personnel assigned to Client’s account, or as is otherwise necessary to perform services under the Contract. The foregoing agreement, with respect to confidentiality, shall not apply to information: (i) which becomes generally available to the public other than as a result of a breach of the Contract; (ii) was available on a non-confidential basis prior to disclosure under the /Contract; or (iii) which is required to be disclosed under applicable law. Upon the request of Client at the termination of the Contract, TSI agrees to return to Client the Confidential Information, provided that TSI may retain a copy thereof to the extent otherwise permitted by the Contract.

(m) **Authority** – Client signatory represents and warrants that it has full corporate power and authority to execute this Contract to bind their respective entity.

(n) **Contractor Status** – The relationship of TSI to Client is that of an independent contractor and not that of an agent or employee of Client. It is expressly understood and agreed by the Parties that Client shall not have, nor exercise, any control or direction over the manner or methods by which TSI provides services other than the right to require that the performance of such services be in accordance and consistent with the terms set forth in this Contract.

(o) **Equipment & Facilities** – Client agrees that TSI may utilize certain items of Client’s equipment and may gain access to Client’s facilities. Client retains title and ownership in all of Client’s equipment owned by Client and utilized by TSI and must grant authority for TSI to access Client’s facility. Facility access may be denied for any reason at any time, however, if access to facilities is denied, Client understands that TSI may be unable to perform their duties adequately and if such a situation should exist, TSI will be held harmless.

Building access keys, key fobs, or access cards necessary to enter a Client facility may be provided by Client. Any such item will be stored in a secure lockbox at TSI’s office and will be returned to Client at termination of this Contract.

(p) **Passwords** – Client acknowledges that TSI must have access to any and all systems and resources to perform their duties under this Contract. As such, TSI must have access to any and all passwords. TSI will keep confidential all information received from the regarding passwords and business information, and alert Client of any breach of the TSI system by non-TSI authorized employee or authorized contractor. TSI acknowledges the importance of proper password security and best practices, and upon request, will provide current written policies to Client.

(q) **Warranty** – TSI warrants that the work will be performed to the best of its ability and in accordance with reasonable and customary practices prevailing at the time for its business. No other warranties exist, expressed or implied. TSI will not provide any onsite service in connection with this Contract unless separately contracted for by Client or if provided for elsewhere in this Contract. All repairs will be made where TSI deems appropriate. THE WARRANTIES SPECIFIED IN THIS CONTRACT ARE IN LIEU OF ANY AND ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

(r) **No Third-Party Beneficiary** – All of the provisions of this Contract are solely for the benefit of the Parties hereto, and none of the provisions of this Contract shall inure to the benefit of any person not a party to this Contract, and third parties shall have no

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rights hereunder.

(s) **Consequential Damages** – Neither Client nor TSI shall be liable to the other for any consequential damages arising out of or related to the performance of this Contract. In no event shall TSI be liable for any consequential or indirect damages, including loss of income or damages to any third party. Except with regard to any indemnities set forth herein or any breach of confidentiality obligations, under no circumstances shall TSI be liable to Client or to any other person or entity under any contract, tort, strict liability, negligence, or other legal or equitable claim or theory for any special, incidental, consequential, or indirect damages, loss of goodwill or business profits, lost revenue, work stoppage, data loss, computer failure or malfunction, or for any and all other damages, loss, or exemplary or punitive damages whether such party was informed or was aware of the possibility of such loss or damage.

(t) **Indemnification** – Client agrees to indemnify and hold harmless TSI, its equity holders, officers and directors, employees and its affiliates and their respective successors and assigns and each other person, if any, who controls any thereof, against any loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all expenses whatsoever reasonably incurred in investigating, preparing for or defending against any litigation commenced or threatened or any claim whatsoever) arising out of or based upon any false representation or warranty or breach or failure by Client to comply with any covenant or agreement made by Client herein or in any other document furnished by Client to any of the foregoing in connection with this transaction.

TSI agrees to indemnify and hold harmless Client, its equity holders, officers and directors, employees and its affiliates and their respective successors and assigns and each other person, if any, who controls any thereof, against any loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all expenses whatsoever reasonably incurred in investigating, preparing for or defending against any litigation commenced or threatened or any claim whatsoever) arising out of or based upon TSI's gross negligence, willful misconduct or fraud, any false representation or warranty or breach or failure by the TSI to comply with any covenant or agreement made by TSI herein or in any other document furnished by TSI to any of the foregoing in connection with this transaction.

(u) **Choice of Law** – The Parties mutually acknowledge and agree that this Contract shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia, excluding any choice of law provisions. The Parties agree to consent to the exclusive jurisdiction of the Commonwealth and federal courts of the Commonwealth to resolve any dispute arising from this Contract and waive any defense of inconvenient or improper forum.

(v) **Entire Agreement** – This Contract, including any exhibits, schedules, and addenda thereto, constitutes the entire agreement between the Parties concerning the subject matter hereof, and supersedes any previous agreements or understandings, written or oral, between the Parties. No modifications of this Contract or waiver of the terms and conditions hereof will be binding upon a Party unless approved in writing by both the Parties.

Schedule A - SLA

Priority	URGENCY			
	<b>Critical</b> - Damage is increasing rapidly - Work stopped is highly time sensitive - No viable workaround exists	<b>High</b> - Damage increases considerably - Work stopped is time sensitive - Complex workaround - VIP request	<b>Medium</b> - Damage increases moderately - Work stoppage is inconvenient - A workaround exists but requires an effort	<b>Low</b> - Little to no damage / nuisance - Work stoppage is not time sensitive - Easy alternative solution
<b>Extensive</b> - Highly critical business systems - Organization-wide outage - Issue affecting large number of users - Significant financial impact - Significant damage to reputation	<b>Critical</b> 1	<b>High</b> 2	<b>Medium</b> 3	<b>Medium</b> 3
<b>Significant</b> - Significant business system - Regional/site outage - Issue affects significant number of users - Significant financial impact - Significant damage to reputation	<b>High</b> 2	<b>High</b> 2	<b>Medium</b> 3	<b>Low</b> 4
<b>Moderate</b> - Moderate business criticality - Team/work group outage - Issue affects a moderate number of users - Low to moderate financial impact - low to moderate damage to reputation	<b>Medium</b> 3	<b>Medium</b> 3	<b>Medium</b> 3	<b>Low</b> 4
<b>Localized</b> - Little to no business criticality - Local outage/nuisance - Issues affects less than a handful of users - Little to no financial impact - Little to no damage to reputation	<b>Medium</b> 3	<b>Low</b> 4	<b>Low</b> 4	<b>Low</b> 4

SLA Targets	<b>Critical / 1</b>	<b>High / 2</b>	<b>Medium / 3</b>	<b>Low / 4</b>
90% First Response Time	1 hour	2 hours	2 hours	4 hours
Client Communication Updates	Every 1 elapsed hour	Every 2 elapsed hours	Once per day as needed	Once per 72 hours as needed
Target Resolution Time	4 hour	8 hours	24 hours	72 hours

Schedule B – Labor costs

<i>TSI Labor Categories and Rate Structure</i>			
<b>Labor Category</b>	<b>Normal Rate*</b>	<b>After-Hours Rate**</b>	<b>Holiday Rate***</b>
Program Manager	\$230.00	\$287.50	\$402.50
Project Manager	\$205.00	\$256.25	\$358.75
Network Architect	\$175.00	\$218.75	\$306.25
Network Engineer	\$165.00	\$206.25	\$288.75
Systems Administrator	\$165.00	\$206.25	\$288.75
Cybersecurity Engineer	\$295.00	\$368.75	\$516.25
VoIP Engineer	\$120.00	\$150.00	\$210.00
Tier 1 Help Desk	\$95.00	\$118.75	\$166.25
Tier 2 Help Desk	\$125.00	\$156.25	\$218.75
Documentation Specialist	\$75.00	\$93.75	\$131.25
Technical Editor	\$105.00	\$131.25	\$183.75
Website Designer	\$110.00	\$137.50	\$192.50
Digital Marketing Specialist	\$115.00	\$143.75	\$201.25
<u>vCISO / vCTO / vCIO</u>	\$375.00	\$468.75	\$656.25

\* Monday through Friday, 8:00am – 5:00pm

\*\* Non-holiday hours outside of standard business hours

\*\*\* Holiday rates apply to any hours billed on an established federal government holiday