STATE OF TEXAS
DEPARTMENT OF INFORMATION RESOURCES

CONTRACT FOR SERVICES

CISCO SYSTEMS, INC.

1. Introduction

A. Parties

This Contract for services is entered into between the State of Texas, acting by and through the Department of Information Resources (hereinafter "DIR") with its principal place of business at 300 West 15th Street, Suite 1300, Austin, Texas 78701, and Cisco Systems, Inc. (hereinafter "Vendor"), with its principal place of business at 170 West Tasman Drive, San Jose, California, 95134.

B. Compliance with Procurement Laws

This Contract is the result of compliance with applicable procurement laws of the State of Texas. DIR issued a solicitation on the Comptroller of Public Accounts' Electronic State Business Daily, Request for Offer (RFO) DIR-SDD-TMP-201, on June 13, 2013, for Technology Based Conference Services. Upon execution of this Contract, a notice of award for RFO DIR-SDD-TMP-201 shall be posted by DIR on the Electronic State Business Daily.

C. Order of Precedence

This Contract; Appendix A, Standard Terms and Conditions For Services Contracts; Appendix B, Vendor's Historically Underutilized Businesses Subcontracting Plan; Appendix C, Pricing Index; Appendix D, Cisco Online Privacy Statement; Appendix E, End User License Agreement; Appendix F, Supplemental End User License Agreement for Cisco WebEx Meetings Server Software; Appendix G, Customer Services Agreement; Exhibit 1, Vendor's Response to RFO DIR-SDD-TMP-201 including all addenda; and Exhibit 2, RFO DIR-SDD-TMP-201, 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 Appendix F, then Appendix E, then Appendix G, 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substantially the same subject matter but do not actually conflict, the more recent provisions shall be deemed to have superseded earlier provisions.

It is the Customer's responsibility to read any click-wrap agreements and determine if the Customer accepts the license terms as amended by DIR Contract DIR-TSO-2612. If the Customer does not agree with the license/service terms, Customer shall be responsible for negotiating with the vendor to obtain additional changes in the click-wrap agreement language.

To the extent that a Supplemental End User License Agreement (Appendix F) contains an indemnity provision, Customer agrees to the terms of such provision only to the extent permitted by the Constitution and the laws of the State of Texas.

2. Term of Contract

The term of this Contract shall be two (2) years commencing on the last date of approval by DIR and Vendor. Prior to expiration of the original term, DIR and Vendor may extend this Contract, upon mutual agreement, for up to two (2) optional one-year terms. Protracted contract negotiations may, in DIR's sole discretion, result in fewer optional terms.

3. Service Offerings

Services available under this Contract are limited to Technology Based Conferencing Services as specified in Appendix C, Pricing Index. Vendor may incorporate changes to their services offering; however, any changes must be within the scope of services awarded based on the posting described in Section 1.B above. Vendor may not add services which were not included in the Vendor's response to the solicitation described in Section 1.B above.

Excluded Telecommunications Service Offerings

Any service awarded under the TEX-AN Next Generation Procurement, RFO number DIR-TEX-AN-NG-001. The following services were awarded under the TEX-AN Next Generation Procurement:

a. Long Distance Services
b. Internet Services (including SOHO)
c. Voice over Internet Protocol (VoIP)
d. Local Voice Service
e. Wireless Service
f. Fixed Satellite
g. Access and Transport

4. Pricing

A. Manufacturer's Suggested Retail Price (MSRP)

MSRP is defined as the sales price suggested by the manufacturer or publisher of the service.

B. Customer Price

The minimum Customer price for all services will be the price as specified in Appendix C, Pricing Index. Customer Price includes the DIR Cost Recovery Fee specified in Section 5.

C. Customer Price

1) The price to the Customer shall be the fixed price listed in Appendix C; or, if no fixed price is listed, the price shall be calculated as follows:

Customer Price = MSRP – Customer Discount

Vendor may not change fixed prices or discounts listed in Appendix C without a fully executed amendment to the DIR Contract to authorize the changes.

2) Customers purchasing products and services under this Contract may negotiate more advantageous pricing or participate in special promotional offers. In such event, a copy of such better offerings shall be furnished to DIR upon request.

3) If Customer Price for Vendor's products or services available under this Contract are provided at a lower price to: (i) an eligible Customer in Texas who is not purchasing those products or services under this Contract then the available Customer Price in Appendix C to this Contract shall be adjusted to that lower price as noted below. This requirement applies to products or services quoted directly by Cisco Systems, Inc. for a quantity of one (1) under like terms and conditions, and does not apply to volume or special pricing purchases. Upon either Customer's notice to Vendor, or Vendor's notice to Customer that the party(ies) have become aware of this pricing differential and the pricing differential has been confirmed by Vendor or Customer provides reasonable confirmation to Vendor, this Contract shall be amended within ten (10) business days to reflect the lower price.

D. Rates, Taxes and Telecommunication Fees

1) There are no applicable FCC authorized fees; surcharges and assessments in effect as of the date of this Contract which may appear on billings to Customers. No FCC or PUC authorized fee, surcharge or assessment applicable to Technology Based Conferencing Services may be imposed during the term of this Contract, without the prior amendment to authorize such imposition under the Contract. Vendor acknowledges that certain Customers, that are political subdivisions, are exempt from the imposition and collection of certain Texas telecommunications fees, including the Texas Universal Service Fund Charge and the Texas Infrastructure Fund assessment. In addition, state agency Customers have additional exemptions from Texas fees, including the 9-1-1 emergency service fee, 9-1-1 equalization surcharge, poison control surcharge, and late charges imposed under Section 55.010, Utilities Code. Vendor agrees to not bill for any items which are not mandated by the FCC or PUC and which are otherwise not applicable to Technology Based Conferencing Services Vendor also agrees to not bill for items for which a Customer has an exemption. Vendor agrees to promptly correct any incorrect billings that occur.

2) During the term of this Contract, all changes in the law or fee structures, which creates or authorizes Vendor to impose an unlisted fee on these Services, which

Vendor desires to impose under this Contract, shall require an amendment in order to be effective against the State of Texas and Customers. In the event of a change in the law or fee structures, which results in an exemption from payment in favor of the State of Texas and/or Customers, Vendor shall give effect to the exemption without the necessity of a contract amendment.

3) Vendor acknowledges that Customers are exempt from state sales, use and excise taxes, Section 151.309, Texas Tax Code, and Federal Excise Tax, 26 USC Sections 4253 (i) and (j). Vendor further acknowledges that State agency Customers are exempt from the assessment and collection of sales taxes imposed by political subdivision. See Sections 321.208 (municipalities) and 323.207 (counties), Texas Tax Code. Customers may issue a tax exemption certificate upon request.

E. DIR Cost Recovery Fee

The Cost Recovery Fee specified in Section 5 below shall not be broken out as a separate line item when pricing or invoice is provided to Customer.

F. Tax-Exempt

As per Section 151.309, Texas Tax Code, Customers under this Contract are exempt from the assessment of State sales, use and excise taxes. Further, Customers under this Contract are exempt from Federal Excise Taxes, 26 United States Code Sections 4253(i) and (j).

G. Travel Expense Reimbursement

Pricing for services provided under this Contract are exclusive of any travel expenses that may be incurred in the performance of those services. Travel expense reimbursement may include personal vehicle mileage or commercial coach transportation, hotel accommodations, parking and meals; provided, however, the amount of reimbursement by Customers shall not exceed the amounts authorized for state employees as adopted by each Customer; and provided, further, that all reimbursement rates shall not exceed the maximum rates established for state employees under the current State Travel Management Program (http://www.window.state.tx.us/procurement/prog/stmp/). Travel time may not be included as part of the amounts payable by Customer for any services rendered under this Contract. The DIR Cost Recovery Fee specified in Section 5 below is not applicable to travel expense reimbursement. Anticipated travel expenses must be pre-approved in writing by Customer.

5. DIR Cost Recovery Fee

A. The Cost Recovery Fee to be paid by the Vendor to DIR based on the Net Purchase Price (as later defined in this Section) to Customers pursuant to this Contract is two percent (2%). For example, the administrative fee for sales totaling $100,000 shall be $2,000.00. "Net Purchase Price" = Vendor's product list price, minus all applicable

contract discounts, rebates or value added incentives and excluding sales, use or other applicable taxes, surcharges or like fees, to the extent applicable to an order.

B. All prices quoted to Customers shall include the Cost Recovery Fee. DIR reserves the right to change this fee upwards or downwards during the term of this Contract, upon thirty (30) days advance written notice to Vendor without further requirement for a formal contract amendment. Any change in the Cost Recovery Fee shall be incorporated in the price to the Customer.

6. Notification

All notices under this Contract shall be sent to a party at the respective address indicated below.

If sent to the State:
Grace Windbigler, Manager
Enterprise Contract Management
Department of Information Resources
300 W. 15th St., Suite 1300
Austin, Texas 78701
Phone: (512) 475-4700
Facsimile: (512) 475-4759

If sent to the Vendor:
Mimi Nguyen Farr, Senior Manager
Cisco Systems, Inc.
2375 E. Camelback Road, 4th Floor
Phoenix, Arizona 85016
Phone: (650) 228 8748
Facsimile: N/A
Email: mimnguye@cisco.com

7. Service Agreement

Services provided under this Contract shall be in accordance with the Service Agreements as set forth in Appendix E, End User License Agreement; Appendix F, Supplemental End User License Agreement for Cisco WebEx Meetings Server Software; and, Appendix G Customer Services Agreement of this Contract. No changes to these Service Agreements terms and conditions may be made unless previously agreed to by Vendor and DIR.

8. Intellectual Property Matters

At present, no development of new code or other customization, Intellectual Property is contemplated under this contract. At such time as Vendor and Customer agree to a scope of work involving new code development, the parties agree to negotiate applicable Intellectual Property provisions.

9. Authorized Exceptions to Appendix A, Standard Terms and Conditions for Services Contracts.

A. Section 2. Definitions, G. Purchase Order is hereby replaced in its entirety as follows:

Purchase Order - the Customer's fiscal form or format, which is used when making a purchase (e.g., formal written Purchase Order, Procurement Card, Electronic Purchase Order, or other authorized instrument). The terms of this agreement supersede any terms printed on Customer's Purchase Order (unless Vendor agreed to such terms in writing).

B. Section 2. Definitions, F. Order Fulfiller is hereby added:

Order Fulfiller – the party, either Vendor or Fulfillment Partner, as later defined, that may be designated by Vendor, who is fulfilling a Purchase Order pursuant to the Contract.

C. Section 3. General Provisions, B. Modification of Contract Terms and/or Amendments, Paragraph 2) is hereby replaced in its entirety as follows:

2) Customers shall not have the authority to modify the terms of the Contract; however, additional Customer terms and conditions that do not conflict with the Contract to which Customer and Vendor have agreed in writing may be added in a Purchase Order or other similar document and given effect only as between Customer and Vendor. No additional term or condition added in a Purchase Order issued by a Customer can conflict with or diminish a term or condition of the Contract. Pre-printed terms and conditions on any Purchase Order issued by Customer hereunder will have no force and effect. In the event of a conflict between a Customer's Purchase Order and the Contract, the Contract term shall control.

D. Section 3. General Provisions, D. Assignment is hereby replaced in its entirety as follows:

DIR or Vendor may assign the Contract without prior written approval to: i) a successor in interest (for DIR, another Texas state agency as designated by the Texas Legislature), or ii) a subsidiary, parent company or affiliate, or iii) as necessary to satisfy a regulatory requirement imposed upon a party by a governing body with the appropriate authority. Assignment of the Contract under the above terms shall require written notification by the assigning party. Any other assignment by a party shall require the written consent of the other party. Each party agrees to cooperate to amend the Contract as necessary to maintain an accurate record of the contracting parties.

E. Section 3. General Provisions, E. Survival is hereby replaced in its entirety as follows:

All applicable software license agreements, warranties or service agreements that were entered into between Vendor and a Customer under the terms and conditions of the Contract shall survive the expiration or termination of the Contract. All Purchase Orders issued and accepted by Order Fulfiller shall survive expiration or termination of the Contract.

F. Section 5 Contract Fulfillment and Promotion, A. Service, Sales and Support of the Contract is hereby replaced in its entirety as follows:

Vendor shall provide service, sales and support resources to serve all Customers throughout the State. It is the responsibility of the Vendor to sell, market, and promote services available under the Contract. Vendor shall ensure that potential Customers are made aware of the existence of the Contract. All sales to Customers for services available under the Contract shall be processed through the Contract.

G. Section 5 Contract Fulfillment and Promotion, B. Internet Access to Contract and Pricing Information, 1) Vendor Website is hereby replaced in its entirety as follows:

Within thirty (30) days from the effective date of the Contract, Vendor will establish and maintain a website specific to the service offerings under the Contract which is clearly distinguishable from other, non-DIR Contract offerings at Vendor's website. The website must include: the services categories offered, service specifications (if applicable), Contract pricing (if applicable), contact information for Vendor, instructions for obtaining quotes and placing Purchase Orders. The Vendor's website shall list the DIR Contract number, reference the DIR Information and Enterprise Contracts program, display the DIR logo in accordance with the requirements in paragraph D of this Section, and contain a link to the DIR website for the Contract.

H. Section 5 Contract Fulfillment and Promotion, B. Internet Access to Contract and Pricing Information, 2) Accurate and Timely Contract Information is hereby replaced in its entirety as follows:

Vendor will ensure that the website information specified in the above paragraph will be accurately and completely posted, maintained and displayed in an objective and timely manner. Vendor, at its own expense, shall correct any non-conforming or inaccurate information posted at Vendor's website within ten (10) business days after written notification by DIR.

I. Section 5 Contract Fulfillment and Promotion, B. Internet Access to Contract and Pricing Information, 5) Use of Access Data Prohibited is hereby replaced in its entirety as follows:

If Vendor stores, collects or maintains data electronically as a condition of accessing Contract information, such data shall only be used internally by Vendor for the purpose of implementing or marketing the Contract, and shall not be disseminated to third parties or used for other marketing purposes. The Contract constitutes a public document under the laws of the State and Vendor shall not restrict access to Contract terms and conditions including pricing, (if applicable), i.e., through use of restrictive technology or passwords.

J. Section 5 Contract Fulfillment and Promotion, E. Vendor Logo is hereby replaced in its entirety as follows:

In the event DIR should need use of Vendor Logo, written mutually agreed upon criteria will be coordinated with Vendor.

K. Section 5 Contract Fulfillment and Promotion, H. Cost Avoidance is hereby replaced in its entirety as follows:

As part of the performance measures reported to state leadership, DIR must provide the cost avoidance the State has achieved through the Contract. Upon request by DIR, Vendor shall provide DIR with a detailed report of a representative sample of service sold under the Contract. The report shall contain: service description, list price, price to Customer under the Contract.

L. Section 5 Contract Fulfillment and Promotion, I. Use of Order Fulfillers is hereby added in its entirety as follows:

"Fulfillment Partner" (also referred to as "Reseller") shall mean a third party contractor qualified and authorized by Vendor, and approved by DIR as necessary (such approval not unreasonably withheld or delayed), who may, to the extent authorized by Vendor, fulfill any of the requirements of this Agreement including but not limited to providing Products and Services under this Agreement and billing Purchasers directly for such Products and Services. Vendor may, upon written notice to DIR, add or delete authorized Fulfillment Partners as necessary at any time during the contract term. Fulfillment Partner has no authority to amend this Agreement or to bind Vendor to any additional terms and conditions. Fulfillment Partners are required to sell Products or Services at not less than the stated pricing discounts set forth in this Agreement, and may offer additional incremental discounts, in their sole discretion.

M. Section 7 Contract Administration, B. Reporting and Cost Recovery Fees, 2) Detailed Monthly Report, is hereby replaced in its entirety as follows:

Vendor shall electronically provide DIR with a detailed monthly report in the format required by DIR showing the dollar volume of any and all Net Purchase Price(s) for invoices billed under the Contract for the previous month period. Reports shall be submitted to the DIR ICT Cooperative Contracts E-Mail Box at

ict.sales@dir.texas.gov. Reports are due on the fifteenth (15th) calendar day after the close of the previous month period. The monthly report shall include, per transaction: the detailed sales for the period, Customer name, invoice date, invoice number, description, quantity, manufacturer's suggested retail price, unit price, extended price, Customer Purchase Order number, contact name, Customer's complete billing address, and other information as required by DIR. Each report must contain all information listed above per transaction or the report will be rejected and returned to the Vendor for correction in accordance with this section.

N. Section 7 Contract Administration, B. Reporting and Cost Recovery Fees, 5) Accurate and Timely Submission of Reports, Paragraph a) is hereby replaced in its entirety as follows:

The reports and administrative fees shall be accurate and timely and submitted in accordance with the due dates specified in this section. Vendor shall correct any inaccurate reports or administrative fee payments within three (3) business days upon written notification by DIR. Vendor shall deliver any late reports or late administrative fee payments within five (5) business days upon written notification by DIR. If Vendor is unable to correct inaccurate reports or administrative fee payments or deliver late reports and fee payments within three (3) business days, Vendor must contact DIR and provide a corrective plan of action, including the timeline for completion of correction. The corrective plan of action shall be subject to DIR approval, such approval not unreasonably withheld.

O. Section 7 Contract Administration, C. Records and Audit, Paragraph 3) is hereby replaced in its entirety as follows:

Vendor and/or Fulfillment Partners shall grant reasonable access to all paper and electronic records, books, documents, accounting procedures, practices and any other items relevant to the performance of the Contract to the DIR Internal Audit department or DIR Contract Management staff, including the compliance checks designated by the DIR Internal Audit department, DIR Contract Management staff, the State Auditor's Office, and of the United States, and such other persons or entities designated by DIR for the purposes of inspecting, Compliance Checking and/or copying such books and records. Vendor and/or Fulfillment Partners shall provide copies and printouts requested by DIR without charge. DIR shall provide Vendor and/or Fulfillment Partners thirty (30) business days' written notice prior to inspecting, Compliance Checking, and/or copying Vendor's and/or Fulfillment Partner's records. Vendor's and/or Fulfillment Partners records, whether paper or electronic, shall be made available during regular office hours. Vendor and/or Fulfillment Partner personnel familiar with the Vendor's and/or Fulfillment Partner's books and records shall be available to the DIR Internal Audit department, or DIR Contract Management staff and designees as needed. Vendor and/or Fulfillment Partner shall provide adequate office space to DIR staff during the performance of Compliance Check. If Vendor is found to be responsible for inaccurate reports, DIR may invoice for the reasonable costs of the audit, which Vendor must pay within thirty (30) days of receipt.

P. Section 8 Vendor Responsibilities, A. Indemnification, 1) Independent Contractor is hereby replaced in its entirety as follows:

VENDOR AGREES AND ACKNOWLEDGES THAT DURING THE EXISTENCE OF THIS CONTRACT, IT IS FURNISHING PRODUCTS (IF PRODUCTS ARE OFFERED) AND SERVICES IN THE CAPACITY OF AN INDEPENDENT CONTRACTOR AND THAT VENDOR IS NOT AN EMPLOYEE OF THE CUSTOMER OR THE STATE OF TEXAS.

Q. Section 8. Vendor Responsibilities, A. Indemnification, 2) Acts or Omissions is hereby replaced in its entirety as follows:

Vendor shall indemnify and hold harmless the State of Texas and Customers, AND/OR THEIR EMPLOYEES, AGENTS, REPRESENTATIVES, CONTRACTORS, AND/OR PERMITTED ASSIGNEES, FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED REASONABLE COSTS, ATTORNEY FEES, AND EXPENSES resulting from bodily injury (including death) or damage to tangible property to the extent directly arising out of, or resulting from any negligent acts or omissions, or willful misconduct of the Vendor or its agents, employees, or subcontractors, in the execution or performance of the Contract and any Purchase Orders issued under the Contract. THE DEFENSE SHALL BE COORDINATED BY THE OFFICE OF THE ATTORNEY GENERAL FOR TEXAS STATE AGENCY CUSTOMERS AND BY CUSTOMER'S LEGAL COUNSEL FOR NON-STATE AGENCY CUSTOMERS.

R. Section 8. Vendor Responsibilities, A. Indemnification, 3) Infringements is hereby replaced in its entirety as follows

a) Vendor shall indemnify and hold harmless the State of Texas and Customers, AND/OR THEIR EMPLOYEES, AGENTS, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES, from any and all third party claims for infringement of United States patents, copyrights, trade and service marks, and any other intellectual or intangible property rights in connection with the PERFORMANCES OR ACTIONS OF VENDOR PURSUANT TO THIS CONTRACT.

VENDOR AND THE CUSTOMER AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM. VENDOR SHALL BE LIABLE TO PAY ALL REASONABLE COSTS OF DEFENSE INCLUDING ATTORNEYS' FEES FOR STATE AGENCY CUSTOMERS. THE DEFENSE SHALL BE COORDINATED BY THE OFFICE OF THE ATTORNEY GENERAL FOR TEXAS STATE AGENCY CUSTOMERS AND BY CUSTOMER'S LEGAL COUNSEL FOR NON-STATE AGENCY CUSTOMERS.

Notwithstanding the foregoing, such indemnity shall not apply, and Vendor shall have no liability, for any claim of infringement caused solely by:

a) Modification of a product by Customer or a third party
b) Claims based on the amount or duration of use which Customer makes of the Product, revenue earned by Customer from services it provides that use the Product, or services offered by Customer to external or internal customers
c) Combination, operation, or use of a product with non-Cisco products, software or business processes
d) Customer's use of the products after Vendor informs Customer of modifications or a change required to avoid such claims and offers to implement those changes
e) any modifications made to the Product by the Vendor pursuant to Customer's specific instructions.

b) If Vendor becomes aware of an actual or potential claim, or Customer provides Vendor with notice of an actual or potential claim, Vendor may (or in the case of an injunction against Customer, shall), at Vendor's sole option and expense: (i) procure for the Customer the right to continue to use the affected portion of the product or service, (ii) modify or replace the affected portion of the product or service with functionally equivalent or superior product or service so that Customer's use is non-infringing.

S. Section 8. Vendor Responsibilities, A. Indemnification, 4. Property Damage is hereby replaced in its entirety as follows:

IN THE EVENT OF LOSS, DAMAGE, OR DESTRUCTION OF ANY PROPERTY OF CUSTOMER OR THE STATE DUE TO THE NEGLIGENCE, MISCONDUCT, WRONGFUL ACT OR OMISSION ON THE PART OF THE VENDOR, ITS EMPLOYEES, AGENTS, REPRESENTATIVES, OR SUBCONTRACTORS, THE VENDOR SHALL PAY THE FULL ACTUAL AND REASONABLE COST OF EITHER REPAIR, RECONSTRUCTION, OR REPLACEMENT OF THE PROPERTY, AT THE CUSTOMER'S SOLE ELECTION, TO THE EXTENT NECESSARY TO RESTORE THE PROPERTY TO ITS CONDITION BEFORE THE DAMAGE OCCURRED. COST SHALL BE DETERMINED BY THE CUSTOMER AND SHALL BE DUE AND PAYABLE BY THE VENDOR NINETY (90) CALENDAR DAYS AFTER THE DATE OF THE VENDORS RECEIPT FROM THE CUSTOMER OF A WRITTEN NOTICE OF THE AMOUNT DUE.

T. Section 8. Vendor Responsibilities, B. Taxes/Worker's Compensation/ UNEMPLOYMENT INSURANCE, Paragraph 2) is hereby replaced in its entirety as follows:

VENDOR AGREES TO INDEMNIFY AND HOLD HARMLESS CUSTOMERS, THE STATE OF TEXAS AND/OR THEIR EMPLOYEES, AGENTS, REPRESENTATIVES, CONTRACTORS, AND/OR ASSIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED COSTS, REASONABLE ATTORNEYS' FEES, AND EXPENSES, RELATING TO TAX LIABILITY, UNEMPLOYMENT INSURANCE AND/OR

WORKERS' COMPENSATION IN ITS PERFORMANCE UNDER THIS CONTRACT. VENDOR SHALL BE LIABLE TO PAY ALL COSTS OF DEFENSE INCLUDING REASONABLE ATTORNEYS' FEES. THE DEFENSE SHALL BE COORDINATED BY VENDOR WITH THE OFFICE OF THE ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND VENDOR MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE ATTORNEY GENERAL. VENDOR AND THE CUSTOMER AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM.

U. Section 8. Vendor Responsibilities, C. Vendor Certifications, Paragraph (xii) is hereby replaced in its entirety as follows:

(xii) represent and warrant that the provision of goods and services or other performance under the Contract will not constitute a conflict of interest and certify that they will not reasonably create the appearance of impropriety, and, if these facts change during the course of the Contract, certify they shall disclose the actual or potential conflict of interest and any circumstances that create the appearance of impropriety;

V. Section 8. Vendor Responsibilities, H. Confidentiality, Paragraph 2) is hereby replaced in its entirety as follows:

Customer and Vendor agree that in connection with this Contract and their relationship, they may obtain Confidential Information. "**Confidential Information"** means proprietary and confidential information received by Vendor or Customer in connection with the Agreement and their relationship. Such Confidential Information may include, but is not limited to, trade secrets, know how, inventions, techniques, processes, programs, schematics, Software source documents, data, Customer lists, financial information, and sales and marketing plans or information which the receiving party knows or has reason to know is confidential, proprietary or trade secret information of the disclosing party, as well as, in the case of Vendor, any information posted on www.cisco.com. The receiving party shall at all times keep in trust and confidence all such Confidential information, and shall not use such Confidential Information other than as expressly authorized by the disclosing party under this Agreement, nor shall the receiving party disclose any such Confidential Information to third parties without the disclosing party's written consent. Notwithstanding the above, Vendor shall be authorized to disclose Customer's Confidential Information to contractors or employees of a Vendor entity who have a legitimate business need to have access to such information. As allowed under record and retention policies and laws, the receiving party shall immediately return to the disclosing party all Confidential Information (including copies thereof) in the receiving party's possession, custody, or control upon termination or expiration at any time and for any reason of this Agreement. The obligations of confidentiality shall not apply to information which

(a) has entered the public domain, except where such entry is the result of the receiving party's breach of this Agreement; (b) prior to disclosure hereunder was already rightfully in the receiving party's possession; (c) subsequent to disclosure hereunder is obtained by the receiving party on a non-confidential basis from a third party who has the right to disclose such information to the receiving party. The receiving party will be authorized to disclose Confidential Information pursuant to a valid order issued by a court or government agency, provided that the receiving party provides (i) prior written notice to the disclosing party of such obligation and (ii) the opportunity to oppose such disclosure. Customer may disclose information necessary to comply with the Texas Public Information Act. Vendor shall not disclose, advertise, or publish the terms and conditions of this Agreement without the prior written consent of the Customer. Any press release or publication by Vendor regarding this Agreement is subject to prior review and written approval of DIR and Customer. Customer may publish the contract in its customary manner or as required by law or for the conducting of public business.

W. Section 8. Vendor Responsibilities, I. Security of Premises, Equipment, Data and Personnel is hereby replaced in its entirety as follows:

Vendor and/or Fulfillment Partner may, from time to time during the performance of the Contract, have access to the personnel, premises, equipment, and other property, including data, files and /or materials (collectively referred to as "Data") belonging to the Customer. Vendor shall preserve the safety, security, and the integrity of the personnel, premises, equipment, Data and other property of the Customer, in accordance with the - instruction of the Customer. Vendor shall be responsible for damage to Customer's equipment, workplace, and its contents when such damage is caused by its employees or subcontractors. Final financial liability responsibility would be limited to the Vendor's percentage of fault. If a Vendor and/or Fulfillment Partner fails to comply with Customer's security requirements, then Customer may immediately terminate its Purchase Order and related Service Agreement.

X. Section 8. Vendor Responsibilities, J. Background and/or Criminal History Investigation is hereby replaced in its entirety as follows:

Prior to commencement of any services, background and/or criminal history investigation of the Vendor and/or Fulfillment Partner's employees and subcontractors who will be providing services to the Customer under the Contract may be performed by certain Customers requiring such investigations, subject to Vendor's employees and subcontractors advance agreement to such investigation. Should any employee or subcontractor of the Vendor and/or Fulfillment Partner who will be providing services to the Customer under the Contract not be acceptable to the Customer as a result of 1) the background and/or criminal history check or 2) a Vendor employee or subcontractor refuses the background and/or criminal history check, then Customer may immediately terminate its Purchase Order and related Service Agreement or request replacement of the employee or subcontractor in question.

Y. Section 8. Vendor Responsibilities, K. Limitation of Liability is hereby replaced in its entirety as follows:

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, incidental, indirect, lost revenue or lost profits, or consequential damages, whether arising in contract, tort (including negligence) or otherwise even if it is advised of the possibility of such damages; and ii) Vendor's liability for damages of any kind to the Customer shall be limited to the total amount paid to Vendor under the Contract during the twelve months immediately preceding the accrual of the claim or cause of action. However, this limitation of Vendor's liability in subsection ii) shall not apply to claims of patent, trademark, or copyright infringement.

Z. Section 8. Vendor Responsibilities, O. Required Insurance Coverage is hereby replaced in its entirety as follows:

As a condition of this Contract with DIR, Vendor shall provide certificates of insurance, or other proof of insurance, reflecting the maintenance of the listed insurance coverage within 5 days of execution of the Contract if the Vendor is awarded services which require that Vendor's employees perform work at any Customer premises and/or use employer vehicles to conduct work on behalf of Customers. In addition, when engaged by a Customer to provide services on Customer premises, the Vendor shall, at its own expense, secure and maintain the insurance coverage specified herein, and shall provide proof of such insurance coverage to the related Customer within five (5) business days following the execution of the Purchase Order and at the request of the Customer. Vendor may not begin performance under the Contract and/or a Purchase Order until such proof of insurance coverage is provided to, and approved by, DIR and the Customer. All required insurance must be issued by companies that have an A.M. Best's financial rating of A- VII or better and duly licensed, admitted, and authorized to do business in the State of Texas. The Customer and DIR will be named as Additional Insureds on all required coverage. Required coverage must remain in effect through the term of the Contract and each Purchase Order issued to Vendor there under. In the event Vendor receives notice of cancellation of coverage, Vendor shall promptly replace such coverage so that no lapse in insurance occurs. The minimum acceptable insurance provisions are as follows:

1) Commercial General Liability

Commercial General Liability must include a combined single limit of $500,000 per occurrence for coverage A, B, & C including products/completed operations, where appropriate, with a separate aggregate of $500,000. The policy shall contain the following provisions:

a) Blanket contractual liability coverage for liability assumed under the Contract;
b) Independent Contractor coverage;

c) State of Texas, DIR and Customer listed as an additional insured; but only to the extent of liabilities falling within Vendor's contractual and indemnity obligations pursuant to this Agreement; and
d) Waiver of Transfer Right of Recovery Against Others in favor of DIR and/or Customer, but only to the extent of liabilities falling within Vendor's contractual and indemnity obligations pursuant to this Agreement.

2) Workers' Compensation Insurance

Workers' Compensation Insurance and Employers' Liability coverage must include limits consistent with statutory benefits outlined in the Texas Workers' Compensation Act (Art. 8308-1.01 et seq. Tex. Rev. Civ. Stat) and minimum policy limits for Employers' Liability of $250,000 bodily injury per accident, $500,000 bodily injury disease policy limit and $250,000 per disease per employee.

3) Business Automobile Liability Insurance

Business Automobile Liability Insurance must cover all owned, non-owned and hired vehicles with a minimum combined single limit of $500,000 per occurrence for bodily injury and property damage. Alternative acceptable limits are $250,000 bodily injury per person, $500,000 bodily injury per occurrence and at least $100,000 property damage liability per accident. The policy shall contain the following endorsements in favor of DIR and/or Customer:

a) Waiver of Subrogation, but only to the extent of liabilities falling within Vendor's contractual and indemnity obligations pursuant to the terms of this Agreement;
b) Definition of Insured to include those parties to whom Vendor owes contractual liability coverage.

AA. Section 8. Vendor Responsibilities, T. Secure Erasure of Hard Disk Managed Services Products and/or Services is hereby replaced in its entirety as follows:

This Section is not applicable to the Services provided under this Contract; however, Vendor agrees that Vendor's products equipped with hard disk drives (e.g., computers, servers, multifunction devices) shall have the capability for customers to erase data written to the hard drive. Such data erasure is required of State Agencies prior to the transfer of data processing equipment, to other than another Texas state agency or agent of the state under 1 TAC 202.28

This Contract is executed to be effective as of the date of last signature.

Cisco Systems, Inc.

Authorized By: _____Signature on File_____

Name: _____Phil Lozano_____

Title: _____Director, Finance_____

Date: _____Aug 12, 2014_____

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

Authorized By: _____Signature on File_____

Name: Karen Robinson

Title: Executive Director

Date: _____8/28/2014_____

Office of General Counsel: _Signature on File_____