

**AMENDMENT NUMBER 2  
TO  
CONTRACT NUMBER DIR-SDD-2056  
BETWEEN  
STATE OF TEXAS, ACTING BY AND THROUGH THE DEPARTMENT OF  
INFORMATION RESOURCES  
AND  
PRELUDE SYSTEMS, INC.**

This Amendment Number 2 to Contract Number DIR-SDD-2056 (“Contract”) is between the Department of Information Resources (“DIR”) and Prelude Systems, Inc. (“Vendor”). DIR and Vendor agree to modify the terms and conditions of the Contract as follows:

1. **Contract, Section 1. Introduction, C. Order of Precedence**, is hereby restated in its entirety as follows:

**C. Order of Precedence**

This Contract; Appendix A, Deliverables-Based Information Technology Services Contract Terms and Conditions; Appendix B, Vendor’s Historically Underutilized Businesses Subcontracting Plan; Appendix C, Sample Statement of Work; Appendix D, Security Agreement; Exhibit 1, Vendor’s Response to RFO DIR-SDD-TMP-197, including all addenda; and Exhibit 2, RFO DIR-SDD-TMP-197, including all addenda; are incorporated by reference and constitute the entire agreement between DIR and Vendor. In the event of a conflict between the documents listed in this paragraph, the controlling document shall be this Contract, then Appendix A, then Appendix B, then Appendix C, then Appendix D, then Exhibit 1, and finally Exhibit 2. In the event and to the extent any provisions contained in multiple documents address the same or substantially the same subject matter but do not actually conflict, the more recent provisions shall be deemed to have superseded earlier provisions.

2. **Contract, Section 9. Security Agreement**

Attached to this Contract as Appendix D is a form of Security Agreement that allows a security interest to be granted in the rights to payments arising from Customer purchase orders. Vendor has stated that such a form is necessary for sales under this Contract. Customer may negotiate more favorable terms and conditions directly with the Bank of America and the agreed upon terms and conditions shall be set forth within the security interest documentation or Customer Purchase Order.

3. **Appendix A, Section 8. Contract Administration, B. Reporting and Administrative Fees, 5) Accurate and Timely Submission of Reports, c)**, is hereby restated in its entirety as follows:

c) Failure to timely submit three (3) reports or administrative fee payments within any rolling twelve (12) month period may, at DIR’s discretion, result in the addition of late fees of \$100/day for each day the report or payment is due (up to \$1000/month) or suspension or termination of Vendor’s Contract.

4. **Appendix A, Section 9. Vendor Responsibilities, P. Immigration**, is hereby restated in its entirety as follows:

**P. Immigration**

The Vendor shall comply with all requirements related to federal immigration laws and regulations, to include but not be limited to, the Immigration and Reform Act of 1986, the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 ("IIRIRA") and the Immigration Act of 1990 (8 U.S.C.1101, et seq.) regarding employment verification and retention of verification forms for any individual(s) who will perform any labor or services under this Contract.

Pursuant to Executive Order No. RP-80, issued by the Governor of Texas on December 3, 2014, and as subsequently clarified, the Vendor shall, as a condition of this Contract, also comply with the United States Department of Homeland Security's E-Verify system to determine the eligibility of:

- all persons 1) to whom the E-Verify system applies, and 2) who are hired by the Vendor during the term of this Contract to perform duties within Texas; and
- all subcontractors' employees 1) to whom the E-Verify system applies, and 2) who are hired by the subcontractor during the term of this Contract and assigned by the subcontractor to perform work pursuant to this Contract.

The Vendor shall require its subcontractors to comply with the requirements of this Section and the Vendor is responsible for the compliance of its subcontractors. Nothing herein is intended to exclude compliance by Vendor and its subcontractors with all other relevant federal immigration statutes and regulations promulgated pursuant thereto.

5. **Appendix D, Security Agreement**, is hereby added.

All other terms and conditions of the Contract as amended, not specifically modified herein, shall remain in full force and effect. DIR retains the right to require further amendment to the Contract to update its terms and conditions as may be reasonable, necessary or required. In the event of conflict among the provisions, the order of precedence shall be this Amendment Number 2, then Amendment Number 1, and then the Contract.

**{Remainder of page intentionally left blank}**

**IN WITNESS WHEREOF**, the parties hereby execute this amendment to be effective as of the date of last signature.

**Prelude Systems, Inc.**

**Authorized By:**     /Signature on File/    

**Name:**     Kiran Babu Chandra    

**Title:**     CEO    

**Date:**     03/24/15    

**The State of Texas, acting by and through the Department of Information Resources**

**Authorized By:**     /Signature on File/    

**Name:**     Dale Richardson    

**Title:**     Chief Operations Officer    

**Date:**     04/03/15    

**Legal:**     /Signature on File/ 04/01/15