

STANDARD TERMS AND CONDITIONS FOR SERVICES AND PRODUCTS

This "Order," together with any documents incorporated herein, constitutes the entire agreement between NAG,LLC ("Buyer") and Seller, and supersedes all previous communications, oral or written.

Acceptance: Acknowledgement of this Order, or the furnishing of any work or acceptance of any payment by Seller under this Order constitutes an unqualified acceptance by Seller of this Order, including these Standard Terms and Conditions. Buyer rejects all other terms and conditions proposed by Seller.

Scope of Services: Any entity (Seller) that performs any services for Buyer or sells products to Buyer, including Components, Engineering, Installation and/or other services identified in any Purchase Order or Statement of Work to which these conditions are attached, are subject to the terms and conditions set forth herein. Any order accepted by Seller will be subject to these standard terms and conditions. A Certificate of Insurance listing NAG, LLC as the beneficiary must be on file with the Buyer's Purchasing Representative prior to beginning work.

Changes: Buyer may at any time by written Change Order make changes to this Order without notice to the sureties, including but not limited to the Work or Performance Period. If any Change Order causes an increase or decrease in the cost of, or the time required for the Work, an equitable adjustment will be negotiated. Buyer shall not be liable for any damages as a consequence of delay or disruption. Seller's exclusive remedy for delay and disruption shall be an extension of time for performance. Any claim by Seller for an adjustment under this clause must be asserted in writing with TEN CALENDER DAYS from receipt of Change Order. Nothing herein shall excuse Seller from proceeding diligently with performance of the Work.

Any requests for modification by the Seller must be submitted in writing to the NAG Project Manager and copied to the NAG Operations Manager within 24 hours of a possible scope change to the current order. All change orders must be authorized in written form and in advance of work to be performed. The change order must include a detailed description of a valid change in scope or condition, and the price for execution of the recommended actions with a specific period of performance.

Payment: Buyer has the right to withhold payment on any Invoice pertaining to any product or services that have not been completed, as defined by the scope of work for that specific Purchase Order, or for any services performed, or product delivered, that are not accepted by Buyer or Buyer's customer due to inferior or incomplete delivery or performance. Buyer's terms for payment are NET 30, unless otherwise noted on the purchase order.

All invoices are subject to review for validation of hours worked and/or charges billed as appropriate. Seller will provide only the personnel that meet the requirements of the Labor Category and/or Statement of Work included in the RFQ.

Prime Contract: Buyer's contract with its customer ("Prime Contract") is incorporated by reference and made part of this Order, and Seller acknowledges that is has reviewed the Prime Contract. Except as modified herein, Seller assumes the same obligations to Buyer under this Order that Buyer assumes to its customer with respect to the Work. The language of government regulations and clauses from the Prime Contract shall be construed to express the Buyer/Seller relationship, and shall be interpreted according to the federal law of government contracts. Time limitations set forth in such provisions will be shortened as necessary to provide Buyer time to meet its obligations. In the event of a conflict between any such provisions, and these Standard Terms and Conditions, these Standard Terms and Conditions shall govern.

Inspections and Testing: The Work may be inspected and tested at all reasonable times and places before, during and after performance by inspectors designated by Buyer. Compliance by Seller with inspection or test requirements does not relieve Seller of its responsibility to provide Work which meets all applicable requirements of this Order.

Proprietary Information: This Order, as well as all information contained in documents, drawings, publications, specifications, schedules, and the like received from Buyer for the performance of the work are confidential and the property of the Buyer or its customer, and such information will not be transmitted, reproduced, used, or disclosed by Seller (except as necessary for the performance of the Work) without the prior written approval of Buyer.

Patent Indemnity: Seller shall to the fullest extent permitted by law defend, indemnify and hold harmless Buyer, its officers, agents, employees, and indemnities from and against any and all claims, losses, suits, damages, legal and otherwise in any way, arising out of or related to any claim, action or proceeding for infringement of any United States patent or any trademark relating to or arising out the Work, or out of the use or disposal of the Work.

Property: Any of Buyer's or its customer's furnished property shall remain the property of Buyer or its customer, and Seller shall bear the risk of loss of and damage to such property, normal wear and tear excepted. Buyer and its

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customer shall both have the right to enter Seller's premises at all reasonable times to inspect such property and Seller's records with respect thereto.

Period of Performance: TIME IS OF THE ESSENCE. Seller shall complete all Work within the time specified. Should Seller fail or neglect to complete all or any part of the Work in the time specified, or so fail to make progress as to endanger performance, or otherwise delay Buyer by reason of Seller's or any subcontractor's or supplier's, failure or neglect at any tier to perform its obligations, such shall be considered a default

Relationship of Parties: Each party is acting as an independent contractor and not as an agent, partner, or joint venture of the other party. Except as provided herein, neither party shall have any right, power, or authority to act or to create any obligations, express or implied, on behalf of the other party.

Warranty: For all work Seller shall give the warranties called for in the Prime Contract for the time periods designated therein. In the event of any defect or other deficiency in any product or service provided by Seller to Buyer under this order, Seller agrees to indemnify Buyer against any and all claims, responsibility and liability with respect thereto of such product or service which is discovered and promptly reported by Buyer to Seller in writing within one (1) year following Sellers' performance of the defective or otherwise deficient portion of the service. Seller also agrees to indemnify Buyer against all claims and liabilities with respect to Seller's employees suffering injuries during the performance of their services and/or damages caused by seller employees to the ship on which services are performed. The Seller shall and does hereby agree to indemnify, save and hold harmless and defend Buyer from the payment of any sum of money to any person whosoever on account of claims or suits arising out of injuries to persons, including death or damage to property caused by Seller, its employees, agents or subcontractors.

THE FOREGOING IS IN LIEU OF ALL OTHER GUARANTEES AND WARRANTIES OF WHATSOEVER KIND OR NATURE, WHETHER EXPRESSED OR IMPLIED, WHETHER COMMON LAW, STATUTORY, CONTRACTUAL, TORT OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY OR FITNESS.

Limitation of Liability: Buyer's total aggregate liability to Seller, whether at law, in equity, in admiralty or otherwise, whether in contract, in tort or otherwise, for correction of any unexcused delay, for any liquidated damages, for any loss or damage, pollution, personal injury, disease or death, or otherwise whatsoever, in any way arising out of, resulting from or relating to this contract, shall in no event exceed the sum equal to one-hundred (100) percent of the total compensation Buyer owes Seller (in accordance with these Terms and Conditions) for the product, service or services provided by Seller under this contract; and Seller unconditionally releases and discharges Buyer from any liability in excess thereof and from any liability not expressly assumed by Buyer this contract.

Disputes: Either party may litigate any dispute arising under or relating to this Contract before any court of competent jurisdiction in the State of Maryland. NO LITIGATION CONCERNING A DISPUTE ARISING UNDER OR RELATING TO THIS ORDER MAY BE COMMENCED BY SELLER MORE THAN ONE YEAR AFTER THE COMPLETION OF WORK BY SELLER. Pending resolution of any such dispute by settlement or by final judgment, the parties shall proceed diligently with performance.

Applicable Law: Seller shall comply with all federal, state, and local laws, regulations, ordinances, orders, notices, actions, policies or common laws, including but not limited to, those concerning the proper handling, transportation, treatment, removal or storage of hazardous wastes, substances or materials, or any substance the presence of which requires investigation or remediation, the Fair Labor Standards Act of 1938 (29 U.S.C §201-219), the Occupational Safety and Health Act of 1970, the Buy American Act (41 U.S.C. § 10) and Executive Order 10582, December 17, 1954, all as amended and including any regulations or standards issued thereunder; Seller certifies that is eligible to receive contracts from the federal government and that neither it nor its principals or employees have been convicted of any acts which would render the seller or any of its principals or employees ineligible for receipt of a federal contract.

Termination and Default: Buyer may terminate this Order in whole or in part for its convenience or upon default by the Seller. Any termination shall be effective by mailing or delivering to Seller a Notice of Termination, and Buyer shall comply will all reasonable requirements set forth in such notice; If as a result of a default by Seller, Buyer shall incur damages, or become obligated to pay damages to its customer or shall otherwise incur additional expenses, including costs of acceleration or premium costs, Seller agrees to pay to Buyer as actual damages, and not as a penalty, all damages (including liquidated damages) or expenses (including attorney's fees) so incurred by Buyer plus interest. If Buyer effects a termination on the basis of a default by the Seller, and it is thereafter determined the Seller was not in default, such termination shall then be deemed to have been effected for the convenience of the Buyer. If this order is terminated for convenience Seller shall only be entitled to receive as

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payment the difference between an amount equal to the proportion of the Order's price, representing the percent of Work completed by the Seller and accepted, and the total of all amounts previously paid to Seller.

Solicitation of Employees: Seller shall not solicit for hire any NAG,LLC employee prior to the expiration of one (1) year following the completion of Seller's work under this contract.

General Provisions: Failure of Buyer enforce at any time or for any period of time any term or condition of this contract shall not be construed as a waiver of such term or condition nor of the right of Buyer to thereafter enforce any or all such terms or conditions. Invalidity of any one or more of these Terms and Conditions, or portion thereof, in general or in application to any party or circumstance, shall not be affect or impair the remaining Terms and Conditions or portions thereof or application to other parties or circumstances.

Quality Control System: Seller shall provide and maintain a quality control system to an industry recognized Quality Standard and in compliance with any other specific quality requirements identified in any purchase order or statement of work. Records of all quality control inspection work by Seller shall be kept complete and available to Buyer and its customers.

Safety: Seller shall take all reasonable precautions to protect the health and safety of employees and others and to minimize danger from all hazards to life and property. Seller shall comply with all applicable United States, state, and local health, safety and fire protection laws and regulations Seller shall also comply with Buyer's safety policies and procedures. Seller is solely responsible for informing itself of said laws, regulations, policies and procedures. Buyer's Safety Manual and other materials are available at Buyer's Safety Department. In any event where the aforesaid laws, regulations, policies and procedures are in conflict, Seller shall comply with the item providing the greatest safety protection. Any failure by Seller or any of its suppliers to comply with any such safety policies, procedures, laws or regulations shall constitute a default.

Notices: All notices shall be sufficient if in writing and personally delivered to a corporate officer or sent by certified mail, return receipt requested and postage paid, addressed as follows: NAG,LLC 2511 Walmer Avenue Suite B Norfolk, VA 23513.

Assignment: Seller may not assign this contract without the express written consent of Buyer. Such written consent shall not in any way diminish the responsibility of Seller to comply with this Order. Furthermore, Seller shall include the terms of this Order, including government regulations and clauses, into any sub-subcontract or purchase order.

Export Controls: Seller agrees to comply with all U.S. Export control laws and regulations. Without limiting the foregoing, Seller agrees that it will not transfer any export controlled item, data, or services, to include transfer to foreign persons employed by or associated with, or under contact to Seller or Seller's lower-tier suppliers, without the appropriate export administration authorization. Seller agrees to notify Buyer if any Articles or service to be delivered under this Order is restricted by export control laws or regulations. Seller shall immediately notify Buyer's Purchasing Representative if Seller is listed in the Denied Parties List or Seller's export privileges are otherwise denied, suspended, or revoked in whole or in part by any U.S. Government entity or agency.