

Amendment Number 3
to
Contract Number DIR-TSO-3101
between
State of Texas, acting by and through the Department of Information Resources
and
Canon U.S.A., Inc.

This Amendment Number 3 to Contract Number DIR-TSO-3101 (“Contract”) is between the Department of Information Resources (“DIR”) and Canon U.S.A., Inc. (“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 one (1) year through June 23, 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 up to two (2) additional one-year terms.

2. Appendix A. Standard Terms and Conditions For Product and Related Services Contracts, is hereby restated in its entirety and replaced with the attached Appendix A. Standard Terms and Conditions For Product and Related Services Contracts dated 06/21/2016 except where previous authorized exceptions to Appendix A were allowed and documented as part of the Contract. In such cases, the previously authorized exceptions shall be applied to the portions of the new Appendix A which are comparable to those in the earlier Appendix A for which they were written, and this without regard for the numbering or lettering associated with any of the documents. Applied in such manner, the exceptions shall remain in full force and effect until such time the contract expires or is terminated.

3. Authorized Exceptions to Appendix A, Standard Terms and Conditions for Product and Related Services Contracts, previously authorized exceptions are hereby amended as follows:

A. Section 5. Intellectual Property Matters, is hereby amended in its entirety as follows:

This contract does not contemplate, authorize or support acquisition of custom software products or services. If Vendor and Customer seek to contract for such product or service, they must use a separate contract or seek amendment with DIR of this contract. If DIR and Vendor decide to authorize customized software or hardware products then the intellectual property language will be negotiated and applied.

B. Section 8. Pricing, Purchase Orders, Invoices, and Payments, C. Customer Price, Paragraph 3. is hereby amended in its entirety as follows:

3) If pricing for products or services available under this Contract is provided by the Vendor at a lower price to: (i) an eligible Customer who is not purchasing those products or services under this Contract or (ii) to any other customer under the same

terms and conditions provided for the State for the same commodities and services under this contract, then the available Customer Price in this Contract shall be adjusted to that lower price. This requirement applies to products or services quoted by Vendor or its resellers for a quantity of one (1) under like terms and conditions, and does not apply to volume or special pricing purchases. Vendor shall notify DIR within ten (10) days and Appendix C of this Contract shall be amended to reflect the lower price.

C. Section 8. Pricing, Purchase Orders, Invoices, and Payments, D. Shipping and Handling Fee is hereby amended in its entirety as follows:

The price to the Customer under this Contract shall include all shipping and handling fees. Shipments will be Free On Board Customer's Destination. No additional fees shall be charged to the Customer for standard shipping and handling. If the Customer requests expedited or special delivery, Customer will be responsible for any charges for expedited or special delivery. Any Special Rigging charges will be quoted separately.

D. Section 10. Vendor Responsibilities, A. Indemnification, Paragraph 2. Acts or Omissions is hereby amended in its entirety as follows:

2) Vendor shall indemnify and hold harmless the State of Texas and Customers, AND/OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES FROM ANY AND ALL THIRD PARTY LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED COSTS, ATTORNEY FEES, AND EXPENSES arising out of, or resulting from any acts or omissions of the Vendor or its agents, employees, subcontractors, Order Fulfillers, or suppliers of subcontractors in the execution or performance of the Contract and any Purchase Orders issued under the Contract. 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.

E. Section 10. Vendor Responsibilities, K. Limitation of Liability is hereby amended 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, 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 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 under ii) of Vendor's liability shall not apply to claims of bodily injury; violation of intellectual property rights including but not limited to

patent, trademark, or copyright infringement; indemnification requirements under this Contract; and violation of State or Federal law including but not limited to disclosures of confidential information and any penalty of any kind lawfully assessed as a result of such violation.

4. Authorized Exceptions to Contract, Appendix A, Standard Terms and Conditions for Product and Related Services dated 06/21/2016, are hereby amended as follows:

A. Section 8. Pricing, Purchase Orders, Invoices, and Payments, G. Changes to Prices, is hereby replaced in its entirety as follows:

Subject to the requirements of this section, Vendor may change the price of any product or service at any time, based upon changes to the MSRP, but discount levels shall remain consistent with the discount levels specified in this Contract.

Vendor may revise its pricing (but not its discount rate, if any, and not the products or services on its contract pricing list) by posting a revised pricing list. Such revised pricing lists are subject to review by DIR. If DIR finds that a product's or service's price has been increased unreasonably, DIR may request Vendor to reduce its pricing for the product or service to the level published before the revision. Vendor must reduce its pricing, or remove the product from its pricing list. Failure to do so will constitute an act of default by Vendor that Vendor must cure within the time frame specified under Section 11.B.4.a.

B. Section 9. Contract Administration, B. Reporting and Administrative 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 sales under the Contract for the previous calendar month period. Reports shall be submitted to the DIR 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. If the 15th calendar day falls on a weekend or state or federal holiday, the report shall be due on the next business day. The monthly report shall include, per transaction: the detailed sales for the period, Customer name, invoice date, invoice number, description, quantity, MSRP or List Price, unit price, extended price, Customer Purchase Order number, contact name, Customer's complete billing address, the administrative fee due for the reporting period, subcontractor name, EPEAT designation (if applicable), configuration (if applicable), contract discount percentage, actual discount percentage, negotiated contract price (if fixed price is offered instead of discount off of MSRP), 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. Vendor shall report in a manner required by DIR which is subject to change upon DIR provide a 30 days notice and will be dependent upon DIR's business needs. Failure to do so may result in contract termination.

C. Section 11. Contract Enforcement, 3. Termination for Convenience, is hereby replaced in its entirety as follows:

A Customer may terminate a Purchase Order or other similar ordering contractual document or relationship by giving the other party (30) calendar days written notice; provided that such termination does not relieve the State of any applicable cancellation charges as designated in a lease or other contractual document between the parties.

5. Appendix C, Pricing Index, is hereby restated in its entirety and replaced with Appendix C, Pricing Index attached hereto.

All other terms and conditions of the Contract as amended, not specifically modified herein, shall remain in full force and effect. In the event of conflict among the provisions, the order of precedence shall be Amendment Number 3, Amendment Number 2, Amendment Number 1 and then the Contract DIR-TSO-3101.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, the parties hereby execute this Amendment Number 3 to be effective as of the date of last signature, but in all events not later than June 23, 2016.

Canon U.S.A., Inc.

Authorized By: Signature on file

Name: Christina M. Johnson

Title: Director, Bid & Administration

Date: 6/23/2016 | 4:25 PM CDT

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: 6/27/2016 | 4:57 PM CDT

Office of General Counsel: Signature on file 6/24/2016 | 5:08 PM CDT