

**AMENDMENT NUMBER 1
TO
CONTRACT NO. DIR-TSO-2523
BETWEEN
THE STATE OF TEXAS, DEPARTMENT OF INFORMATION RESOURCES
AND
DLT SOLUTIONS, LLC**

This Amendment Number 1 to Contract Number DIR-TSO-2523 (“Contract”) is between the Department of Information Resources (“DIR”) and DLT Solutions, LLC (“Vendor”). DIR and Vendor agree to modify the terms and conditions of the Contract as follows:

1. **Contract, Section 2. Term of Contract**, is hereby amended as follows:

DIR and Vendor hereby agree to extend the term of the Contract for two (2) years through February 6, 2017 or until terminated pursuant to the termination clauses contained in the Contract. Prior to expiration of the term, DIR and Vendor may extend the Contract, upon mutual agreement, for one (1) additional one-year term.

2. **Contract, Section 4. Pricing**, is hereby removed from the Contract and transitioned in its entirety to Appendix A, Standard Terms and Conditions for Services Contracts, **Section 7. Pricing, Purchase Orders, Invoices, and Payments**.
3. **Contract, Section 8. Intellectual Property Matters**, is hereby removed from the Contract and transitioned in its entirety to Appendix A, Standard Terms and Conditions for Services Contracts, **Section 4. Intellectual Property Matters**.
4. **Contract, Sections 5 - 9** are hereby re-numbered **Sections 4 – 7**.

- A. **Section 5. DIR Administrative Fee** is re-numbered as **Section 4. Administrative Fee**;
- B. **Section 6. Notification** is re-numbered as **Section 5. Notification**;
- C. **Section 7. Statement of Work, Service Agreement and Shrink/Click-wrap Agreements** is re-numbered as **Section 6. Statement of Work, Service Agreement and Shrink/Click-wrap Agreements**;
- D. Section 9. Authorized Exceptions to Appendix A, Standard Terms and Conditions for Services Contracts is re-numbered **Section 7. Authorized Exceptions to Appendix A, Standard Terms and Conditions for Services Contracts**.

5. **Appendix A, Section 8. Contract Administration, B. Reporting and Administrative Fees, 2) Detailed Monthly Report**, is hereby restated in its entirety as follows:

If Vendor submits three (3) monthly sales reports or administrative fee payments late within a 12-month period, DIR reserves the right to suspend or terminate this Contract for

cause per Section 10.B.4.a. of Appendix A, Termination for Cause. If Vendor is late with its monthly sales report, Vendor will pay DIR one hundred dollars (\$100) per day (“Late Payment”), for each day the monthly report is late, up to ten (10) days per month for a maximum monthly Late Payment amount of \$1000 for late monthly sales reports. If Vendor is late with its monthly administrative fee payment, Vendor will pay DIR one hundred dollars (\$100) per day (“Late Payment”), for each day the monthly administrative fee payment is late, up to ten (10) days per month for a maximum monthly Late Payment amount of \$1000 for late monthly administrative fee payments. DIR does not waive any other contractual remedy pursuant to this Contract.

6. **Section 7. Authorized Exceptions to Appendix A, Standard Terms and Conditions for Services Contracts**, is hereby replaced in its entirety.

The following exceptions to Appendix A, Standard Terms and Conditions for Services Contracts have been agreed to by Vendor and DIR.

- A. **Section 9. Vendor Responsibilities, K. Limitation of Liability**, is hereby replaced in its entirety:

For any claim or cause of action arising under or related to the Contract: i) to the extent permitted by the Constitution and the laws of the State of Texas, none of the parties shall be liable to the other for punitive, special, or consequential damages, even if it is advised of the possibility of such damages; and ii) Vendor’s aggregate liability for damages of any kind under the Contract other than for claims for third party patent, trademark or copyright infringement (“IP Claims”) shall be limited to the lesser of: (A) thirty-six times the average monthly amount paid to Vendor under the Contract during the twelve months immediately preceding the accrual of the claim or cause of action; or (B) \$20,000,000. Vendor’s aggregate liability under the Contract for IP Claims shall not exceed \$15,000,000. CUSTOMERS SHOULD EVALUATE THEIR RISK FOR EACH PURCHASE: IF NEEDED, CUSTOMERS MAY NEGOTIATE HIGHER LIMITATIONS OF LIABILITY.

7. **Appendix A, Standard Terms and Conditions for Services Contracts dated 8/9/13**, is hereby replaced in its entirety with **Appendix A, Standard Terms and Conditions for Services Contracts dated 05/02/14**, as attached.

8. **Appendix C, Pricing Index**, is hereby replace in its entirety.

All other terms and conditions of the Contract not specifically modified herein shall remain in full force and effect. In the event of a conflict among provisions, the order of precedence shall be this Amendment 1 and then Contract DIR-TSO-2523.

IN WITNESS WHEREOF, the parties hereby execute this Amendment Number 1 to be effective upon the date of the last signature but in all events, not later than February 6, 2015.

DLT Solutions, LLC

Authorized By: signature on file

Name: Duane Thorpe

Title: Manager

Date: 1/30/15

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: 2/2/15

Office of General Counsel: signature on file 1/30/15