



Commonwealth of Virginia
Virginia Information Technologies Agency

STATEWIDE PRINTER/WIDE FORMAT DEVICE

Date: February 21, 2013

Contract #: VA-101029-CNBS

Authorized User: All public bodies, including VITA, and all Commonwealth Agencies as defined by §2.2-4301 and referenced by §2.2-4304 of the *Code of Virginia*

Contractor: Canon Business Solutions Inc.
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Richmond, VA 23233

FIN: 13-2561772

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Term: March 1, 2013 – April 30, 2013

Payment: Net 30 days

For Additional Contract Information, Please Contact:

Virginia Information Technologies Agency
Supply Chain Management

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NOTES: Individual Commonwealth of Virginia employees are not authorized to purchase equipment or services for their personal use from this Contract.

For updates, please visit our Website at <http://www.vita.virginia.gov/procurement/contracts.cfm>

VIRGINIA INFORMATION TECHNOLOGIES AGENCY (VITA): Prior review and approval by VITA for purchases in excess of \$100,000.00 is required for State Agencies and Institutions only.



COMMONWEALTH of VIRGINIA

Virginia Information Technologies Agency

Samuel A. Nixon, Jr.
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11751 Meadowville Lane
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TDD VOICE -TEL. NO.
711

February 14, 2013

John Whitehead
Canon Business Solutions Inc.

Per Section 3.A. ("Term and Termination") of contract VA-101029-CNBS, The Virginia Information Technologies Agency has elected to exercise its option to extend the contract, from March 1, 2013 through April 30, 2013. Should you have any questions, please feel free to contact me.

Respectfully,
Doug Crenshaw
Strategic Sourcing Manager
Virginia Information Technologies Agency
(804) 416-6160



COMMONWEALTH of VIRGINIA

Virginia Information Technologies Agency

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September 26, 2012

John Whitehead
Canon Business Solutions

Per Section 3.A. ("Term and Termination") of contract VA-101029-CNBS, The Virginia Information Technologies Agency has elected to exercise its option to renew the contract, from October 29, 2012 through February 28, 2013. Should you have any questions, please feel free to contact me.

Respectfully,
Doug Crenshaw
Strategic Sourcing Manager
Virginia Information Technologies Agency
(804) 416-6160



Statewide Printer/Wide Format Device Information Technology Contract

between

The Virginia Information Technologies Agency

on behalf of

The Commonwealth of Virginia

and

Canon Business Solutions, Inc.

**STATEWIDE PRINTER/WIDE FORMAT DEVICE INFORMATION TECHNOLOGY
CONTRACT
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STATEWIDE PRINTER/WIDE FORMAT DEVICE INFORMATION TECHNOLOGY CONTRACT

THIS STATEWIDE PRINTER/WIDE FORMAT DEVICE TECHNOLOGY CONTRACT ("Contract") is entered into by and between the Virginia Information Technologies Agency (VITA) pursuant to §2.2-2012 of the Code of Virginia and on behalf of the Commonwealth of Virginia, (hereinafter referred to as "VITA") and Canon Business Solutions, Inc. (Supplier), a corporation headquartered at 3901 Westerre Parkway Suite 110 Richmond VA 23233, to be effective as of October 29, 2010 (Effective Date).

1. PURPOSE

This Contract sets forth the terms and conditions under which Supplier agrees to provide purchase or lease of Hardware Products and Software Product(s), and for related accessories, supplies, Services and Maintenance for the Commonwealth's Printer/Wide Format Device needs, to Authorized Users of this Contract.

2. DEFINITIONS

A. Acceptance

Successful delivery and performance of all Services and Deliverables at the location(s) designated and, if applicable, successful Acceptance testing in conformance with the Requirements, as set forth in this Contract and by an Authorized User in the applicable order or Statement of Work.

B. Agent

Any third Party independent Agent of any Authorized User.

C. Authorized Users

All public bodies, including VITA, as defined by §2.2-4301 and referenced by §2.2-4304 of the Code of Virginia.

D. Computer Virus

Any malicious code, program, or other internal component (e.g., computer virus, computer worm, computer time bomb, or similar component), which could damage, destroy, alter or disrupt any computer program, firmware, or hardware or which could, in any manner, reveal, damage, destroy, alter or disrupt any data or other information accessed through or processed by such Software in any manner.

E. Confidential Information

Any confidential or proprietary information of a Party that is disclosed in any manner, including oral or written, graphic, machine readable or other tangible form, to any other Party in connection with or as a result of discussions related to this Contract or any order or Statement of Work issued hereunder, and which at the time of disclosure either (i) is marked as being "Confidential" or "Proprietary", (ii) is otherwise reasonably identifiable as the confidential or proprietary information of the disclosing Party, or (iii) under the circumstances of disclosure should reasonably be considered as confidential or proprietary information of the disclosing Party.

F. Deliverable(s)

The tangible embodiment of the Products, Software, and/or Services including the development or creation of Work Product and provision of required management, administrative and technical reports, documents, Documentation, plans, drawings, schematics, and media, provided by Supplier as identified in this Contract and/or any applicable order or Statement of Work issued under this Contract.

G. Documentation

Those materials detailing the information and instructions needed in order to allow any Authorized User and its Agents to make productive use of the Deliverables, and to implement and develop self-sufficiency with regard to the Deliverables obligated under this Contract and as may be specified in an order or Statement of Work issued under this Contract.

H. Electronic Self-Help

Any use of electronic means to exercise Supplier's license termination rights, if allowable pursuant to the Software License section of this Contract, upon breach or cancellation, termination or expiration of this Contract or any order or Statement of Work placed hereunder.

I. Lease Term

The fixed non-cancelable term, plus all periods covered by bargain renewal options, plus all periods for which failure to renew the lease would impose a penalty sufficient to make the renewal reasonably assured, plus all periods covered by ordinary renewal options during which the Authorized User guarantees the Supplier's debt with respect to the leased Product(s), plus all periods covered by ordinary renewal portions up to the date a bargain purchase option becomes exercisable, plus all renewals or extensions of the lease, which are at the Supplier's option. However, the lease term may not extend beyond the date a bargain purchase option becomes exercisable, as set forth in the order or SOW between the Authorized User and the Supplier.

J. Maintenance Level

The parameters of Maintenance Services, including the times during which and time-frames in which Supplier shall respond to a request for Maintenance Services. The available Maintenance Levels shall be as defined in the Contract. The actual Maintenance Level for a unit of Product or Software shall be set forth in the executed order or SOW for Maintenance of that Product or Software referencing this Contract.

K. Maintenance Period; Maintenance Coverage Period (MCP)

The term during which Maintenance is to be provided for a unit of Product or Software.

L. Maintenance Services (or Maintenance)

Those preventive, remedial and support Services and Software Updates, provided by Supplier at Authorized User's request in order to ensure continued operation of the Product, Work Product or Software.

M. Operating Condition

That condition which allows a Product or Software to function in a normal, acceptable working manner, as designed by the Product manufacturer or Software Publisher.

N. Party

Supplier, VITA, or any Authorized User.

O. Product(s)

Hardware, peripherals, and any other equipment or Software accessories, including the hardware's system Software, all upgrades, all applicable user Documentation and related accessories as set forth in this Contract.

P. Receipt

An Authorized User or its Agent has physically received any Deliverable at the correct "ship-to" location.

Q. Requirements

The functional, performance, operational, compatibility, Acceptance testing criteria and other parameters and characteristics of the Products, Software, Services, and/or other Deliverables as set forth in Exhibit D and such other parameters, characteristics, or performance standards that may be agreed upon in writing by VITA and Supplier or the Parties to an order or Statement of Work issued hereunder. [In case of conflict, see the Entire Contract clause for order of precedence.]

R. Response Time

The time between Supplier's receipt of Authorized User's request for Maintenance support and the time Supplier commences repair or remediation.

S. Services(s)

Any work performed or Services provided by the Supplier to VITA or any Authorized User under this Contract, including but not limited to installation, testing, quality control, support,

maintenance, training the discovery, creation, or development of any Work Product and the provision of any Deliverable as set forth in this Contract and any approved Statement of Work or order issued under this Contract.

T. Software

The programs and code, and any subsequent modifications or releases of such programs and code, excluding Work Product, provided by Supplier under this Contract.

U. Software Publisher

The licensor of any Software, or hardware Product's System Software, provided by Supplier under this Contract.

V. Software Update

Any Software patch, fix, upgrade, update, enhancement, new release, or access mode, including, without limitation, modifications to the Software which can increase the speed, efficiency, or base of operation of the Software or add additional capabilities to or otherwise improve the functionality of the Software, which are to be provided by Supplier under this Contract as set forth in the Contract and any Authorized User's order or SOW. Excluding any Software Update provided for general release, and unless otherwise stated in the Contract, any Software Update developed by Supplier or any other third Party, using Commonwealth funds, shall be deemed Work Product.

W. Statement of Work (SOW)

Any document that describes, at a minimum, the Deliverables, due dates, performance-based milestones, assignment duration and payment obligations for a specific project, engagement, or assignment for which Supplier shall provide Products, Software, Services or Deliverables as authorized under this Contract to an Authorized User), which, upon signing by both Parties, shall be deemed a part of this Contract. An SOW should be accompanied by a valid purchase order, referencing this Contract, from the Authorized User.

X. Supplier

Means the Supplier and any of its Affiliates (i.e., an entity that controls, is controlled by, or is under common control with Supplier).

Y. System Software

The operating system code, including Software, firmware and microcode, (object code version) for each hardware Product, including any subsequent revisions, as well as any applicable Documentation.

Z. Work Product

Inventions, combinations, machines, methods, formulae, techniques, processes, improvements, Software designs, computer programs, strategies, specific computer-related know-how, data and original works of authorship (collectively, the "Work Product") discovered, created, or developed by Supplier, or jointly by Supplier and an Authorized User(s) in the performance of this Contract or any order issued hereunder. Work Product shall not include configuration of Software.

3. TERM AND TERMINATION

A. Contract Term

This Contract is effective and legally binding as of the Effective Date and, unless terminated as provided for in this section, shall continue to be effective and legally binding for a period of two (2) years. VITA, in its sole discretion, may extend this Contract for up to five (5) additional one (1) year periods after the expiration of the initial two (2) year period. VITA will issue a written notification to the Supplier stating the extension period thirty (30) days prior to the expiration of any current term. In addition, performance of an order or Statement of Work (SOW) issued during the term of this Contract may survive the expiration of the term of this Contract, in which case all terms and conditions required for the operation of such order or SOW shall remain in full force and effect until the Services and Deliverables pursuant to such order or SOW have met the final Acceptance criteria of the applicable Authorized User and Supplier has received formal Acceptance from the Authorized User. Supplier shall not include any automatic renewal provisions in any maintenance agreement, or software license as part of any order or SOW

between an Authorized User and the Supplier or Supplier's OEM, if the Supplier is a reseller of the Product(s).

B. Termination for Convenience

VITA may terminate this Contract, in whole or in part, or any order or SOW issued hereunder, in whole or in part. Except for orders or SOWs placed in conjunction with a Lease Purchase Transaction, an Authorized User may terminate an order or SOW, in whole or in part, upon not less than thirty (30) days prior written notice.

C. Termination for Breach or Default

VITA shall have the right to terminate this Contract, in whole or in part, or any order or SOW issued hereunder, in whole or in part, or an Authorized User may terminate an order or SOW, in whole or in part, for breach and/or default of Supplier. Supplier shall be deemed in breach and/or default in the event that Supplier fails to meet any material obligation set forth in this Contract or in any order or SOW issued hereunder.

If VITA deems the Supplier to be in breach and/or default, VITA shall provide Supplier with notice of breach and/or default and allow Supplier fifteen (15) days to cure the breach and/or default. If Supplier fails to cure the breach as noted, VITA may immediately terminate this Contract or any order or SOW issued hereunder, in whole or in part. If an Authorized User deems the Supplier to be in breach and/or default of an order or SOW, such Authorized User shall provide Supplier with notice of breach and/or default and allow Supplier fifteen (15) days to cure the breach and/or default. If Supplier fails to cure the breach and/or default as noted, such Authorized User may immediately terminate its order or SOW, in whole or in part. Any such termination shall be deemed a Termination for Breach or Termination for Default. In addition, if Supplier is found by a court of competent jurisdiction to be in violation of or to have violated 31 USC 1352 or if Supplier becomes a Party excluded from Federal Procurement and Non-procurement Programs, VITA may immediately terminate this Contract, in whole or in part, for breach, and VITA shall provide written notice to Supplier of such termination. Supplier shall provide prompt written notice to VITA if Supplier is charged with violation of 31 USC 1352 or if federal debarment proceedings are instituted against Supplier.

D. Termination for Non-Appropriation of Funds

All payment obligations under this Contract are subject to the availability of legislative appropriations at the federal, state, or local level, for this purpose. In the event of non-appropriation of funds, irrespective of the source of funds, for the items under this Contract, VITA may terminate this Contract, in whole or in part, or any order, in whole or in part, or an Authorized User may terminate an order, in whole or in part, for those goods or Services for which funds have not been appropriated. Written notice will be provided to the Supplier as soon as possible after legislative action is completed.

E. Effect of Termination

Upon termination, neither the Commonwealth, nor VITA, nor any Authorized User shall have any future liability except for Services and Deliverables rendered by Supplier and Accepted by the Authorized User prior to the termination date.

In the event of a Termination for Breach or Termination for Default, Supplier shall accept return of any Deliverable that was not accepted by the Authorized User(s), and Supplier shall refund any monies paid by any Authorized User for such Deliverable, and all costs of de-installation and return of Deliverables shall be borne by Supplier. Termination by Supplier will not be considered.

F. Transition of Services

Prior to or upon expiration or termination of this Contract and at the request of VITA, Supplier shall provide all assistance as VITA or an Authorized User may reasonably require to transition Services to the Authorized User, its Agent(s) or any follow-on Supplier(s). This obligation may extend beyond expiration or termination of the Contract for a period not to exceed six (6) months. In the event of a termination for breach and/or default of Supplier, Supplier shall provide such assistance at no charge or fee to VITA or any Authorized User; otherwise, Supplier shall provide

such assistance at the hourly rate or a charge agreed upon by Supplier and VITA or an Authorized User.

G. Contract Kick-Off Meeting

Within 30 days of Contract award, Supplier may be required to attend a contract orientation meeting, along with the VITA contract manager/administrator, the VITA and/or other CoVa Agency project manager(s) or authorized representative(s), technical leads, VITA representatives for SWaM and Sales/IFA reporting, as applicable, and any other significant stakeholders who have a part in the successful performance of this Contract. The purpose of this meeting will be to review all contractual obligations for both parties, all administrative and reporting Requirements, and to discuss any other relationship, responsibility, communication and performance criteria set forth in the Contract. The Supplier may be required to have its assigned account manager as specified in in the Contract and a representative from its contracts department in attendance. The time and location of this meeting will be coordinated with Supplier and other meeting participants by the VITA contract manager.

H. Contract Closeout

Prior to the contract's expiration date, Supplier may be provided contract close out Documentation and shall complete, sign and return to VITA Supply Chain Management within 30 days of receipt. This Documentation may include, but not be limited to: Patent/Royalty Certificate, Tangible Property/Asset Certificate, Escrow Certificate, SWaM Reports Completion Certificate, Sales Reports/IFA Payments Completion Certificate, and Final Payment Certificate. Supplier is required to process these as requested to ensure completion of close-out administration and to maintain a positive performance reputation with the Commonwealth of Virginia. Any closeout Documentation not received within 30 days of Supplier's receipt of our request will be documented in the contract file as Supplier non-compliance. Supplier's non-compliance may affect any pending payments due the Supplier, including final payment, until the Documentation is returned.

4. RIGHTS TO WORK PRODUCT

If Authorized User is a state agency, board, commission, or other quasi-political entity of the Commonwealth of Virginia or other body referenced in Title 2.2 of the Code of Virginia, any license to pre-existing work shall be held by, and all rights in, title to, and ownership of Work Product shall vest with the Commonwealth. If Authorized User is a locality, municipality, school, school system, college, university, local board, local commission, or local quasi-political entity, any license to pre-existing work shall be held by, and all rights in, title to, and ownership of Work Product shall vest with that public body.

A. Work Product

VITA and Supplier each acknowledge that performance of this Contract may result in Work Product. For the purposes of this Agreement, "Work Product" shall mean information and materials supplied by or on behalf of VITA and/or other authorized users, and not containing Confidential or Proprietary information of Supplier. The Parties shall document all Work Product specifications and such specifications shall be made an incorporated exhibit to this Contract. Supplier agrees that it shall promptly and fully disclose to the Commonwealth or the Authorized User any and all Work Product generated, conceived, reduced to practice or learned by Supplier or any of its employees, either solely or jointly with others, during the term or performance of this Contract, which in any way relates to the business of the Commonwealth, VITA or any Authorized User. Supplier further agrees that neither Supplier nor Supplier's employees, contractors, Agents or subcontractors, nor any Party claiming through Supplier or Supplier's employees, shall, other than in the performance of this Contract, make use of or disclose to others any proprietary information relating to the Work Product. All Services performed hereunder shall include delivery of all source and object code and all executables and Documentation for all Work Product. Supplier shall at no time deny access to the Work Product, regardless of form, by the Commonwealth or the Authorized User.

B. Ownership

Supplier agrees that, whether or not the Services are considered “works made for hire” or an employment to invent, all Work Product discovered, created or developed under this Contract shall be and remain the sole property of the Commonwealth and its assigns or the Authorized User and its assigns. Except as specifically set forth in writing and signed by both VITA and Supplier, or Authorized User and Supplier, Supplier agrees that the Commonwealth or the Authorized User shall have all rights with respect to any Work Product discovered, created or developed under this Contract without regard to the origin of the Work Product.

CBS may create and/or use certain proprietary algorithms, data fields and other materials (collectively “Core Materials”) to perform the tasks in the RFP and in any eventual contract with the VITA. The Core Materials do not necessarily require the VITA’s proprietary information or Work Product to operate. The rights to the Core Materials will remain the property of CBS, and CBS shall have the exclusive right to make, use and sell any inventions or processes created in the course of its preparation and submission of the within RFP and its performance of any resulting contract, to the extent that such inventions or processes do not contain proprietary information of VITA. VITA shall have the non-exclusive right to use the Core Materials solely for the purposes of operating Canon brand Equipment.

If and to the extent that Supplier may, under applicable law, be entitled to claim any ownership interest in the Work Product, Supplier hereby irrevocably transfers, grants, conveys, assigns and relinquishes exclusively to the Commonwealth or the Authorized User any and all right, title and interest it now has or may hereafter acquire in and to the Work Product under patent, copyright, trade secret and trademark law in perpetuity or for the longest period otherwise permitted by law. If any moral rights are created, Supplier waives such rights in the Work Product. Supplier further agrees as to the Work Product to assist the Commonwealth or the Authorized User in every reasonable way to obtain and, from time to time, enforce patents, copyrights, trade secrets and other rights and protection relating to the Work Product, and to that end, Supplier and its employees shall execute all documents for use in applying for and obtaining such patents, copyrights, and other rights and protection, and in protecting trade secrets, with respect to such Work Product, as the Commonwealth or the Authorized User may reasonably request, together with any assignments thereof to the Commonwealth or the Authorized User or entities designated by the Commonwealth or the Authorized User.

C. Pre-existing Rights

If and to the extent that any pre-existing rights are embodied or reflected in the Work Product, Supplier hereby grants to the Commonwealth or the Authorized User the irrevocable, perpetual, non-exclusive, worldwide, royalty-free right and license to (i) use, execute, reproduce, display, perform, distribute copies of and prepare derivative works based upon such pre-existing rights and any derivative works thereof and (ii) authorize others to do any or all of the foregoing.

D. Return of Materials

Upon request, Supplier shall immediately return to VITA or the appropriate Authorized User all copies, in whatever form, of any and all Confidential Information, Work Product and other properties provided by VITA or such Authorized User, which are in Supplier's possession, custody or control.

5. SUPPLIER PERSONNEL

A. Selection and Management of Supplier Personnel

Supplier shall take such steps as may be necessary to ensure that all Supplier personnel performing under this Contract are competent and knowledgeable of the contractual arrangements and the applicable SOW between Authorized User and Supplier. Supplier shall be solely responsible for the conduct of its employees, Agents, and subcontractors, including all acts and omissions of such employees, Agents, and subcontractors, and shall ensure that such employees and subcontractors comply with the appropriate Authorized User’s site security, information security and personnel conduct rules, as well as applicable federal, state and local laws, including export regulations. Authorized User reserves the right to require the immediate

removal from such Authorized User's premises of any employee, subcontractor or Agent of Supplier whom such Authorized User believes has failed to comply or whose conduct or behavior is unacceptable or unprofessional or results in a security or safety breach.

B. Supplier Personnel Supervision

Supplier acknowledges that Supplier, or any of its Agents, contractors, or subcontractors, is and shall be the employer of Supplier personnel, and shall have sole responsibility to supervise, counsel, discipline, review, evaluate, set the pay rates of and terminate the employment of Supplier personnel.

C. Key Personnel

This Contract or an Authorized User's order or SOW may designate certain of Supplier's personnel as Key Personnel or Project Managers. Supplier's obligations with respect to Key Personnel and Project Managers shall be described in the applicable order or SOW. Failure of Supplier to perform in accordance with such obligations may be deemed a default of this Contract or of the applicable order or SOW.

D. Subcontractors

Supplier shall not use subcontractors to perform any portion of this Contract or any order or SOW issued under this Contract unless specifically authorized in writing to do so by VITA or the Authorized User, respectively. If an order or SOW issued pursuant to this Contract is supported in whole or in part with federal funds, Supplier shall not subcontract any portion of the work pursuant to such order or SOW to any subcontractor that is a Party excluded from Federal Procurement and Nonprocurement Programs. In no event shall Supplier subcontract any portion of the work to any subcontractor which is debarred by the Commonwealth of Virginia or which owes back taxes to the Commonwealth and has not made arrangements with the Commonwealth for payment of such back taxes.

6. FEES, ORDERING AND PAYMENT PROCEDURE

A. Fees and Charges

As consideration for the Products, Services and Deliverables provided hereunder, an Authorized User shall pay Supplier the fee(s) set forth on Exhibit D, which lists any and all fees and charges. The fees and any associated discounts shall be applicable throughout the term of this Contract; provided, however, that in the event the fees or discounts apply for any period less than the entire term.

Supplier agrees that it shall not increase the fees more than once during any twelve (12) month period, commencing at the end of year one (1). No such increase shall exceed the lesser of three percent (3%) or the annual increase in the Consumer Price Index for All Urban Consumers (CPI-U), U.S. City Average, All Items, Not Seasonally Adjusted, as published by the Bureau of Labor Statistics of the Department of Labor (<http://www.bls.gov/cpi/home.htm>), for the effective date of the increase compared with the same index one (1) year prior. Any such change in price shall be submitted in writing in accordance with the above and shall not become effective for sixty (60) days thereafter. Supplier agrees to offer price reductions to ensure compliance with the Competitive Pricing Section.

B. Reimbursement of Expenses

If allowable pursuant to an Authorized User's SOW, such Authorized User shall pay, or reimburse Supplier, for all reasonable and actual travel-related expenses for greater than thirty (30) miles from portal to portal incurred by Supplier during the relevant period; provided, however, that such Authorized User shall only be liable to pay for Supplier's travel-related expenses, including transportation, meals, lodging and incidental expenses, that have been authorized by such Authorized User in advance and which will be reimbursable by such Authorized User at the then-current per diem amounts as published by the Virginia Department of Accounts (<http://www.doa.virginia.gov>, or a successor URL(s)).

All reimbursed expenses will be billed to the Authorized User on a pass-through basis without any markup by Supplier. At Authorized User's request, Supplier shall provide copies of receipts for all travel expenses over US\$30.00.

C. Statement of Work (SOW)

An SOW shall be required, when appropriate for any Products, Services or Deliverables ordered by an Authorized User pursuant to this Contract. All Services shall be performed at the times and locations set forth in the applicable SOW and at the rates set forth in Exhibit D herein. Unless VITA issues a written authorization for a time and materials type SOW, any SOW shall be of a fixed price type, but may with the written approval of VITA, contain a cost-reimbursable line item(s) for pre-approved travel expenses. For time and materials type SOWs, Supplier personnel shall maintain daily time records of hours and tasks performed which shall be submitted or made available for inspection by the Authorized User upon forty-eight (48) hours advance written notice.

D. Supplier Quote and Request for Quote

Should an Authorized User determine that a competitive process is required to ensure it receives the best value, such Authorized User may, at its sole discretion, on a case-by-case basis and upon approval by VITA, use a Request for Quote (RFQ) process to obtain Products, Services or Deliverables identical or similar to those provided by Supplier pursuant to this Contract. The RFQ process is typically used when an Authorized User requires a complete solution that may be fulfilled by Products, Software and Services herein, but whose complexity or size may result in economies that could not be passed on to the Authorized User within the confines of the established contract catalog discount pricing. When an RFQ is used, the project timing and Requirements will be clearly outlined in the RFQ document. In some situations, the Authorized User may not identify the exact specifications required. If that is the case, the RFQ respondents will be given the opportunity to identify and propose their recommended specifications.

Supplier shall respond to the RFQ by providing a quote, which shall include (a) a detailed description of each Product, Services and Deliverables proposed, at the Exhibit D line item level, (b) the quantity of each such component, (c) a unit price not to exceed the price(s) in Exhibit D, (d) any additional percentage discount offered, and (e) an extended price. If requested by the Authorized User,

Should Supplier be unable to respond to the RFQ due, for example, to resource constraints, Supplier shall notify Authorized User in writing of its inability to perform the work requested by such Authorized User, and provide the reasons for such inability to perform, prior to the due date for the submission of quotes in response to the RFQ.

E. Ordering

Notwithstanding all Authorized User's rights to license or purchase Supplier's Products or Services under this Contract, an Authorized User is under no obligation to purchase or license from Supplier any of Supplier's Products or Services. This Contract is optional use and non-exclusive, and all Authorized Users may, at their sole discretion, purchase, license or otherwise receive benefits from third Party Suppliers of Products and Services similar to, or in competition with, the Products and Services provided by Supplier. Supplier is required to accept any order placed by an Authorized User through the eVA electronic procurement website portal (<http://www.eva.virginia.gov>). eVA is the Commonwealth of Virginia's e-procurement system. State agencies, as defined in §2.2-2006 of the Code of Virginia, shall order through eVA. All other Authorized Users are encouraged to order through eVA, but may order through the following means:

- i). Purchase Order (PO): An official PO form issued by an Authorized User.
- ii). Any other order/payment charge or credit card process, such as AMEX, MASTERCARD, or VISA under contract for use by an Authorized User.

This ordering authority is limited to issuing orders for the Products, Software, Services, and Deliverables available under this Contract. Under no circumstances shall any Authorized User have the authority to modify this Contract. An order from an Authorized User may contain additional terms and conditions; however, to the extent that the terms and conditions of the

Authorized User's order are inconsistent with the terms and conditions of this Contract, the terms of this Contract shall supersede.

Notwithstanding the foregoing, Supplier shall not accept any order from an Authorized User if such order is to be funded, in whole or in part, by federal funds and if, at the time the order is placed, Supplier is not eligible to be the recipient of federal funds as may be noted on any of the Lists of Parties Excluded from Federal Procurement and Nonprocurement Programs.

ALL CONTRACTUAL OBLIGATIONS UNDER THIS CONTRACT IN CONNECTION WITH AN ORDER PLACED BY ANY AUTHORIZED USER ARE THE SOLE OBLIGATION OF SUCH AUTHORIZED USER AND NOT THE RESPONSIBILITY OF VITA UNLESS SUCH AUTHORIZED USER IS VITA. Supplier's acceptance of any entity as an Authorized User is subject to Supplier's approval of a proposed Authorized User's creditworthiness.

F. Orders for Lease-Purchased Product(s) for Executive Branch Agency Authorized Users

In addition to the foregoing, if an Authorized User places an order or SOW to Lease-Purchase Product(s) provided by the Supplier, the Authorized User must comply with the Virginia Department of Accounts (DOA) CAPP Manual and the Treasury Board's Master Equipment Leasing Program (MELP), as applicable. The Supplier agrees to provide relevant information and completion of related documentation in a timely manner as required by the Authorized User to satisfy compliance.

No third-party or 2nd-tier agreements or additional terms and conditions are allowed with any such order or SOW for Lease-Purchase Product(s).

Suppliers will be required to fill in their Fixed Spread Rate (in decimal format) in each category that they wish to offer leasing. The Fixed Spread Rate amount entered will be added to current US Treasury Interest Rate Swap rate when leasing arrangements are made.

Lease pricing will be based on the Supplier's Fixed Spread Rate as specified in the appropriate category in Exhibit D, Pricing Schedule, of this Contract, and added to the appropriate last business day of the most recent quarter current US Treasury Interest Rate Swap rate located at:

<http://www.federalreserve.gov/releases/h15/current/>.

In a Lease-Purchase transaction, the purchase price offered to the Authorized User shall be based on a fair market value for buyout as defined in and in accordance with the rules and regulations found at:

http://www.doa.virginia.gov/Admin_Services/CAPP/CAPP_Topics/31205.pdf at the end of the Lease Term.

Further, if a financing arrangement is involved, the financing term for the Product(s) shall be determined by the Product(s)' useful life, as defined in the CAPP link in the paragraph above.

G. Orders for Lease-Purchase Product(s) for Local Government Authorized Users

Local Government Authorized Users may place an order or SOW to Lease-Purchase Product(s) provided by the Supplier, however, no third-party or 2nd-tier agreements or additional terms and conditions are allowed with any such order or SOW for Lease-Purchase Product(s).

Commonwealth localities are exempt from DOA CAPP Manual and the Treasury Board's MELP requirements; however, may have specific requirements that must be included in their order or SOW to ensure Supplier compliance.

Suppliers will be required to fill in their Fixed Spread Rate (in decimal format) in each category that they wish to offer leasing. The Fixed Spread Rate amount entered will be added to current US Treasury Interest Rate Swap rate when leasing arrangements are made.

Lease pricing will be based on the Supplier's Fixed Spread Rate as specified in the appropriate category in Exhibit D, Pricing Schedule, of this Contract, and added to the appropriate last business day of the most recent quarter current US Treasury Interest Rate Swap rate located at:

<http://www.federalreserve.gov/releases/h15/current/>.

In a Lease-Purchase transaction, the purchase price offered to the Authorized User shall be based on a fair market value for buyout as defined in and in accordance with the rules and regulations found at: http://www.doa.virginia.gov/Admin_Services/CAPP/CAPP_Topics/31205.pdf at the end of the Lease Term.

Further, if a financing arrangement is involved, the financing term for the Product(s) shall be determined by the Product(s)' useful life, as defined in the CAPP link in the paragraph above.

H. Orders that Include Trade-in Products

In addition to the foregoing, if an Authorized User places an order or SOW for Products, where a trade-in of old products is included, the Authorized User must comply with the Virginia DOA CAPP Manual and must adhere to the rules and regulations in the Agency Procurement and Surplus Property Manual, published by the Division of Purchases and Supply (DPS), Department of General Services (DGS). The Supplier agrees to provide relevant information and completion of related documentation in a timely manner as required by the Authorized User to satisfy compliance. Commonwealth localities are exempt from the requirements of this provision; however, may have specific requirements that must be included in their order or SOW to ensure Supplier compliance.

I. Product Transfers between Authorized Users

In the event of a transfer of Product to another location, the Authorized User receiving the transferred Product(s) will pay Supplier removal and installation charges. The Supplier is responsible for preparation and is reimbursed per the order or SOW authorized charges as approved in advance by the Authorized User receiving the transferred Product(s). All purchase option credits, present and future on such Product(s) will remain in effect for use by the Authorized User receiving the transferred Product(s) and that Authorized User is responsible for tracking the Product(s) for compliance with the DOA CAPP Manual and the DGS Surplus Property Manual rules and regulations. Commonwealth localities are exempt from the requirements of this provision; however, may have specific requirements that must be included in their order or SOW to ensure Supplier compliance.

J. Change Orders

All changes to the Services and Deliverables to be provided pursuant to any given order or SOW must be described in a written change request, which includes any appropriate adjustments to the order or SOW. Either Party to an order or SOW may issue a change request that will be subject to written approval of the other Party before it becomes part of this Contract. In no event shall any order or SOW or any modification thereto require the Supplier to perform any work beyond the scope of this Contract.

K. Extensions to Lease Terms

If the Authorized User has not elected to purchase the leased Product(s) at the expiration of an order's or SOW's Lease Term, and as long as the Authorized User is not in default, the order or SOW (other than those that expire five years or greater from date of installation) may be extended for one additional year upon written notice from the Authorized User. Any extension will be under the same terms and conditions of this Contract with no additional terms and conditions introduced by Supplier.

L. Purchase Option for Leased Product(s)

If the Authorized User is not in default, it shall have the right to buy the leased Product(s) "as is with no additional warranty" at the expiration of the Lease Term by tendering the purchase option amount. For lease-purchase transactions with Fair Market Value option, the Fair Market Value of the leased Product(s) shall be based on a Fair Market Value for buyout as defined in and in accordance with the rules and regulations found at: http://www.doa.virginia.gov/Admin_Services/CAPP/CAPP_Topics/31205.pdf at the end of the Lease Term.

M. Invoice Procedures

Supplier shall remit each invoice to the "bill-to" address provided with the order promptly after all Products, Software, Services, , and Deliverables, have been accepted and in accordance with the payment schedule in the applicable order. Payment for support Services shall be annually in arrears unless otherwise stated herein, or in any order referencing this Contract. No invoice shall include any costs other than those identified in the executed order, which costs shall be in accordance with Exhibit D. Without limiting the foregoing, all shipping costs are the Supplier's responsibility except to the extent such charges are identified in Exhibit D, or as noted in any executed order referencing this Contract. Invoices issued by the Supplier shall identify at a minimum:

- i). Itemization and description of Product, Software, Services Type, Deliverables, and, if applicable, project milestone
- ii). Quantity, charge and extended pricing for each Product, Software, and/or Services item or milestone
- iii). Product serial number, if any
- iv). Applicable order date
- v). Ship or delivery date
- vi). Ship-to or delivered-to contact name
- vii). This Contract number and the applicable order number
- viii). Supplier's Federal Employer Identification Number (FEIN).

Any terms included on Supplier's invoice shall have no force or effect and will in no way bind VITA or any Authorized User.

N. Payment for Lease-Purchased Products

The ordering Authorized User shall pay the applicable monthly or annual lease payment for the Product(s) and/or financed Items as specified in the executed purchase order. Payment shall be made by the ordering Authorized User for the full Lease Term unless the purchase order is terminated by the Authorized User pursuant to the Term and Termination provisions in Section 3 of this Contract,

O. Purchase Payment Terms

Supplier is responsible for the accuracy of its billing information. Supplier agrees not to issue invoices hereunder until items or milestones have met Acceptance criteria. Charges for Products, Software, or Services accepted more than ninety (90) days prior to receipt of a valid invoice may not be paid. Should Supplier repeatedly over bill Authorized User, Authorized User may assess a one percent (1%) charge for the amount over-billed for each month that such over-billing continues.

In the event any Deliverable is shipped without the applicable Documentation, payment shall not be due until the required Documentation is provided.

If there are any disputed items, an Authorized User shall pay all undisputed charges and promptly notify Supplier in writing of any disputed amount. Supplier shall thereupon review its records, and, if it does not concur with the Authorized User, provide the Authorized User with Documentation to support the charge. If such charges remain in dispute, such dispute shall be resolved in accordance with the Dispute Resolution section of this Contract. In the absence of the Supplier's written evidence identifying the merit of the disputed amounts, Authorized User may not pay the disputed amounts and may consider the matter concerning the specific identified amounts closed. All payment terms are net thirty (30) days after Acceptance.

7. REPORTING

A. Supplier's Report of Sales and Industrial Funding Adjustment

By the 10th day of every month, the Supplier shall submit the "Supplier Monthly Report of Sales". A template showing the format in which the report is to be submitted and contact information for submission is available at

<http://www.vita.virginia.gov/uploadedFiles/SCM/SupplierReportofSalesTemplate.xls>. The report shall be submitted via electronic mail to the VITA IFA Coordinator and shall report total sales (defined for purposes of this report as all invoiced payments received by Supplier from all Authorized Users) for this Contract during the preceding month. Supplier shall be responsible for submitting the monthly report of sales even if Supplier has had no sales (i.e., a \$0.00 total sales value) for the reporting period.

The Supplier shall submit the Industrial Funding Adjustment (IFA) payment for the period covered by such "Supplier Monthly Report of Sales" within thirty (30) days after submitting the "Supplier Monthly Report of Sales". The IFA payment is equal to two percent (2%) of total sales reported during the relevant month.

The IFA payment shall be submitted to VITA, Attention VITA Controller in the form of a check or electronic payment, made payable to the Treasurer of Virginia. The IFA payment shall reference this Contract number, "report amounts", and "report period" and shall be accompanied by a copy of the relevant "Supplier Monthly Report of Sales". Contact information for submission of IFA payments is available at <http://www.vita.virginia.gov/uploadedFiles/SCM/SupplierReportofSalesTemplate.xls>.

Failure to comply with reporting, payment and distribution Requirements of this section may result in default of the Contract.

B. Small Business Participation

Supplier and VITA agree to meet promptly after the Effective Date of this Contract to discuss the participation of Virginia Department of Minority Business Enterprise (DMBE)-certified Small Businesses as subcontractors and second-tier Suppliers under this Contract.

Supplier and VITA agree to meet annually thereafter to review small business subcontracting reports and discuss further action with respect to small business subcontracting and spend.

In addition, by the 10th day of every month, Supplier shall submit to VITA the Small Business Subcontracting Monthly Report (template to be provided). Supplier's report should include spend on all Supplier's contracts with second-tier Suppliers which provide Products or Services under this Contract. The report should specify the amount of such spend provided to small businesses. Supplier shall submit the report to SWaM@vita.virginia.gov.

8. STEERING COMMITTEE

[Reserved]

9. AUTHORIZED USER SELF-SUFFICIENCY

Prior to or at any time during Supplier's performance of an order issued, or which may be issued, pursuant to this Contract, an Authorized User may require that Supplier provide to Authorized User a detailed plan to develop Authorized User self-sufficiency and to transition operation and management to Authorized User or its Agent, which Agent may be VITA or an Agent of VITA or a third Party provider under contract with Authorized User. At Authorized User's request and pursuant to an order for Supplier's Services issued hereunder, Supplier shall provide all assistance reasonably required by Authorized User to develop self-sufficiency. During and/or after the transition period, Authorized User may, if applicable and at its sole discretion, elect to order or continue Maintenance Services from Supplier for any Software or hardware components provided by Supplier under this Contract.

10. ESCROW AGREEMENT

[Reserved]

11. COMPETITIVE PRICING

Supplier warrants and agrees that each of the charges, economic or Product terms or warranties granted pursuant to this Contract are comparable to or better than the equivalent charge, economic or Product term or warranty being offered to any commercial or government customer of Supplier for equivalent products and services. .

12. CONFIDENTIALITY

A. Treatment and Protection

Each Party shall (i) hold in strict confidence all Confidential Information of any other Party, (ii) use the Confidential Information solely to perform or to exercise its rights under this Contract, and (iii) not transfer, display, convey or otherwise disclose or make available all or any part of such Confidential Information to any third-Party. However, an Authorized User may disclose the Confidential Information as delivered by Supplier to subcontractors, contractors or Agents of such Authorized User on a "need to know" basis that are bound by non-disclosure contracts with such Authorized User. Each Party shall take the same measures to protect against the disclosure or use of the Confidential Information as it takes to protect its own proprietary or Confidential Information (but in no event shall such measures be less than reasonable care).

B. Exclusions

The term "Confidential Information" shall not include information that is:

- i). in the public domain through no fault of the receiving Party or of any other person or entity that is similarly contractually or otherwise obligated;
- ii). obtained independently from a third-Party without an obligation of confidentiality to the disclosing Party and without breach of this Contract;
- iii). developed independently by the receiving Party without reference to the Confidential Information of the other Party; or
- iv). required to be disclosed under The Virginia Freedom of Information Act (§§2.2-3700 et seq. of the Code of Virginia) or similar laws or pursuant to a court order.

C. Return or Destruction

Upon request of the disclosing Authorized User, Supplier shall (i) at its own expense, (a) promptly return to the disclosing Authorized User all tangible Confidential Information (and all copies thereof except the record required by law) of the disclosing Authorized User, or (b) upon written request from the disclosing Authorized User, destroy such Confidential Information and provide the disclosing Authorized User with written certification of such destruction, and (ii) cease all further use of the Authorized User's Confidential Information, whether in tangible or intangible form.

VITA or the Authorized User shall retain and dispose of Supplier's Confidential Information in accordance with the Commonwealth of Virginia's records retention policies or, if Authorized User is not subject to such policies, in accordance with such Authorized User's own records retention policies.

D. Confidentiality Statement

All Supplier personnel, contractors, Agents, and subcontractors performing pursuant to this Contract shall be required to sign a confidentiality statement or non-disclosure agreement. Any violation of such statement or agreement shall be deemed a breach of this Contract and may result in termination of the Contract or any order or SOW issued hereunder.

13. INDEMNIFICATION AND LIABILITY

A. Indemnification

Supplier agrees to indemnify, defend and hold harmless the Commonwealth, VITA, any Authorized User, their officers, directors, agents and employees (collectively, "Commonwealth's Indemnified Parties") from and against any and all losses, damages, claims, demands, proceedings, suits and actions, including any related liabilities, obligations, losses, damages, assessments, fines, penalties (whether criminal or civil), judgments, settlements, expenses (including attorneys' and accountants' fees and disbursements) and costs (each, a "Claim" and collectively, "Claims"), incurred by, borne by or asserted against any of Commonwealth's Indemnified Parties to the extent such Claims in any way relate to, arise out of or result from: (i) any intentional or willful conduct or negligence of any employee, agent, or subcontractor of Supplier, (ii) any act or omission of any employee, agent, or subcontractor of Supplier, (iii) breach

of any representation, warranty or covenant of Supplier contained herein, (iv) any defect in the Products, Software, or the Services, or (v) any actual or alleged infringement or misappropriation of any third party's intellectual property rights by any of the Products, Software or Services. Selection and approval of counsel and approval of any settlement shall be accomplished in accordance with all applicable laws, rules and regulations. For state agencies the applicable laws include §§ 2.2-510 and 2.2-514 of the Code of Virginia. In all cases the selection and approval of counsel and approval of any settlement shall be satisfactory to the Commonwealth.

In the event that a Claim is commenced against any of Commonwealth's Indemnified Parties alleging that use of the Products, Software, or that the provision of Services under this Contract infringes any third party's intellectual property rights and Supplier is of the opinion that the allegations in such Claim in whole or in part are not covered by this indemnification provision, Supplier shall immediately notify VITA and the affected Authorized User(s) in writing, via certified mail, specifying to what extent Supplier believes it is obligated to defend and indemnify under the terms and conditions of this Contract. Supplier shall in such event protect the interests of the Commonwealth's Indemnified Parties and secure a continuance to permit VITA and the affected Authorized User(s) to appear and defend their interests in cooperation with Supplier as is appropriate, including any jurisdictional defenses VITA or the affected Authorized User(s) may have.

In the event of a Claim pursuant to any actual or alleged infringement or misappropriation of any third party's intellectual property rights by any of the Products, Software or Services, and in addition to all other obligations of Supplier in this Section, Supplier shall at its expense, either (a) procure for all Authorized Users the right to continue use of such infringing Products, Software or Services, or any component thereof; or (b) replace or modify such infringing Products, Software or Services, or any component thereof, with non-infringing products or services satisfactory to VITA. And in addition, Supplier shall provide any Authorized User with a comparable temporary replacement Product, Software or Service reimburse VITA or any Authorized User for the reasonable costs incurred by VITA or such Authorized User in obtaining an alternative product in the event such Authorized User cannot use the affected Solution. If Supplier cannot accomplish any of the foregoing within a reasonable time and at commercially reasonable rates, then Supplier shall accept the return of the infringing component of the Product, Software or Services, along with any other components of any products or Services rendered unusable by any Authorized User as a result of the infringing component, and refund the price paid to Supplier for such components.

B. Liability

Except for liability with respect to (i) any intentional or willful misconduct or negligence of any employee, agent, or subcontractor of Supplier, (ii) any act or omission of any employee, agent, or subcontractor of Supplier, (iii) claims for bodily injury, including death, and real and tangible property damage, (iv) Supplier's indemnification obligations, (v) Supplier's confidentiality obligations, and (vi) Supplier's security compliance obligations, Supplier's liability shall be limited to twice the aggregate value of Products, Software and Services provided under this Contract. Supplier agrees that it is fully responsible for all acts and omissions of its employees, agents, and subcontractors, including their gross negligence or willful misconduct

FOR ALL OTHER CONTRACTUAL CLAIMS, IN NO EVENT WILL ANY PARTY BE LIABLE TO ANY OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING (WITHOUT LIMITATION) LOSS OF PROFIT, INCOME OR SAVINGS, EVEN IF ADVISED OF THE POSSIBILITY THEREOF, EXCEPT WHEN SUCH DAMAGES ARE CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE PARTY, ITS EMPLOYEES, AGENTS OR SUBCONTRACTORS.

12. INSURANCE

[Reserved]

13. SECURITY COMPLIANCE

Supplier agrees to comply with all provisions of the then-current Commonwealth of Virginia security procedures, published by the Virginia Information Technologies Agency (VITA) and which may be found at (<http://www.vita.virginia.gov/library/default.aspx?id=537#securityPSGs>) or a successor URL(s), as are pertinent to Supplier's operation. Supplier further agrees to comply with all provisions of the relevant Authorized User's then-current security procedures as are pertinent to Supplier's operation and which have been supplied to Supplier by such Authorized User. Supplier shall also comply with all applicable federal, state and local laws and regulations. For any individual Authorized User location, security procedures may include but not be limited to: background checks, records verification, photographing, and fingerprinting of Supplier's employees or agents. Supplier may, at any time, be required to execute and complete, for each individual Supplier employee or agent, additional forms which may include non-disclosure agreements to be signed by Supplier's employees or agents acknowledging that all Authorized User information with which such employees and agents come into contact while at the Authorized User site is confidential and proprietary. Any unauthorized release of proprietary or Personal information by the Supplier or an employee or agent of Supplier shall constitute a breach of its obligations under this Section and the Contract.

Supplier shall immediately notify VITA and Authorized User, if applicable, of any Breach of Unencrypted and Unredacted Personal Information, as those terms are defined in Virginia Code 18.2-186.6, and other personal identifying information, such as insurance data or date of birth, provided by VITA or Authorized User to Supplier. Supplier shall provide VITA the opportunity to participate in the investigation of the Breach and to exercise control over reporting the unauthorized disclosure, to the extent permitted by law.

Supplier shall indemnify, defend, and hold the Commonwealth, VITA, the Authorized User, their officers, directors, employees and agents harmless from and against any and all fines, penalties (whether criminal or civil), judgments, damages and assessments, including reasonable expenses suffered by, accrued against, or charged to or recoverable from the Commonwealth, VITA, the Authorized User, their officers, directors, agents or employees, on account of the failure of Supplier to perform its obligations pursuant this Section.

14. HARD DRIVE SECURITY

VITA and Authorized User acknowledges that the hard drive on the Equipment may retain images, content or other data during normal operation of the Equipment ("Data"). Neither Supplier nor any of its affiliates has an obligation to erase or overwrite Data upon VITA's return of the Equipment to Supplier or any leasing company. Authorized User is solely responsible for: (i) its compliance with applicable law and legal requirements pertaining to data privacy, security, retention and protection; and (ii) all decisions related to erasing or overwriting Data. Without limiting the foregoing, Authorized User shall prior to return or other disposition of the Equipment, utilize the Hard Disk Drive (HDD) (or comparable) formatting function (which may be referred to as "Initialized All Data/Settings" function) found on the Equipment to perform a one pass overwrite of Data or, if VITA or Authorized User has higher security requirements, VITA or Authorized User may purchase from Supplier at current rates an available option for the Equipment, which may include (a) an HDD Data Encryption Kit option which disguises information before it is written to the hard drive using encryption algorithms, (b) a HDD Data Erase Kit that can perform up to a 3-pass overwrite of Data or (c) a replacement hard drive (in which case the VITA or Authorized User should properly destroy the replaced hard drive). This section survives termination or expiration of this Agreement.

15. IMPORT/EXPORT

In addition to compliance by Supplier with all export laws and regulations, VITA requires that any data deemed "restricted" or "sensitive" by either federal or state authorities, must only be collected, developed, analyzed, or otherwise used or obtained by persons or entities working within the boundaries of the United States.

16. BANKRUPTCY

If Supplier becomes insolvent, takes any step leading to its cessation as a going concern, fails to pay its debts as they become due, or ceases business operations continuously for longer than fifteen (15)

business days, then VITA may immediately terminate this Contract, and an Authorized User may terminate an order, on notice to Supplier unless Supplier immediately gives VITA or such Authorized User adequate assurance of the future performance of this Contract or the applicable order. If bankruptcy proceedings are commenced with respect to Supplier, and if this Contract has not otherwise terminated, then VITA may suspend all further performance of this Contract until Supplier assumes this Contract and provides adequate assurance of performance thereof or rejects this Contract pursuant to Section 365 of the Bankruptcy Code or any similar or successor provision, it being agreed by VITA and Supplier that this is an executory contract. Any such suspension of further performance by VITA or Authorized User pending Supplier's assumption or rejection shall not be a breach of this Contract, and shall not affect the rights of VITA or any Authorized User to pursue or enforce any of its rights under this Contract or otherwise.

17. HARDWARE-SPECIFIC PROVISIONS

A. Delivery, Installation and Acceptance

1. Delivery Procedure

Supplier shall deliver all Product(s) F.O.B. Destination with such destination being the "ship to" address specified in the applicable order. If there is any special rigging required for final Product placement, Authorized User shall bear those costs. For orders for which Supplier is to provide installation of the Product(s), Supplier shall bear all risk of loss of or damage to the Product(s) until Receipt by the Authorized User, except for loss or damage caused by VITA's negligence or willful misconduct. For orders for which Supplier is not to provide installation of the Product(s), Supplier shall bear all risk of loss or damage to the Product(s) until Receipt. In all cases, Supplier shall arrange and pay for all transportation and insurance sufficient to fully protect the Product(s) while in transit. Each shipment shall include a packing slip indicating this Contract number, the Authorized User's order number, the part number, a description of the Product(s) shipped and the quantity shipped. Each package in any shipment shall be numbered, shall have stenciled on one end and one side a description of the quantity of Product(s) contained therein by part number and description, and shall conspicuously display the number of the package in that shipment which contains the packing slip. If required by the Authorized User, Supplier shall bar code all packages shipped. If any loss to, or damage of, the Product occurs prior to Acceptance by the Authorized User, Supplier shall immediately provide a replacement item. Title to Lease-Purchased Products shall pass to Authorized User in accordance with the Lease-Purchase Agreement. Title to direct purchased Product(s), excluding System Software, shall pass upon Acceptance.

Supplier shall make available all appropriate and/or related user documentation at the time of delivery of the first unit of each different Product type. Product(s) delivered without the appropriate and required documentation shall be considered "shipped short" until the applicable documentation has been received.

2. Late Delivery

Supplier hereby acknowledges and agrees that failure to deliver the Product(s) ordered in strict accordance with the agreed upon delivery schedule determined in accordance with this Contract or an approved order issued by Authorized User shall constitute a material breach of this Contract resulting in damages to the ordering Authorized User, the total sum of which would be impracticable or difficult to ascertain as of the Effective Date of this Contract or the approved order issued by the Authorized User. As an estimate of the minimum amount of damages such Authorized User will suffer, Supplier agrees to credit the Authorized User an amount equal to one-half of one percent (.05%) of the total purchase price, or an agreed upon percent of the order's total purchase price that is specified in the approved order, for each day that the Product(s) is/are undelivered or nonoperational for a period of thirty days (30) following the agreed upon delivery date. If the delay lasts longer than thirty (30) days, the Authorized User may immediately cancel the order and collect as late delivery damages fifteen percent (15%) of the total purchase price. Any credit due the Authorized User will be applied to the next periodic invoice.

In addition, in the event the Supplier fails for any reason to deliver within thirty-five days (35) of the agreed upon delivery date set forth in the order/schedule, the ordering Authorized User, at its own discretion, may give Supplier oral or written notice of breach. Once notice by such Authorized User is sent or given, the Authorized User may immediately procure the undelivered items, or items similar thereto, from another source. Once the Authorized User has effected a purchase from an alternate source (in accordance with the Virginia Public Procurement Act, §§ 2.2-4300 et seq. of the Code of Virginia), the Authorized User may charge-back Supplier, in which case Supplier agrees to reimburse the Authorized User for any difference in cost between the original contract price and the Authorized User's cost to cover from the alternate source. In no event shall any Authorized User be held to pay Supplier any costs incurred by Supplier, including but not limited to ordering, marketing, manufacturing, or delivering the item(s) which are subject of such Authorized User's notice of breach. Notwithstanding the foregoing, the Authorized User reserves any and all other remedies available at law or in equity.

3. Product Trade-in and Upgrade

(To be proposed by supplier without conflict to subsection 6.G, Orders that Include Trade-in Products)

4. Product Installation

Unless Authorized User's order or SOW excludes Supplier's installation services, Supplier is not responsible for initial installation of Product. Installation shall include: unpacking, removal of all shipping/packing materials, positioning, connecting to internal utility services, testing, and related necessary services to allow for Acceptance by the Authorized User.

All Product installations shall comply with building and facilities standards established by the ordering Authorized User. If such Authorized User installs the Product, Supplier shall provide all reasonably necessary telephone assistance at no charge.

5. Product Acceptance

Product(s) shall be deemed accepted when the ordering Authorized User determines that such Product(s) successfully operates in accordance with the Requirements. Such Authorized User shall commence Acceptance testing within five (5) days, or within such other period as set forth in the applicable order, after receipt/installation of the Product(s). Acceptance testing will be no longer than five (5) days, or such longer period as may be agreed in writing between Authorized User and Supplier. Supplier agrees to provide to the Authorized User such assistance and advice as the Authorized User may reasonably require, at no additional cost, during such Acceptance testing, other than pre-approved travel expenses incurred which are reimbursable by the Authorized User at the then-current per diem amounts as published by the Virginia Department of Accounts. Any such travel expenses must be pre-approved by the Authorized User and shall be reimbursable by such Authorized User at the then-current per diem amounts as published by the Virginia Department of Accounts (<http://www.doa.virginia.gov>, or a successor URL(s)). Authorized User shall provide to Supplier written notice of Acceptance upon successful Acceptance testing. Should Authorized User fail to provide Supplier written notice of successful or unsuccessful Acceptance testing within five (5) days following the Acceptance testing period, the Product(s) shall be deemed Accepted.

6. Cure Period

Supplier shall correct any non-conformities identified during Acceptance testing and re-submit such previously non-conforming Product(s) for re-testing within thirty (30) days of written notice of non-conformance, or as otherwise agreed between the Authorized User and Supplier in the applicable order. Should Supplier fail to cure the non-conformity or deliver Product(s) which meets the Requirements, such Authorized User may, in its sole discretion: (i) reject the Product(s) in its entirety and recover amounts previously paid hereunder; (ii) issue a "partial Acceptance" of the Product(s) with an equitable adjustment in the price to account for such deficiency; or (iii) conditionally accept the applicable Product(s) while reserving its right to revoke Acceptance if timely correction is not forthcoming. Failure of a Product(s) to meet, in all material respects, the Requirements after the second set of

acceptance tests may constitute a default by Supplier. In the event of such default, the Authorized User may, at its sole discretion, terminate its order, in whole or in part, for the Product(s) and any Services to be provided thereunder by Supplier.

7. Product Discontinuation

During the term of this Contract, if any Product(s) listed on Exhibit D of this Contract is discontinued and Supplier does not offer a substitute acceptable to VITA, Supplier shall, for each Authorized User who purchased the discontinued Product(s), continue to meet such Authorized User's needs for the discontinued Product(s) for not less than twelve (12) months. Additionally, Supplier shall make available to the Authorized User maintenance parts for discontinued Product(s) for five (5) years from the date of such discontinuation. In every event, Supplier will provide any Authorized User with 120 days advance written notice of its intent to discontinue any Product type previously ordered by such Authorized User.

B. Product Support and Additional Services

1. Authorized User or Third Party Support

a) Documentation and Support Availability

Supplier agrees to provide, for a period of five (5) years from the date of the last purchase, spare parts and components at the cost set forth in Exhibit D of this Contract, including those solely sourced by Supplier, to enable any Authorized User or its designated third-party maintenance provider to provide full maintenance and repair of the Product(s).

b) Timeliness and Price

Supplier agrees to sell Product(s), as set forth in Exhibit D of this Contract, to any Authorized User's third-party maintenance provider under contract with such Authorized User, at the prices as set forth in Exhibit D of this Contract, for the sole purpose of supporting the Authorized User's installed inventory. Supplier agrees to document and provide to all Authorized Users in a timely manner any and all revisions to information and parts and components lists as they are developed or supplied by Supplier.

2. Engineering Changes and Product Modification

For each Authorized User that purchased Product(s), Supplier agrees to document and provide to such Authorized User any and all planned engineering changes to the Product(s) ninety (90) days prior to incorporation. All engineering changes which affect the safety of the Product(s) ("Safety Changes") or the ability of the Product(s) to meet the published specifications ("Performance Changes"), shall be made at no cost to the Authorized User. Supplier shall install all Safety Changes and Performance Changes within thirty (30) days after issuance of the engineering change order by the Product's manufacturer. If such engineering changes affect Product processing or operating capability, they shall be scheduled at the Authorized User's request as to time and at the Authorized User's option. The Authorized User shall have the option to waive all other engineering changes planned by Supplier on the Product(s) delivered or planned for delivery to the Authorized User.

3. Training

Only if Authorized User's order or SOW includes Supplier's training services, Supplier is not responsible for initial training. Pursuant to a mutually agreed upon schedule, Supplier shall provide sufficient personnel experienced and qualified to conduct such training. Available optional training, and applicable pricing and discounts, are described in Exhibit D of this Contract.

4. Parts and Maintenance Support

Supplier agrees to make available new/certifiable as new spare parts and the Maintenance Services identified in the Maintenance Services section herein and Exhibit D of this Contract hereto for each Product type ordered by an Authorized User, for five (5) years from the expiration of the initial Warranty Period of the last unit of any given Product type provided by Supplier to such Authorized User. Thereafter, Supplier shall advise such Authorized User of its intent to discontinue either certain parts or maintenance services for any Product type ordered by the Authorized User.

Supplier shall notify the Authorized User one (1) year prior to the effective date of any such discontinuance, and shall provide to the Authorized User the opportunity to purchase spare parts in a quantity adequate to support its installed base. Should Supplier advise the Authorized User of its intent to discontinue certain parts for any Product type ordered by the Authorized User, the Authorized User has the option to request and Supplier has the obligation to provide, all documentation, including source code, required to ensure ongoing support, including full maintenance and repair by the Authorized User or its designated third-party maintenance provider within thirty (30) days prior to the discontinuance date or to replace the unsupported Product with a supported Product at a cost to the Authorized User of no more than the cost delta between the supported Product and the unsupported Product.

5. Inventory Record

Supplier shall maintain, at no additional cost, a record of all units of Product covered under warranty/maintenance by type, quantity and location, including the end date for each unit's Warranty Period or maintenance term ("Inventory Record"). Product quantities and types may vary as Product is added or deleted from coverage, and Authorized User shall notify Supplier in writing of any Product relocated, added, or removed from service. Upon such notification, Supplier shall amend the Inventory Record to reflect such relocation, addition, or deletion of Product(s). Supplier shall provide, at no additional cost, a copy of the most current Inventory Record to any Authorized User upon request.

6. Product Service Record

Supplier shall maintain, at no additional cost, a Product Service Record for each unit of Product covered under warranty or maintenance. The Product Service Record shall record the following for such unit of Product: (i) installation/ relocation/ removal/ modifications; (ii) remedial actions; (iii) preventive actions; (iv) any additional services not covered by warranty or maintenance. Upon request by the Authorized User, Supplier shall provide, at no additional cost, a copy of the Product Service Record.

7. Additional Services

In addition to any on-site warranty or maintenance service obligations, Supplier shall, upon request of an Authorized User by means of an order issued in accordance with the ordering provisions of this Contract, provide additional on-site services which may include: (i) relocation of previously installed Product(s); (ii) assistance to Authorized User's communications department in mutually acceptable duties related to the warranty or maintenance services provided under this Contract, if applicable. The Authorized User shall compensate Supplier for such additional on-site services in accordance with the prices identified in Exhibit D of this Contract.

Furthermore, Supplier shall, upon request of an Authorized User by means of an order issued in accordance with the ordering provisions of this Contract, provide the following services beyond those identified as warranty or maintenance service offerings: (i) repair of damage or replacement of parts of hardware resulting from changes in the hardware environment, extraordinary use of the hardware, or interconnected devices, or (ii) service outside the applicable hours of service specified in an executed order referencing this Contract. The charge for such services shall be at the hourly rate specified in Exhibit D of this Contract and shall be inclusive of all expenses. Warranty or maintenance services requested for a unit of hardware within the forty-eight (48) hour period immediately following Remedial Maintenance performed on the same unit of hardware for the same problem, shall not be considered an additional service and shall be provided at no charge. Requests for additional services shall only be approved for payment by the Authorized User when a Product Service Record is included with the applicable invoice.

C. Warranty and Remedy

1. Supplier

Supplier shall perform its obligations hereunder in accordance with the generally accepted industry standards of care.

2. Ownership

Supplier is the owner of the Product(s) or otherwise has the right to grant to the Commonwealth or any Authorized User title to or the right to use the Product(s) provided hereunder. Upon receipt of payment on purchased items, the Commonwealth or the ordering Authorized User, as applicable, shall obtain good and clear title to the Product(s), excluding the System Software, free and clear of all liens, claims, security interests and encumbrances.

3. Supplier Viability

Supplier represents that it has the financial capacity to perform and continue to perform its obligations under this Contract, that no legal proceedings have been threatened or brought against Supplier that could materially adversely affect performance of this Contract, and that entering into this Contract is not prohibited by any contract, or order by any court of competent jurisdiction.

4. Product(s)

Supplier warrants the following with respect to the Product(s):

- i). Product(s) pursuant to a particular Request for Proposal (RFP), quote, or Request for Quote (RFQ), shall be fit for the particular purposes specified by VITA in the RFP and in this Contract and, if applicable, by the authorized User requesting such quote or issuing such RFQ, and Supplier is possessed of superior knowledge with respect to the Product(s) and is aware that Authorized Users are relying on Supplier's skill and judgment in providing the Product(s);
- ii). The Product(s) shall be free of defects in material, design and workmanship in accordance with Supplier's standard product warranties;
- iii). Upon delivery, the Product(s) shall be new and in Operating Condition and shall have all released engineering changes released to date already installed;
- iv). Each Product delivered hereunder shall function in conformance with the Requirements;
- v). No engineering change made to the Product(s) or System Software revisions shall degrade the performance of the Product(s) to a level below that defined in the applicable Request for Proposal, and in the Product manufacturer's published specifications;
- vi). Upon delivery, all System Software shall be at the current release level unless otherwise requested by the ordering Authorized User; and
- vii). The System Software shall not contain any embedded device or code (e.g., time bomb) that is intended to obstruct or prevent any Authorized User's use of the System Software, nor shall Supplier disable any Authorized User's use of such System Software through remote access or otherwise. If the System Software contains authorization codes allowing access to a data base or other software, Supplier warrants that such codes shall be perpetual and non-expiring.

4. Performance Standards and Mean Time Between Failure

For a period of five (5) years following acceptance of any Product by an Authorized User, Supplier warrants that the Product's performance standards and Mean Time Between Failure (MTBF) standards, calculated based upon such Authorized User's installed base of Supplier Product, shall be at least as good as the standards set forth in Exhibit E of this Contract. If the Product fails to satisfy (i) the MTBF standards or (ii) the performance standards for that Product type as set forth in this Contract, Supplier shall pay for any and all additional repairs, parts and labor required to bring the Product to the appropriate level set forth in Exhibit E of this Contract, including the cost to retrofit the entire installed Product base. If Supplier fails to so modify or replace the Product so as to achieve the MTBF standards within thirty (30) days, the Authorized User may, at its option, return such Product and receive a full refund during the Product warranty period, or if the warranty has expired, receive a straight line pro-rated refund, by year thereafter for the five (5) year period following installation of the Product.

5. Warranty Services

During the warranty period as described for each category for each segment in Exhibit D, or as specified in the applicable order, Supplier warrants that the Product(s) shall meet or exceed the Requirements. Supplier shall provide warranty services (including unlimited telephonic support and all necessary travel and labor) during the Warranty Period at the prices identified in Exhibit D of this Contract. Supplier shall correct, at no additional cost to any Authorized User, all errors identified during the warranty period that result in a failure of the Product to meet the Requirements.

For Products that are replaced during either the 90 day or one year warranty, the Warranty Period does not restart once the replacement product has been accepted by Authorized User.

Exhibit E of this Contract provides detailed descriptions of the Supplier's warranty and maintenance offerings and responsibilities as well as remedies available to the Authorized User in the event Supplier fails to perform its warranty and maintenance obligations. Any remedies shall be paid to the Authorized User on a quarterly basis. Exhibit E of this Contract defines coverage periods, response times, and restore times.

If multiple warranty levels are available, an Authorized User may elect, at any time, an alternative warranty level offered by Supplier. Such amendment shall take effect within thirty (30) days following Supplier's receipt of Authorized User's written notice, in the form of a modification to an order.

Authorized User's designated control organization shall have the exclusive authority to request warranty services. Supplier shall not respond to calls for service from any other source without prior written approval of Authorized User's agreement administrator designated on the relevant order.

a) Products Covered

Exhibit D of this Contract lists all Product types covered under warranty.

b) Preventive Maintenance

Supplier's Preventive Maintenance offerings and responsibilities, and the Authorized User's associated remedies, are described in Exhibit E of this Contract.

c) Remedial Maintenance

Supplier's Remedial Maintenance offerings and responsibilities, and the Authorized User's associated remedies, are described in Exhibit E of this Contract.

d) Replacement Parts

Supplier's offerings and responsibilities related to Replacement Parts, and the Authorized User's associated remedies, are described in Exhibit E of this Contract.

e) Spares

Supplier's offerings and responsibilities related to Spares, and the Authorized User's associated remedies, are described in Exhibit E of this Contract.

f) Notification and Correction of Defects

Supplier's offerings and responsibilities related to notification and correction of defects, and the Authorized User's associated remedies, are described in Exhibit E of this Contract.

g) 90 Day Next Business Day Exchange/One-year On-Site Warranty

Supplier's depot warranty offerings and responsibilities are described in Exhibit E of this Contract.

h) On-site Warranty

Supplier's on-site warranty offerings and responsibilities are described in Exhibit E of this Contract.

i) System Software Warranty NOT APPLICABLE

As part of the standard warranty offering, for a period of not less than twelve (12) months beginning on the date of Acceptance, Supplier shall provide the following warranty services (including unlimited telephonic support and all necessary travel and labor) without additional charge to any Authorized User to maintain the System Software in accordance with the Requirements:

i). New Releases

Supplier's responsibilities related to new releases of System Software and Documentation are described in Exhibit E of this Contract.

ii). Coverage

Supplier's offerings and responsibilities related to coverage for telephonic and written consultation in connection with use, problems, and operation of the System Software are described in Exhibit E of this Contract.

iii). Response and Restore Times

Supplier's response and restore times related to use, problems, and operation of the System Software, and Authorized User's associated remedies, are described in Exhibit E of this Contract.

iv). Software Evolution

Should Supplier or Software Publisher merge or splinter the System Software previously provided to any Authorized User, such action on the part of Supplier or Software Publisher shall not in any way result in any Authorized User being charged additional license or support fees in order to receive enhancements, releases, upgrades or support for the System Software.

If Supplier or Software Publisher reduces or replaces functionality contained in a licensed System Software product and provides the same or substantially similar functionality as or within a separate or renamed System Software product, then the Commonwealth or the Authorized User shall be entitled to license such System Software product at no additional license or maintenance fee, and subject to the terms and conditions herein.

If Supplier or Software Publisher releases an option, future System Software product or other release that has substantially the same functionality as the Software products provided under this Contract, and Software Publisher and/or Supplier ceases to provide maintenance for the older System Software product, then Supplier shall offer the Commonwealth or the Authorized User the option to exchange licenses for such replacement System Software product or function at no additional charge.

j) Remedies

In addition to any remedies described in Exhibit E of this Contract, if Supplier is unable to make a Product, including System Software, conform, in all material respects to the Requirements, within thirty (30) days following notification by an Authorized User, Supplier shall, at such Authorized User's request, either (i) replace the non-conforming Product or (ii) accept return of the non-conforming Product and return all monies paid by such Authorized User for the returned Product.

Notwithstanding anything to the contrary in this Contract, VITA and any Authorized User retain all rights and remedies available at law or in equity.

k) Product Maintenance Services and Renewal Options

At least sixty (60) days prior to the expiration of the Warranty Period, Supplier shall notify the Authorized User, and the Authorized User, at its sole discretion, may order from Supplier Maintenance Services, including System Software Maintenance for a period of one (1) year (Maintenance Coverage Period) and for the annual fee identified in Exhibit D of this Contract. Supplier warrants that it shall make Maintenance Services available for all the Products, including System Software, listed in Exhibit D of this Contract, or which are components of Products listed in Exhibit D of this Contract, for a period of at least five (5) years from the expiration of the initial Warranty Period of any Product provided to an Authorized User

pursuant to this Contract. Termination of this Contract or cancellation of Maintenance Services, including System Software Maintenance Services if provided as a separate offering from Supplier, by an Authorized User shall not affect this Contract or the grant of any license pursuant thereto.

THE OBLIGATIONS OF SUPPLIER UNDER THIS WARRANTY AND REMEDY SECTION ARE MATERIAL. SUPPLIER MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY CONCERNING MERCHANTABILITY OR FITNESS FOR ANY OTHER PARTICULAR PURPOSE.

6. Maintenance Services

Supplier shall provide Maintenance Services (including unlimited telephonic support and all necessary travel and labor) during the Maintenance Coverage Period (MCP) at the prices identified in Exhibit D of this Contract without additional charge to maintain the Product in accordance with the Requirements.

Exhibit E of this Contract provides detailed descriptions of the Supplier's warranty and maintenance offerings and responsibilities as well as remedies available to the Authorized User in the event Supplier fails to perform its warranty and maintenance obligations. Any remedies shall be paid to the Authorized User on a quarterly basis. Exhibit E of this Contract defines coverage periods, response times, and restore times.

Authorized User's designated control organization shall have the exclusive authority to request maintenance services. Supplier shall not respond to calls for service from any other source without prior written approval of Authorized User's agreement administrator designated on the relevant order.

7. Ordering

An Authorized User may order Maintenance Services for any Product at any time during the term of the Contract. If such Product is not covered under warranty or maintenance at the time the order is issued to Supplier, such Authorized User shall pay Supplier's then-current standard rate for such services. Each order shall identify:

- i). Product and, if applicable, serial number, for which Maintenance Services shall be provided,
- ii). Maintenance Level to be provided, and
- iii). MCP for the Product Maintenance.

Authorized User may elect, at any time, an alternative Maintenance Level offered by Supplier. Such amendment shall take effect within thirty (30) days following Supplier's receipt of Authorized User's written notice, in the form of a modification to an order.

Unless otherwise agreed to by the Authorized User and Supplier, the MCP for a unit of Product shall be one (1) year from the effective date of any executed order for Maintenance on such Product.

8. Renewal

At least sixty (60) days prior to the expiration of the MCP for each unit of Product, Supplier shall notify the Authorized User of such expiration, and the Authorized User, at its sole discretion, may issue an order to Supplier to renew Maintenance Services, including System Software Maintenance Services, for an additional one (1) year period. The annual fee for Maintenance Services shall not exceed the fee charged for the preceding year's Maintenance Services by more than three percent (3%), or the annual change in CPI, as defined in the Purchase Price and Price Protection section, in effect at the time, whichever is less.

Termination of this Contract or cancellation of Maintenance Services, including System Software Maintenance Services if provided as a separate offering from Supplier, by an Authorized User shall not affect this Contract or the grant of any license pursuant thereto.

9. Services

Maintenance Services shall be as follows:

a) Product Covered

Exhibit D of this Contract lists all Product types for which Supplier offers Maintenance Services. No Authorized User is obligated to continue Maintenance Services on any Product that has been removed from service, provided Supplier has been notified in writing of such removal.

b) Preventive Maintenance

Supplier's Preventive Maintenance offerings and responsibilities, and the Authorized User's associated remedies, are described in Exhibit E of this Contract.

c) Remedial Maintenance

Supplier's Remedial Maintenance offerings and responsibilities, and the Authorized User's associated remedies, are described in Exhibit E of this Contract.

d) Replacement Parts

Supplier's offerings and responsibilities related to Replacement Parts, and the Authorized User's associated remedies, are described in Exhibit E of this Contract.

e) Spares

Supplier's offerings and responsibilities related to Spares, and the Authorized User's associated remedies, are described in Exhibit E of this Contract.

f) Notification and Correction of Defects

Supplier's offerings and responsibilities related to notification and correction of defects, and the Authorized User's associated remedies, are described in Exhibit E of this Contract.

g) Advanced Replacement Services

Supplier's advanced replacement service offerings and responsibilities are described in Exhibit E of this Contract.

h) On-site Maintenance Services

Supplier's on-site maintenance service offerings and responsibilities are described in Exhibit E of this Contract.

i) System Software Maintenance

During the MCP and as part of the standard Maintenance Services offering, Supplier shall provide the following Maintenance Services (including unlimited telephonic support and all necessary travel and labor) without additional charge to any Authorized User to maintain the System Software in accordance with the Requirements:

i). New Releases

Supplier's responsibilities related to new releases of System Software and Documentation are described in Exhibit E of this Contract.

ii). Coverage

Supplier's offerings and responsibilities related to coverage for telephonic and written consultation in connection with use, problems, and operation of the System Software are described in Exhibit E of this Contract.

iii). Response and Restore Times

Supplier's response and restore times related to use, problems, and operation of the System Software, and any associated remedies, are described in Exhibit E of this Contract.

iv). Software Evolution

Should Supplier merge or splinter the System Software previously provided to any Authorized User, such action on the part of Supplier shall not in any way result in any Authorized User being charged additional license or Maintenance fees in order to receive enhancements, releases, upgrades or support for the System Software.

If Supplier or Software Publisher reduces or replaces functionality contained in a licensed System Software product and provides the same or substantially similar functionality as or within a separate or renamed System Software product, then the Commonwealth or the

Authorized User shall be entitled to license such System Software product at no additional license or maintenance fee, and subject to the terms and conditions herein.

If Supplier or Software Publisher releases an option, future System Software product or other release that has substantially the same functionality as the Software products provided under this Contract, and Software Publisher and/or Supplier ceases to provide maintenance for the older System Software product, then Supplier shall offer the Commonwealth or the Authorized User the option to exchange licenses for such replacement System Software product or function at no additional charge.

v). Remedies

In addition to any remedies described in Exhibit E of this Contract, if Supplier is unable to make a Product, including the System Software, conform, in all material respects, to the Requirements within thirty (30) days following notification by an Authorized User, Supplier shall, at such Authorized User's request, either (i) provide a replacement Product at no additional cost to the Authorized User, or (ii) accept return of the Product and return all monies paid by such Authorized User (a) for Maintenance Services for the returned Product, including System Software, pro-rated on a monthly basis as of the date the Authorized User reported the non-conformity and (b) for the Product, including System Software, pro-rated on a monthly basis as of the date the Authorized User reported the non-conformity and based on the average life of the Product.

Notwithstanding anything to the contrary in this Contract or in any Exhibit Gereto, VITA and any Authorized User retain all rights and remedies available at law or in equity.

D. Scope of Use

Any Authorized User may use the Product(s), and any software licensed in connection with such Product(s), for the benefit of itself and its agents. Supplier further authorizes use of the Product(s) by third parties who are under contract with an Authorized User to provide outsourcing services, including but not limited to providing application development services, data processing or facilities or infrastructure management services for the benefit of such Authorized User, subject to such third parties' execution of a non-disclosure agreement acceptable to Supplier. For Products to which the Commonwealth or an Authorized User takes title, and any System Software which is integral to such Products, under the terms of this Contract, there are no restrictions on subsequent resale or distribution thereof by the Commonwealth or such Authorized User.

E. Software License

If Authorized User is a state agency, board, commission, or other quasi-political entity of the Commonwealth of Virginia or other body referenced in Title 2.2 of the Code of Virginia, the license shall be held by the Commonwealth. If Authorized User is a locality, municipality, school, school system, college, university, local board, local commission, or local quasi-political entity, the license shall be held by that public body.

VITA will consider Supplier-provided language ONLY when Supplier is a reseller of the Software and the software publisher requires an End User License Agreement (EULA). In such case, Supplier is advised that VITA will require an addendum to such EULA to address terms and conditions in such EULA with which VITA, as a government entity, by law or by policy, cannot agree.

1. License Grant

Supplier hereby grants to the Commonwealth and all Authorized Users a fully paid, perpetual, worldwide, nonexclusive, transferable, irrevocable license to use, and to permit any agent of the Commonwealth or such Authorized User to use, Canon brand System Software for each Product. Each license granted under this Contract authorizes the Commonwealth or such Authorized User and any agent of the Commonwealth or such Authorized User to use Supplier-licensed programs in machine readable form on any system without limitation, in accordance with the individual software licensor's published license provisions. It is expressly understood that "perpetual" license rights shall commence upon delivery of the System

Software to the Authorized User and shall exist in perpetuity unless otherwise terminated in accordance with the applicable provisions of this Contract. The System Software is the property of Supplier, and no title or ownership of the System Software or any of its parts, including documentation, is transferred to the Commonwealth or the Authorized User.

2. Limitations on Copying and Disclosure

The Commonwealth, an Authorized User, or any agent of the Commonwealth or such Authorized User may make a reasonable number of backup, archival, and disaster recovery copies of the System Software. Any copies of the software or documentation made by the Commonwealth or an Authorized User pursuant to this Contract shall bear all copyright, trademark and other proprietary notices included therein by Supplier and, except as expressly authorized, neither the Commonwealth nor the Authorized User shall distribute same to any third-party without Supplier's prior written consent. The Commonwealth may distribute the System Software and documentation if such distribution is incidental to transfer of Product to which it has taken title. Neither the Commonwealth nor any Authorized User may resell the System Software except if such resale is incidental to the resale of Product(s) to which the Commonwealth or such Authorized User has taken title.

3. Business Continuity and Recovery

Authorized User or its Agent may run the System Software concurrently at a back-up site. In the event that all of an Authorized User's copies of the System Software, including all backup copies, are destroyed, irreparably damaged or otherwise lost due to fire, explosion, sabotage, flood or other natural disaster not occasioned by the fault of such Authorized User, Supplier shall provide to the Authorized User, at no additional cost, a replacement copy of the System Software and documentation; provided however, that nothing contained in this Section shall obligate Supplier to replace or assist in the recovery of data lost concurrent with the loss of the System Software.

Supplier shall provide System Software for Product. Such System Software is licensed directly from the Software Publisher through the end user licensing agreement (EULA), as amended, attached hereto as Exhibit C of this Contract.

4. Authorized User Compliance

Compliance with the terms and conditions of any license granted pursuant to this Contract is solely the responsibility of the Authorized User which purchased such license and not the responsibility of VITA, unless VITA purchased such license on its own behalf.

5. No Subsequent, Unilateral Modification of Terms by Supplier ("Shrink Wrap")

Notwithstanding any other provision or other unilateral license terms which may be issued by Supplier after the Effective Date of this Contract, and irrespective of whether any such provisions have been proposed prior to or after the issuance of an order for System Software licensed under this Contract, or the fact that such other agreement may be affixed to or accompany System Software upon delivery ("shrink wrap"), the terms and conditions set forth herein shall supersede and govern licensing and delivery of all products and services hereunder.

F. Supplier-Sponsored Product Promotions

The Supplier, at its discretion, may sponsor Product and Service promotions during the Contract term or any extensions thereof. Should Supplier choose to sponsor such a promotion, Supplier shall provide in writing to VITA, at least five (5) days prior to the promotion, the following information: (i) the dates of the promotion or the duration of the promotion to include the commencement date and the ending date; (ii) the exact Products or Services covered in the promotion; and (iii) the pricing or percentage discount offered during the promotion. VITA shall communicate to Supplier in writing its agreement to the promotion.

The Supplier shall be in breach of the Contract in the absence of a written agreement regarding the promotion. In any event wherein the Supplier proposes prices that are different than the Contract prices to any Authorized User without first obtaining VITA's agreement, the Supplier

shall be in breach of the Contract, and VITA shall have all remedies available under Contract and law and in equity.

All Supplier-sponsored Product or Service promotions shall be available to all Authorized Users. Should the Supplier request a promotion that would be limiting, either through product configuration or quantities of Products and Services, VITA, at its sole discretion, may not provide a written agreement. VITA and Supplier agree that promotions shall not target any one Authorized User, or a few Authorized Users.

VITA and Authorized Users, at their discretion, may assist in advertising the promotion. This assistance may consist of advertising space on Authorized User web sites, or other assistance at an Authorized User's discretion.

G. Special Provisions for Leased and Lease Purchase Product(s)

1. Title

Title in or to the leased Product(s) shall not pass to the Authorized User but shall remain in the position of the Supplier. The leased Product(s) shall remain Supplier's personal property and shall not become a fixture or affixed to real property of the Authorized User. The Authorized User will keep the Product(s) free and clear of all encumbrances except the Supplier's security interest. Upon an Authorized User's exercise of the purchase option, all right, title and interest in the lease-purchase Product(s) shall pass to the Authorized User upon payment.

2. Risk of Loss

The Supplier shall assume and bear the risk of loss, damage, or theft to the leased Product(s) and all component parts thereof while same is in the Authorized User's possession, unless it could have been prevented by the Authorized User's exercise of reasonable care or diligence in the use, protection, or care of the leased Product(s). No loss or damage to the leased Product(s) shall impair any obligation of the Supplier or of the Authorized User, except as expressed herein. Unless the damage could have been prevented by the Authorized User's exercise of reasonable care or diligence in the use, protection, or care of the leased Product(s), the Supplier shall repair or cause to be repaired all damages to the leased Product(s), if the Supplier determines the leased Product(s) can be economically repaired. In the event that the leased Product(s) is stolen, destroyed or rendered irreparable, unusable, or damaged as determined by the Supplier, the order or SOW shall terminate and the Authorized User's obligation to pay for the leased Product(s) shall be deemed to have ceased as of the date of the loss.

3. Return of Leased Product(s)

At the expiration or termination of an order or SOW for any leased Product(s), or upon demand by the Supplier, the Authorized User will work with the Supplier to arrange pickup of the leased Product(s) per the "Removal of Hardware" section G. If the leased Product(s) contains a hard drive, the Authorized User will either purchase the hard drive or contract with the Supplier to erase the hard drive per VITA's standards if no utilities are included with the leased Product(s) to erase the data before the leased Product(s) is removed from the Authorized User's location. The criteria on erasing the hard drive can be found at the following URL (http://www.vita.virginia.gov/uploadedFiles/Library/PSGs/Data_Removal_Standard_514_03%2010_07_2008_r3.pdf). If the Supplier performs the cleaning of the hard drive, the Supplier will provide written certification to the Authorized User that the hard drive has been cleaned in accordance with the aforementioned standards.

H. Removal of Hardware

If following the expiration of a Lease, Supplier fails to remove off-lease Hardware within 30 days following the Lease expiration, the Authorized User shall send written notice (as provided in the notice provisions of this Contract) to the Supplier requesting removal of the equipment within 30 days of its receipt of the notice. If after a second such notice by Authorized User and subsequent 30 day period, the Hardware has not been removed by the Supplier, the Authorized User may

deem the Hardware to have been abandoned by the Supplier and Authorized User may dispose of the Hardware at its sole discretion without further liability to the Supplier

18. SOFTWARE LICENSE (NON-HARDWARE RELATED)-SPECIFIC PROVISIONS

A. Software License

If Authorized User is a state agency, board, commission, or other quasi-political entity of the Commonwealth of Virginia or other body referenced in Title 2.2 of the Code of Virginia, the license shall be held by the Commonwealth. If Authorized User is a locality, municipality, school, school system, college, university, local board, local commission, or local quasi-political entity, the license shall be held by that public body.

1. License Grant

Software licensed by Supplier

- i). Supplier grants to the Commonwealth and all Authorized Users a fully paid, perpetual, worldwide, nonexclusive, transferable, irrevocable object code license to use, copy, modify, transmit and distribute the Software and Documentation including any subsequent revisions, in accordance with the terms and conditions set forth herein and subject only to the limitations and/or restrictions explicitly set forth in this Contract. It is expressly understood that "perpetual" license rights shall commence upon delivery of the Software to the Authorized User and shall exist in perpetuity unless otherwise terminated in accordance with the applicable provisions of this Contract. The Software is the property of Supplier and/or its licensors, and no title or ownership of the Software or any of its parts, including Documentation, shall transfer to the Commonwealth or any Authorized User.

The Commonwealth and all Authorized Users shall have the right to use, copy, modify, transmit and distribute the Software for their benefit, for government use and purposes, and for the benefit of their Agents, including internal and third-party information processing.

- ii). Reserved.

- iii). The Commonwealth and any Authorized User may allow access to the Software by third party vendors who are under contract with an Authorized User to provide services to or on behalf of such Authorized User, or by other entities as required for conducting the business of government. Access includes loading or executing the Software on behalf of such Authorized User or its Agents.

- iv). The license fee includes a test system copy, which consists of the right to use the Software for non-production test purposes, including but not limited to, problem/defect identification, remediation, and resolution, debugging, new version evaluation, Software interface testing, and disaster recovery technique analysis and implementation.

- v). In the event that all of an Authorized User's copies of the Software, including all backup copies, are destroyed, irreparably damaged or otherwise lost due to fire, explosion, sabotage, flood or other disaster, Supplier shall provide to such Authorized User, at no additional cost, replacement copies of the Software and Documentation. Nothing contained in this Section shall obligate Supplier to replace or assist in the recovery of data lost concurrent with the loss of the Software.

- vi). An Authorized User may make a reasonable number of copies of the Software and Documentation for use in training, support, demonstrations, backup, archiving, disaster recovery and development and may run the Software concurrently at a back-up site for no additional license fees or costs. Such Authorized User agrees that any copies of the Software or Documentation that it makes under this Contract shall bear all copyright, trademark and other proprietary notices included therein by Supplier.

- vii). Except as expressly authorized, an Authorized User shall not distribute the Software to any third party without Supplier's prior written consent.

- viii). Except as provided or allowed by law, no Party shall reverse engineer, decompile, disassemble, or otherwise attempt to derive source code or other trade secrets from any software or other intellectual property of any other Party.

Software licensed by Software Publisher

Supplier shall provide Software which is licensed directly from the Software Publisher through the end user licensing agreement (EULA), as amended, and attached as Exhibit C of this Contract. If the EULA provides for a “perpetual” license, it is expressly understood that “perpetual” license rights shall commence upon delivery of the Software and shall exist in perpetuity unless otherwise terminated in accordance with the applicable provisions of this Contract.

Nothing contained herein shall be construed to restrict or limit an Authorized User 's rights to use any technical data which such Authorized User may already possess or acquire under proper authorization from other sources.

Compliance with the terms and conditions of any license granted pursuant to this Contract is solely the responsibility of the Authorized User which purchased such license and not the responsibility of VITA, unless VITA purchased such license on its own behalf.

2. License Type

All licenses granted, regardless of the type, include all uses set forth above. License type may vary by Software product and shall be set forth in Exhibit D of this Contract and identified on any order issued pursuant to this Contract.

Designated CPU License

The license(s) granted under this Section authorizes use of the Software only on the number of CPU(s) listed on Exhibit D of this Contract or in an order placed by an Authorized User. An Authorized User may transfer the Software to a different machine to the extent that the license price for such new CPU(s) is equivalent to the CPU(s) initially licensed. If the licensed CPU is inoperative because of (i) malfunction, (ii) performance of maintenance, or (iii) modification to the licensed CPU, or (iv) because the Software is being transferred to another CPU, such Authorized User may use the Software on a replacement CPU as long as required by the mentioned conditions.

Concurrent User license

The license(s) granted under this Section authorizes use of the Software on any system based on the total number of Concurrent Users. The number of “Concurrent Users” is defined as the maximum number of concurrent Sessions connected at a given point in time. A “Session” is defined as an active user executing the Software. The Authorized User shall specify an initial number of Concurrent User licenses in its initial order pursuant to this Contract. An Authorized User may increase the number of Concurrent User licenses upon issuing an order for additional Concurrent User licenses. The license fee for additional Concurrent User licenses and payment of the license fee is set forth on Exhibit D of this Contract.

Site License

The license(s) granted under this Section authorizes use of the Software on any system located at the “Site” as such term is defined in the applicable order.

Project Specific License

The Project Specific License authorizes use of the Software on any CPU, on any system, and by any user, without limitation as to quantity or location for Project _____.

Enterprise Wide License

The Enterprise Wide License authorizes use of the Software on any CPU, on any system, and by any user within the “Enterprise”, as such term is defined in the applicable order, without limitation as to the quantity or location or project.

3. No Subsequent, Unilateral Modification of Terms by Supplier (“Shrink Wrap”)

Notwithstanding any other provision or other unilateral license terms which may be issued by Supplier after the Effective Date of this Contract, and irrespective of whether any such provisions have been proposed prior to or after the issuance of an order for Software licensed under this Contract, or the fact that such other agreement may be affixed to or accompany

Software upon delivery (“shrink wrap”), the terms and conditions set forth herein shall supersede and govern licensing and delivery of all products and services provided under this Contract.

B. Delivery and Installation Not applicable

1. Scheduling

Supplier shall deliver Software and perform the Services according to the delivery dates set forth on the appropriate order or SOW.

2. Installation of Software

a) Supplier Installation of Software

Supplier is required to install the Software in accordance with the installation schedule set forth on the order. Supplier shall conduct its standard appropriate diagnostic evaluation at the Authorized User’s user site to determine that the Software is properly installed and fully ready for productive use, and shall supply the Authorized User with a copy of the results of the diagnostic evaluation promptly after completion of installation.

Supplier agrees that failure to install the Software in accordance with the delivery schedule in the applicable order shall constitute a material breach of this Contract resulting in damages to the Authorized User. As an estimate of the damages such Authorized User shall suffer, Supplier agrees to credit such Authorized User an amount equal to two percent (2%) of the total license fee, for each day of undelivered or delivered but non-operational Software for a period of thirty (30) days following the agreed upon delivery date. If the delay lasts longer than thirty (30) days, such Authorized User may immediately cancel the order and collect the damages for that period of late delivery. Such Authorized User reserves any and all other remedies available at law or in equity for delays lasting longer than thirty (30) days or for non-delivery.

b) Authorized User Installation of Software

If an Authorized User elects to install the Software itself or to contract with a third party to perform installation services, the Software shall be deemed to be installed when all programs, program libraries and user interfaces are copied to and initialized on the appropriate equipment as executable by having the ordering Authorized User, its Agent, or its third party installer invoke the primary function of each major component of the Software or when Acceptance criteria have been met. Authorized User shall provide to Supplier written notice of Acceptance upon completion of installation and successful Acceptance testing.

3. Documentation of Software Configuration

If the Services include configuration of Software by Supplier, Supplier shall provide to the appropriate Authorized User documentation containing a description of the configuration. Such documentation shall be sufficiently detailed such that any appropriately trained employee or Agent of any Authorized User may reconstruct the configuration of the Software.

C. Acceptance and Cure Period

1. Acceptance

Software shall be deemed accepted when the Authorized User determines that such Software successfully operates in accordance with the Requirements. Such Authorized User agrees to commence Acceptance testing within five (5) business days after receipt of the Software, or within such other period as set forth in the applicable order, after receipt of the Software. Acceptance testing will be no longer than ten (10) business days, or such longer period as may be agreed in writing between Authorized User and Supplier, for the first instance of each product type set forth in Exhibit D of this Contract. Supplier agrees to provide to such Authorized User such assistance and advice as such Authorized User may reasonably require, at no additional cost, during such Acceptance testing, other than travel expenses pre-approved by the Authorized User which will be reimbursable by such Authorized User at the then-current per diem amounts as published by the Virginia Department of Accounts (<http://www.doa.virginia.gov/>, or a successor URL(s)). Authorized User shall provide to Supplier written notice of Acceptance upon completion of successful

Acceptance testing. Should Authorized User fail to provide Supplier written notice of successful or unsuccessful Acceptance testing within five (5) days following the Acceptance testing period, the Software shall be deemed Accepted.

2. Cure Period

Supplier shall correct any non-conformities identified during Acceptance testing and re-submit such non-conforming Software for re-testing within thirty(30) days of the appropriate Authorized User's written notice of non-conformance, or as otherwise agreed between such Authorized User and Supplier in the applicable order. Should Supplier fail to cure the non-conformity or deliver Software which meets the Requirements, such Authorized User may, in its sole discretion: (i) reject the Software in its entirety and recover amounts previously paid hereunder; (ii) issue a "partial Acceptance" of the Software with an equitable adjustment in the price to account for such deficiency; or (iii) conditionally accept the applicable Software while reserving its right to revoke Acceptance if timely correction is not forthcoming. Failure of the Software to meet, in all material respects, the Requirements after the second set of acceptance tests may constitute a default by Supplier. In the event of such default, the Authorized User may, at its sole discretion, terminate its order, in whole or in part, for the Software and Services to be provided thereunder by Supplier.

D. Warranty Services NOT APPLICABLE – NO SOFTWARE BEING EXPRESSLY LICENSED

At any time during the Warranty Period after Acceptance, Supplier shall provide the following warranty services (including unlimited telephonic support and all necessary travel and labor) without additional charge to any Authorized User to maintain the Software in accordance with the Requirements:

1. Known Defects

Promptly notify all Authorized Users of any defects or malfunctions in the Software or Documentation of which it learns from any source other than an Authorized User and provide to all Authorized Users a correction of any such defects or malfunctions, or a work around until a correction is available, within sixty (60) days of Supplier's knowledge of such defect or malfunction.

2. Coverage

24 hours per day, 7 days per week and 365 days per year (24x7x365), including Commonwealth Holidays, Supplier will provide to any Authorized Users all reasonably necessary telephone or written consultation requested by such Authorized Users in connection with use, problems and operation of the Software.

3. Service Levels

Respond to problems with the Software identified by an Authorized User in no more than one (1) hour after notification. Resolve all problems according to the following:

- i). Priority 1 (Software inoperable) within six (6) hours
- ii). Priority 2 (certain processing interrupted or malfunctioning but Software able to process) within twenty four (24) hours
- iii). Priority 3 (minor intermittent malfunctioning, Software able to process data) within three (3) days.

The level of severity (e.g., 1, 2, 3), shall be defined by such Authorized User.

4. Remedies

If Supplier is unable to make the Software conform, in all material respects, to the Requirements within thirty (30) days following written notification by an Authorized User, Supplier shall, at such Authorized User's request, cancel the license to such Software, accept return of such Software and Documentation, if applicable, rendered unusable, and return all monies paid by such Authorized User for the non-conforming Software and Documentation and such other related Service(s) rendered unusable.

Supplier agrees that failure to make the Software conform, in all material respects, to the Requirements within ten (10) days following notification by an Authorized User shall constitute a material breach of this Contract resulting in damages to the Authorized User. As an estimate of the damages such Authorized User shall suffer, Supplier agrees to credit such Authorized User an amount equal to two percent (2%) of the total license fee, for each day that the Software is non-conforming, for a period of up to thirty (30) days. If after such thirty (30) day period Supplier is unable to make the Software conform, Supplier shall, at such Authorized User's request, cancel the license to such Software, accept return of the Software and Documentation, if applicable, and return all monies paid for the non-conforming Software and Documentation. Such Authorized User reserves any and all other remedies available at law or in equity for delays lasting longer than thirty (30) days.

E. Maintenance Services

Supplier shall provide Maintenance Services during the Maintenance Period at the prices identified in Exhibit D of this Contract without additional charge to maintain the Software in accordance with the Requirements and to provide upgrades, updates, and new releases as they are made generally available.

The prices identified in Exhibit D of this Contract are inclusive of all necessary labor and, unless otherwise provided therein, all necessary travel. Should travel not be included in the prices identified in Exhibit D of this Contract, any travel expense must be pre-approved by the Authorized User and shall be reimbursed in accordance with the then-current per diem rates established by the Virginia Department of Accounts at (<http://www.doa.virginia.gov> or a successor URL(s)).

In addition to the minimum Maintenance Services described in this Section, Exhibit E of this Contract provides detailed descriptions of Supplier's additional maintenance offerings, if any, and Supplier's associated responsibilities as well as remedies available to the Authorized User in the event Supplier fails to perform its maintenance obligations. Any monetary remedies shall be paid to the Authorized User on a quarterly basis. Exhibit E of this Contract defines coverage periods, response times, and restore times.

1. Ordering

An Authorized User may order Maintenance Services for any Software at any time during the term of this Contract, irrespective of whether such Software is covered under warranty or maintenance at the time the order is issued to Supplier. Each order shall identify:

- i). Software product and number of units for which Maintenance Services shall be provided,
- ii). Maintenance Level to be provided, and
- iii). Maintenance Period for Software Maintenance.

Authorized User may elect, at any time, an alternate Maintenance Level offered by Supplier. Such amendment shall take effect within thirty (30) days following Supplier's receipt of Authorized User's written notice, in the form of a modification to an order.

Unless otherwise agreed by the Authorized User and Supplier, the Maintenance Period for a unit of Software shall be one (1) year from the effective date of any executed order for Maintenance on such Software product. Co-termination of Maintenance Periods, TBD based on Supplier proposal.]

2. Renewal

Not less than sixty (60) days prior to the expiration of the Maintenance Period for each unit of Software, Supplier shall notify the Authorized User of such expiration, and the Authorized User, at its sole discretion, may issue an order to Supplier to renew Maintenance Services for an additional one (1) year period. The annual fee for Maintenance Services shall not exceed the fee charged for the preceding year's Maintenance Services by more than three percent (3%), or the annual change in CPI, as defined in the Fees and Charges section, in effect at the time, whichever is less. Termination of this Contract or cancellation of Maintenance Services by an Authorized User shall not affect this Contract or the grant of any license.

3. Services

At a minimum, Maintenance Services shall include the following:

a) Known Defects

Supplier's offerings and responsibilities related to known defects in the Software are described in Exhibit A.

b) New Releases

Supplier's offerings and responsibilities related to new releases of the Software are described in Exhibit A.

c) Coverage

Supplier's offerings and responsibilities related to coverage for telephonic and written consultation in connection with use, problems, and operation of the Software are described in Exhibit A.

d) Service Levels

Supplier's offerings and responsibilities related to response and restore times for any problems with the Software identified by an Authorized User, and any associated remedies are described in Exhibit E.

e) Additional Maintenance Services

Supplier's additional Maintenance Service offerings are described in Exhibit E of this Contract.

4. Software Evolution

Should Supplier or Software Publisher merge or splinter the Software previously provided to any Authorized User, such action on the part of Supplier or Software Publisher shall not in any way result in any Authorized User being charged additional license or support fees in order to receive enhancements, releases, upgrade or support for the Software.

If Supplier or Software Publisher reduces or replaces functionality contained in a licensed Software product and provides the same or substantially similar functionality as or within a separate or renamed Software product, then the Commonwealth or the Authorized User shall be entitled to license such Software product at no additional license or maintenance fee, and subject to the terms and conditions herein.

If Supplier or Software Publisher releases an option, future Software product or other release that has substantially the same functionality as the Software products provided under this Contract, and Software Publisher and/or Supplier ceases to provide maintenance for the older Software product, then Supplier shall offer the Commonwealth or the Authorized User the option to exchange licenses for such replacement Software product or function at no additional charge.

5. Maintenance Services Remedies

In addition to any remedies described elsewhere in this Contract, if Supplier is unable to make the Software conform, in all material respects, to the Requirements within thirty (30) days following notification by an Authorized User, Supplier shall, at such Authorized User's request, accept cancellation of the license to such non-conforming software and (i) return all monies paid by such Authorized User for the cancelled license, pro-rated using the straight-line method for an estimated software life cycle of five (5) years, or, if a term license, shall return the prorated license fee for the remainder of the license term; and (ii) return the prorated maintenance charge for the remainder of the maintenance term. The prorated amount due an Authorized User shall be calculated from the date on which the Software ceased operating in accordance with the Requirements.

F. General Warranty

Supplier warrants and represents to VITA the Software described in Exhibit D of this Contract as follows:

1. Ownership

Supplier is the owner of the Software or otherwise has the right to grant the license to use the Software granted hereunder without violating or infringing any law, rule, regulation, copyright, patent, trade secret or other proprietary right of any third party.

2. Software and Documentation

Supplier warrants the following with respect to the Software:

i). The Software is pursuant to a particular Request for Proposal (“RFP”), and therefore, such Software shall be fit for the particular purposes specified by VITA, and Supplier is possessed of superior knowledge with respect to the Software and is aware that all Authorized Users are relying on Supplier's skill and judgment in providing the Software;

ii). If the RFP specified or Exhibit D of this Contract specifies the hardware equipment an Authorized User shall use to run the Software, then Supplier warrants the Software, and any subsequent release, is compatible with and shall perform as stated with such hardware for a period of ten (10) years of the Effective Date. However Supplier will in no event be liable for the failure of Software if such failure is due to changes in the hardware or use of third party software by an Authorized User.

iii). If an order issued by an Authorized User pursuant to this Contract specified the hardware equipment such Authorized User shall use to run the Software, then Supplier warrants the Software, and any subsequent release, is compatible with and shall perform as stated with such hardware for a period of ten (10) years of the date of such order. However Supplier will in no event be liable for the failure of Software if such failure is due to changes in the hardware or use of third party software by such Authorized User.

iv). The Software provided hereunder is at the current release level unless an Authorized User specifies an older version in its order, in which case item (iii) shall not apply and the older version of the Software, and any subsequent release, is compatible with and shall perform as stated with any hardware specified in the applicable order for a period of ten (10) years of the date of such order;

v). No corrections, workarounds or future Software releases provided by Supplier under the warranty provisions or under maintenance or support services shall degrade the Software, cause any other warranty to be breached, or require an Authorized User to acquire additional hardware equipment or software;

vi). Supplier warrants that the Documentation and all modifications or amendments thereto which Supplier is required to provide under this Contract shall be sufficient in detail and content to allow an Authorized User to operate the Software without reference to any other materials or information.

3. Limited Warranty

During the warranty period of twelve (12) months, or as specified in the applicable order, Supplier warrants that the Software shall meet or exceed the Requirements. Supplier shall correct, at no additional cost to any Authorized User, all errors identified during the warranty period that result in a failure of the Software to meet the Requirements.

4. Malicious Code

Supplier has used its best efforts through quality assurance procedures to ensure that there are no Computer Viruses or undocumented features in the Software at the time of delivery to an Authorized User. Supplier warrants that the Software does not contain any embedded device or code (e.g., time bomb) that is intended to obstruct or prevent any Authorized User's use of the Software. Notwithstanding any rights granted under this Contract or at law, Supplier hereby waives under any and all circumstances any right it may have or may hereafter have to exercise Electronic Self-Help. Supplier agrees an Authorized User may pursue all remedies provided under law in the event of a breach or threatened breach of this Section, including injunctive or other equitable relief.

5. Open Source

Supplier will notify all Authorized Users if the Software contains any Open Source code and identify the specific Open Source License that applies to any embedded code dependent on Open Source code, provided by Supplier under this Contract.

6. Supplier's Viability

Supplier warrants that it has the financial capacity to perform and continue to perform its obligations under this Contract; that Supplier has no constructive or actual knowledge of a potential legal proceeding being brought against Supplier that could materially adversely affect performance of this Contract and that entering into this Contract is not prohibited by any contract, or order by any court of competent jurisdiction.

7. Supplier's Past Experience

Supplier warrants that the Software has been installed and is operating in a production environment in a non-related third party's facility without significant problems due to the Software or Supplier.

THE OBLIGATIONS OF SUPPLIER UNDER THIS GENERAL WARRANTY SECTION ARE MATERIAL. SUPPLIER MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY CONCERNING MERCHANTABILITY OR FITNESS FOR ANY OTHER PARTICULAR PURPOSE.

G. Training and Documentation

The license fee includes all costs for the training of one Authorized User trainer at such Authorized User's designated location on the use and operation of the Software, including instruction in any necessary conversion of Authorized User's data for such use. Pursuant to a mutually agreed upon schedule, Supplier shall provide personnel sufficiently experienced and qualified to conduct such training. Available optional training, and applicable pricing and discounts, are described in Exhibit D of this Contract.

Supplier shall deliver to the Authorized User, one (1) complete hard copy or electronic media of Documentation, as requested by such Authorized User. Authorized User shall have the right, as part of the license granted herein, to make as many additional copies of the Documentation, in whole or in part, for its own use as required. This Documentation shall include, but not be limited to, overview descriptions of all major functions, detailed step-by-step installation and operating procedures for each screen and activity, and technical reference manuals. Authorized User shall have the right, as part of the license granted herein, at its own discretion, to take all or portions of the Documentation, modify or completely customize it in support of the authorized use of the Software and may duplicate such Documentation and include it in an Authorized User document or platform. Authorized User shall continue to include Supplier's copyright notice.

H. Reproduction Rights

I. Evaluation Copy of Software

Supplier shall make available to any Authorized User Software for evaluation purposes at no charge. The evaluation period will be determined by the complexity of testing but will be a period not less than thirty (30) days. Each new project is entitled to an evaluation copy regardless of whether an Authorized User has previously purchased the Software.

J. Alternate Channel Participation (Resellers/Distributors)

[Reserved]

19. SERVICES (NON-MAINTENANCE)-SPECIFIC PROVISIONS

A. Services

1. Nature of Services and Engagement

This Contract is optional use and non-exclusive and all Authorized Users may, at their sole discretion, receive benefits from third party suppliers of services similar to, or in competition with, services provided by Supplier.

By operation of this Contract, any order or SOW resulting in a commitment of any individual employee or contractor of Supplier, whether employed by Supplier or a contractor or subcontractor of Supplier, for more than one thousand (1,000) hours of work during any six (6) month period or of any such individual employee or contractor for more than eight (8) months in any twelve (12) month period shall be voidable by VITA, in its sole discretion. If an SOW is voided by VITA, such SOW shall no longer be binding on either Party and all obligations with respect to such SOW shall expire.

2. Acceptance

Service(s) shall be deemed accepted when the Authorized User determines that such Service(s) meets the Requirements set forth in the applicable SOW. If applicable, Supplier shall be responsible for ensuring that any individual Deliverable functions properly with any other Deliverable provided pursuant to the SOW. Should a previously Accepted Deliverable require further modification in order to work properly with any other Deliverable, Supplier shall be responsible for all costs associated with such modification.

Authorized User shall commence Acceptance testing within five (5) business days, or within such other period as set forth in the applicable SOW, after receipt of the Service.

Acceptance testing will be no longer than ten (10) business days, or such longer period as may be agreed in writing between Authorized User and Supplier, for each Deliverable or for the first instance of each Service type set forth in Exhibit D of this Contract. Supplier agrees to provide to the Authorized User such assistance and advice as the Authorized User may reasonably require, at no additional cost, during such Acceptance testing. Authorized User shall provide to Supplier written notice of Acceptance upon completion of installation and successful Acceptance testing. Should Authorized User fail to provide Supplier written notice of successful or unsuccessful Acceptance testing within five (5) days following the Acceptance testing period, the Service shall be deemed Accepted.

3. Cure Period

Supplier shall correct any non-conformities identified during Acceptance testing and re-submit such non-conforming Service for re-testing within thirty (30) days of the appropriate Authorized User's written notice of non-conformance, or as otherwise agreed between such Authorized User and Supplier in the applicable SOW. Should Supplier fail to cure the non-conformity or deliver a Service which meets the Requirements, the Authorized User may, in its sole discretion: (i) reject the Service in its entirety, and any Service rendered unusable due to the non-conforming Service, and recover amounts previously paid hereunder for all such Services; (ii) issue a "partial Acceptance" of the Service with an equitable adjustment in the price to account for such deficiency; or (iii) conditionally accept the applicable Service while reserving its right to revoke Acceptance if timely correction is not forthcoming. Failure of a Service to meet, in all material respects, the Requirements after the second set of acceptance tests may constitute a default by Supplier. In the event of such default, the Authorized User may, at its sole discretion, terminate its order or SOW, in whole or in part, for the Services to be provided thereunder by Supplier.

B. General Warranty

With respect to the Services provided by Supplier, Supplier represents the following:

1. Ownership

Supplier has the right to provide the Services, including Deliverables.

2. Supplier's Viability

Supplier represents that it has the financial capacity to perform and continue to perform its obligations under this Contract; that Supplier has no constructive or actual knowledge of an actual or potential legal proceeding being brought against Supplier that could materially adversely affect performance of this Contract; and that entering into this Contract is not prohibited by any contract, or order by any court of competent jurisdiction.

3. Performance

- i). All Services shall be performed with care, skill and diligence, consistent with or above applicable professional standards currently recognized in its profession, and Supplier shall be responsible for the professional quality, technical accuracy, completeness and coordination of all plans, information, specifications, Deliverables and Services furnished under this Contract;
- ii). Services pursuant to a particular Request for Proposal ("RFP"), quote, or Request for Quote (RFQ), and any associated Deliverables shall be fit for the particular purposes specified by VITA in the RFP and in this Contract and, if applicable, by the Authorized User requesting such quote or issuing such RFQ, and Supplier is possessed of superior knowledge with respect to the Services and Deliverables and is aware that all Authorized Users are relying on Supplier's skill and judgment in providing the Services and Deliverables;
- iii). The documentation which Supplier is required to provide under this Contract shall be sufficient in detail and content to allow a user to understand and fully utilize the Deliverables without reference to any other materials or information.

4. Malicious Code

Supplier has used its best efforts through quality assurance procedures to ensure that there are no computer viruses or undocumented features in any of the media or means used to deliver the Services. Supplier has used the best available means to scan any media on which Deliverables are provided to the Authorized User.

5. Limited Warranty Period and Remedy

During the warranty period of ninety (90) days, twelve (12) months, or as specified in the applicable SOW, Supplier warrants that the Services shall meet or exceed the Requirements. Supplier shall correct, at no additional cost to any Authorized User, all errors identified during the warranty period that result in a failure of the Services to meet the Requirements. If Supplier is unable to make the Service/Deliverable conform, in all material respects, to the Requirements within thirty (30) days following written notification by an Authorized User, Supplier shall, at such Authorized User's request, accept return of such Deliverable and any other related Deliverable(s) rendered unusable, and return all monies paid by such Authorized User for the non-conforming Services and Deliverable.

THE OBLIGATIONS OF SUPPLIER UNDER THIS GENERAL WARRANTY SECTION ARE MATERIAL. SUPPLIER MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY CONCERNING MERCHANTABILITY OR FITNESS FOR ANY OTHER PARTICULAR PURPOSE.

C. Training and Documentation

Any training or documentation necessary for an Authorized User to have full benefit of the Service shall be deemed included in the scope of the applicable SOW unless expressly excluded.

20. GENERAL PROVISIONS

A. Relationship Between VITA and Authorized User and Supplier

Supplier has no authority to contract for VITA or any Authorized User or in any way to bind, to commit VITA or any Authorized User to any agreement of any kind, or to assume any liabilities of any nature in the name of or on behalf of VITA or any Authorized User. Under no circumstances shall Supplier, or any of its employees, hold itself out as or be considered an Agent or an employee of VITA or any Authorized User, and neither VITA nor any Authorized User shall have any duty to provide or maintain any insurance or other employee benefits on behalf of Supplier or its employees. Supplier represents and warrants that it is an independent contractor for purposes

of federal, state and local employment taxes and agrees that neither VITA nor any Authorized User is responsible to collect or withhold any federal, state or local employment taxes, including, but not limited to, income tax withholding and social security contributions, for Supplier. Any and all taxes, interest or penalties, including, but not limited to, any federal, state or local withholding or employment taxes, imposed, assessed or levied as a result of this Contract shall be paid or withheld by Supplier or, if assessed against and paid by VITA or any Authorized User, shall be reimbursed by Supplier upon demand by VITA or such Authorized User.

B. Incorporated Contractual Provisions

The then-current contractual provisions at the following URL are mandatory contractual provisions, required by law or by VITA, and that are hereby incorporated by reference: <http://www.vita.virginia.gov/uploadedFiles/SCM/StatutorilyMandatedTsandCs.pdf>

The contractual claims provision §2.2-4363 of the Code of Virginia and the required eVA provisions at <http://www.vita.virginia.gov/uploadedFiles/SCM/eVATsandCs.pdf> are also incorporated by reference.

The then-current contractual provisions at the following URL are required contractual provisions, required by law or by VITA, that apply to all orders placed under this Contract that are partially or wholly funded by the American Recovery and Reinvestment Act of 2009 (ARRA) and are hereby incorporated by reference: http://www.vita.virginia.gov/uploadedFiles/SCM/ARRA_Ts_and_Cs.pdf

The then-current terms and conditions in documents posted to the aforementioned URLs are subject to change pursuant to action by the legislature of the Commonwealth of Virginia, change in VITA policy, or the adoption of revised eVA business Requirements. If a change is made to the terms and conditions, a new effective date will be noted in the document title. Supplier is advised to check the URLs periodically.

C. Compliance with the Federal Lobbying Act

Supplier's signed certification of compliance with 31 USC 1352 (entitled "Limitation on use of appropriated funds to influence certain Federal Contracting and financial transactions") or by the regulations issued from time to time thereunder (together, the "Lobbying Act") is incorporated as Exhibit F hereto.

D. Governing Law

This Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia without regard to that body of law controlling choice of law. Any and all litigation shall be brought in the circuit courts of the Commonwealth of Virginia. The English language version of this Contract prevails when interpreting this Contract. The United Nations Convention on Contracts for the International Sale of Goods and all other laws and international treaties or conventions relating to the sale of goods are expressly disclaimed. UCITA shall apply to this Contract only to the extent required by §59.1-501.15 of the Code of Virginia.

E. Dispute Resolution

In accordance with §2.2-4363 of the Code of Virginia, Contractual claims, whether for money or other relief, shall be submitted in writing to the public body from whom the relief is sought no later than sixty (60) days after final payment; however, written notice of the Supplier's intention to file such claim must be given to such public body at the time of the occurrence or beginning of the work upon which the claim is based. Pendency of claims shall not delay payment of amounts agreed due in the final payment. The relevant public body shall render a final decision in writing within thirty (30) days after its receipt of the Supplier's written claim.

The Supplier may not invoke any available administrative procedure under §2.2-4365 of the Code of Virginia nor institute legal action prior to receipt of the decision of the relevant public body on the claim, unless that public body fails to render its decision within thirty (30) days. The decision of the relevant public body shall be final and conclusive unless the Supplier, within six (6) months of the date of the final decision on the claim, invokes appropriate action under §2.2-4364, Code of Virginia or the administrative procedure authorized by §2.2-4365, Code of Virginia.

Upon request from the public body from whom the relief is sought, Supplier agrees to submit any and all contractual disputes arising from this Contract to such public body's alternative dispute resolution (ADR) procedures, if any. Supplier may invoke such public body's ADR procedures, if any, at any time and concurrently with any other statutory remedies prescribed by the Code of Virginia.

In the event of any breach by a public body, Supplier's remedies shall be limited to claims for damages and Prompt Payment Act interest and, if available and warranted, equitable relief, all such claims to be processed pursuant to this Section. In no event shall Supplier's remedies include the right to terminate any license or support Services hereunder.

F. Advertising and Use of Proprietary Marks

Supplier shall not use the name of VITA or any Authorized User or refer to VITA or any Authorized User, directly or indirectly, in any press release or formal advertisement without receiving prior written consent of VITA or such Authorized User. In no event may Supplier use a proprietary mark of VITA or an Authorized User without receiving the prior written consent of VITA or the Authorized User.

G. Notices

Any notice required or permitted to be given under this Contract shall be in writing and shall be deemed to have been sufficiently given upon receipt if delivered in person, or if deposited in the U.S. mails, postage prepaid, for mailing by registered, certified mail, or overnight courier Services addressed to the addresses shown on the signature page. VITA or Supplier may change its address for notice purposes by giving the other notice of such change in accordance with this Section.

H. No Waiver

Any failure to enforce any terms of this Contract shall not constitute a waiver.

I. Assignment

This Contract shall be binding upon and shall inure to the benefit of the permitted successors and assigns of VITA and Supplier. Supplier may not assign, subcontract, delegate or otherwise convey this Contract, or any of its rights and obligations hereunder, to any entity without the prior written consent of VITA, and any such attempted assignment or subcontracting without consent shall be void. VITA may assign this Contract to any entity, so long as the assignee agrees in writing to be bound by the all the terms and conditions of this Contract.

If any law limits the right of VITA or Supplier to prohibit assignment or nonconsensual assignments, the effective date of the assignment shall be thirty (30) days after the Supplier gives VITA prompt written notice of the assignment, signed by authorized representatives of both the Supplier and the assignee. Any payments made prior to receipt of such notification shall not be covered by this assignment.

J. Captions

The captions are for convenience and in no way define, limit or enlarge the scope of this Contract or any of its Sections.

K. Severability

Invalidity of any term of this Contract, in whole or in part, shall not affect the validity of any other term. VITA and Supplier further agree that in the event such provision is an essential part of this Contract, they shall immediately begin negotiations for a suitable replacement provision.

L. Survival

The applicable provisions of this Contract regarding Software License, Rights to Work Product, Warranties, Maintenance Services, Escrow, Confidentiality, and Liability and Indemnification, and the General Provisions shall survive the expiration or termination of this Contract as indicated in such individual provisions.

M. Force Majeure

No Party shall be responsible for failure to meet its obligations under this Contract if the failure arises from causes beyond the control and without the fault or negligence of the non-performing

Party. If any performance date under this Contract is postponed or extended pursuant to this section for longer than thirty (30) calendar days, VITA, by written notice given during the postponement or extension, may terminate Supplier's right to render further performance after the effective date of termination without liability for that termination, and in addition an Authorized User may terminate any order affected by such postponement or delay.

N. Remedies

The remedies set forth in this Contract are intended to be cumulative. In addition to any specific remedy, VITA and all Authorized Users reserve any and all other remedies that may be available at law or in equity.

O. Right to Audit

VITA reserves the right to audit those Supplier records that relate to any Deliverables or Services rendered or the amounts due Supplier for such Deliverables or Services under this Contract. VITA's right to audit shall be limited as follows:

- i). Three (3) years from Acceptance or Service performance date;
- ii). Performed at Supplier's premises, during normal business hours at mutually agreed upon times; and
- iii). Excludes access to Supplier cost information.

In no event shall Supplier have the right to audit, or require to have audited, VITA or any Authorized User.

P. Contract Administration

Supplier agrees that at all times during the term of this Contract an account executive, at Supplier's senior management level, shall be assigned and available to VITA. Supplier reserves the right to change such account executive upon reasonable advance written notice to VITA.

Q. Entire Contract

The following Exhibits, including all subparts thereof, are attached to this Contract and are made a part of this Contract for all purposes:

- i). Exhibit A Request for Proposal and Supplier's response thereto
- ii). Exhibit B reserved
- iii). Exhibit C reserved
- iv). Exhibit D Product Price List
- v). Exhibit E Warranty, Maintenance and Support Service Level Agreements (SLAs)
- vi). Exhibit F Certification Regarding Lobbying
- vii). Exhibit G Awarded Brands/Categories

This Contract, its Exhibits, and any prior non-disclosure agreement constitute the entire agreement between VITA and Supplier and supersede any and all previous representations, understandings, discussions or agreements between VITA and Supplier as to the subject matter hereof. Any and all terms and conditions contained in, incorporated into, or referenced by the Supplier's Proposal shall be deemed invalid. The provisions of the Virginia Department of General Services, Division of Purchases and Supply Vendor's Manual shall not apply to this Contract or any order issued hereunder. This Contract may only be amended by an instrument in writing signed by VITA and Supplier. In the event of a conflict, the following order of precedence shall apply: this Contract document, Exhibit A, Exhibit D, Exhibit E, Exhibit G and any individual SOW.

An Authorized User and Supplier may enter into an ordering agreement pursuant to this Contract. To the extent that such ordering agreement, or any order or SOW issued hereunder, include any terms and conditions inconsistent with the terms and conditions of this Contract, such terms and conditions shall be of no force and effect.

VITA and Supplier each acknowledge that it has had the opportunity to review this Contract and to obtain appropriate legal review if it so chose.

Executed as of the last date set forth below by the undersigned authorized representatives of VITA and Supplier.

Supplier

By: [Signature]

(Signature)

Name: Timothy Robinson

(Print)

Title: V.P. OPERATIONS

Date: 10/25/10

VITA

By: [Signature]

(Signature)

Name: SAM NIXON

(Print)

Title: CIO OF THE COMMONWEALTH

Date: 10-25-2010

Address for Notice:

Canon Business Solutions, Inc.

4 Ohio Drive

Lake Success, NY 11042

Address for Notice:

11751 MEADOWVILLE LN
CHESTER VA 23836

Attention: Vice President, Business Operations

Attention: Contract Administrator

Email: T.Robinson@Solutions.Canon.com

With a copy to:

Office of General Counsel

Canon USA, Inc.

One Canon Plaza

Lake Success, NY 11042



EXHIBIT A

FUNCTIONAL AND TECHNICAL REQUIREMENTS

Suppliers are to indicate their capability of fulfilling each specific requirement below. Each Supplier's responses will be reviewed and compared across Suppliers within each service type in order to determine the best solution for the Commonwealth.

Detailed requirements are presented in questionnaire format to facilitate direct responses and establish accountability regarding delivery of Solution by the Supplier. To respond to each requirement, Supplier is asked to enter, in the space provided in Column A, a code that best corresponds to its intended response for the requirement listed.

The acceptable codes for Column A are as follows:

Y - "Yes" - Supplier can fully meet the requirement as documented with its current application or proposed solution. If applicable, Supplier should provide in Column B an explanation of how it will fulfill the requirement. This may include use of alliances with other suppliers. Supplier may also use Column B to cross-reference a detailed explanation included in an attachment of its proposal.

F - "Yes, Future" - Supplier will be able to fully meet this requirement in the near future (not longer than six months). Supplier should provide a proposed start date and cross-reference any attached documentation in Column B.

N - "No" - Supplier cannot meet the requirement and has no firm plans to be in the position to meet this need within six months.

VITA has posed some open-ended questions. In those instances, Supplier is to provide adequate information to allow VITA to properly evaluate its proposal.

A. General

| | Requirements | A | B |
|----|---|-----|--|
| 1. | You have agreed that your company can sell/service the entire Commonwealth of Virginia. Please describe the details on how this will be accomplished. | N/A | <p>As a sales and service subsidiary of Canon U.S.A., Inc., Canon Business Solutions, Inc. is part of a larger support network and can provide extensive support to you. Our service and support division is literally the backbone of our company's success. At Canon Business Solutions, we take great pride in our comprehensive support structure which allows our customers to enjoy a blanket of technical service coverage that ensures their ongoing satisfaction.</p> <p>Canon Business Solutions, Inc. provides geographic coverage in major metropolitan areas throughout the United States. Each region is supported by a comprehensive web of service professionals who provide best-in-class technical support to our growing base of customers. Beyond these critical regions, a network of Canon-authorized service companies stands ready to support your needs. All servicing entities must adhere to strict performance guidelines and must be fully certified to provide technical</p> |

**Canon Business Solutions, Inc.
Detailed Description of Proposed Solution(s)**

| | Requirements | A | B |
|----|--|---|--|
| | | | <p>assistance on your Canon product.</p> <p>The strength of the Canon service delivery program is the over 500 locations across the United States who are all certified to meet Canon standards. There are over 10,000 factory-trained technicians who help solve technical and equipment problems wherever your site may be. All authorized service centers are required to submit a detailed business plan describing prospective territory and staffing plans as well as financials. They must agree to use only genuine Canon parts and they must consent to unscheduled observations by Canon management.</p> <p><i>Please see the Account Team Overview included in the Supplier Profile section of this response for additional information.</i></p> |
| 2. | <p>You have agreed that your company can sell/service the entire Commonwealth of Virginia. Will you be incorporating subcontractors or alliances? If yes, please describe.</p> | | <p>Please see the above response.</p> <p>Additionally please note that customer must meet Canon Business Solutions, Inc. creditworthiness standards and credit approval for that entity.</p> |
| 3. | <p>VITA strongly encourages Suppliers to develop a catalog website that interfaces with eVA. Will your company be able to produce a punch-out catalog website? (Refer to http://www.eva.virginia.gov/vendors/pages/catalogcreation.htm) Please provide either screen shots or a link to serve as an example.</p> | Y | <p>Yes; however, this will be dependent upon the scope of products selected by the Commonwealth of Virginia for this contract and subsequent contracts.</p> <p>Please see the Portal Snap Shots included in the "Appendices" section of this response.</p> |
| 4. | <p>Will your company be able to have the catalog website up and functioning within 30 days of contract award?</p> | Y | <p>Canon Business Solutions, Inc. can have a catalog website up and functioning within 30 days of contract award; however, there are various factors determined by the size and scope of the portal requirements which may extend completion beyond 30 days. We wish to discuss further the requirements and scope of the portal prior to committing to a final timeframe.</p> |

**Canon Business Solutions, Inc.
Detailed Description of Proposed Solution(s)**

| | Requirements | A | B |
|----|---|---|---|
| 5. | <p>If requested by the user, will the supplier be able to provide a loaner if the proposed equipment will be out of operation for more than 24 hours? If so, please describe details.</p> | Y | <p>Canon Business Solutions, Inc.'s experience has shown that the benchmark for a loaner to be issued has been 16 consecutive business hours. The reason for this time frame is that in the majority of cases we have been able to remedy the problem with the inoperable machine. In the event that an item of equipment is inoperable for a period in excess of sixteen (16) consecutive business hours, Canon Business Solutions, Inc. will deliver a loaner unit, upon customer's written request, until the item is restored to good working order.</p> |
| 6. | <p>Are you able to respond to customer request for service within 8 business hours? Please provide detail on how this will be accomplished.</p> | Y | <p>Canon Business Solutions, Inc. will commit to a fleet average response of 4 hours, over 4 fixed quarterly intervals per year. Response time, as noted above, shall be calculated from the time the customer call is placed with our Dispatch Department, until the time the Technician arrives at the individual location. Response times are calculated between 8:30am and 5:00pm, Monday through Friday, excluding Canon Business Solutions, Inc. holidays. For the individual location which has multiple machines and active service calls, the Technician's arrival shall stop the response time calculation for all open service calls at that location.</p> |
| 7. | <p>Is your firm willing to commit to service-level agreements? If so please refer to Appendix A and fill in the yellow shaded areas.</p> | Y | <p>Please see Appendix A included in the "Appendices" section of this response.</p> |
| 8. | <p>Does your solution offer 8:00 am – 5:00 pm EST Hardware and Software support? Please provide details.</p> | Y | <p>Canon Business Solutions, Inc.'s standard service hours are Monday through Friday, 8:30am to 5:00pm, excluding weekends and holidays. However our Dispatch Department begins to take service calls at 8:00amEST.</p> <p>Service is available outside of the hours listed above. This is contracted on a machine-by-machine and/or</p> |

**Canon Business Solutions, Inc.
Detailed Description of Proposed Solution(s)**

| | Requirements | A | B |
|----|--|---|--|
| | | | <p>location-by-location basis as requested. If you have critical uptime or volume issues, we can also provide a contract for a dedicated technician to be on standby in order to meet your specific business requirements.</p> |
| 9. | <p>Do service technicians have and maintain current industry certifications? Please provide details and types of certifications.</p> | Y | <p>Canon Business Solutions, Inc. service technicians average 12 years experience and are factory trained on Canon's equipment as well as the network support systems and software that drive its sophisticated technology.</p> <p>All new technicians attend an extensive new hire training program called Printing and Digital Imaging Foundations (PDIF), which provides the technicians the tools to maintain, troubleshoot and repair Canon products. The course itself is approximately 38 days in length. During this time, the new hire service technicians receive classroom-based training and hands-on training in the field. The technician upon successful completion is certified on a Canon specific model, which is based on territory demand, and has received critical skill courses that enable him or her to be a successful service technician in the field. The critical skills portion of their training includes the following: Customer Satisfaction Skills, Basic Network Install, Complete Call Process, Troubleshooting, Communication Technology. Ongoing product training and certifications are provided on continual basis based on new technology and field territory growth.</p> <p>The Association of Technical Service Professionals (ATSP) program is designed by Canon USA to uphold the high performance standards intended to support the needs and expectations of Canon customers.</p> <p>The ATSP program provides assurance that its certified members have attained a level of knowledge and</p> |

**Canon Business Solutions, Inc.
Detailed Description of Proposed Solution(s)**

| | Requirements | A | B |
|-----|--|---|--|
| | | | <p>performance that is second to none in our competitive business. The program sets out strict guidelines to which service technicians must adhere, ensuring customers receive best-in-class service. Canon Business Solutions, Inc. is proud of its high volume of certified professionals currently in our corporation.</p> |
| 10. | <p>Does your solution have an in-house order tracking system that can be accessed 24 x7 by a user? Please provide details.</p> | Y | <p>eManage is an internet-based account management tool that provides administrative control over your fleet of Canon devices*. It fully integrates with our internal database system, providing you greater access to your account's information. Upon enrollment, you can begin taking advantage of the many features of eManage, such as identifying and validating devices, reviewing installations by location, submitting meter reads, viewing meter read history, placing service requests, checking service requests, ordering supplies, viewing supply order history (time supply was ordered, time supply order was fulfilled, tracking number) managing your organization's users, and retrieving important account information. In addition, those with toner inclusive service contracts will be able to order toner through eManage. This flexibility and control provides tremendous value.</p> <p><i>* requires an active service contract with Canon Business Solutions, Inc.</i></p> |
| 11. | <p>Does your solution charge a re-stocking fee on returned equipment? Please provide details.</p> | | <p>Returned product (order reversal) will be assessed a minimum 20% restocking fee by Strategic Pricing to cover the shipping costs and devaluation of the returned items. The restocking rate is applied to the selling price of the returned product. In the event the product is unused and returned within 10 business days of the initial delivery, the restocking fee may be reduced.</p> |
| 12. | <p>Does your firm have the marketing ability and resources to promote this contract to schools, universities, local and non-</p> | Y | <p>Canon Business Solutions actively promotes its contracts and buying agreements through a range of</p> |

**Canon Business Solutions, Inc.
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| | Requirements | A | B |
|-----|--|-----|---|
| | Executive Branch state agencies? Please provide marketing plan and examples of marketing tools. | | <p>activities and mediums, including:</p> <ul style="list-style-type: none"> • Print and electronic brochures • Canon Business Solutions public website • Contract-specific information portal for customers (typically password-protected) • Internal sales force communications • Direct mail • e-Mail Communications • Trade shows and events <p>Please see the sample marketing tools included in the "Appendices" section of this response.</p> |
| 13. | Does your solution provide an inventory management system that tracks items such as beginning/end lease date, dates payments received, location of device, serial number, etc.? If so, please describe. | Y | <p>We are currently utilizing a fully integrated Oracle ERP Application to execute our Business Transaction. We are leveraging Oracle 11.5.9 Enterprise Business Suite for the entire Order to Cash process of our organization. Our warehouses are leveraging a Mobile Supply Chain solution using Scanners integrated directly into the Oracle Application. The technology is proven effective and widely used through multiple industries.</p> |
| 14. | Each Public Body may have multiple agreements for devices. When processing P-Cards or payments for invoices with multiple agreements, how do you manage the equipment fulfillment at the end of the lease agreement term, to include termination of invoicing and equipment pickup. Please describe. | N/A | <p>Except in the case of a Lease Agreement or Lease Schedule containing a \$1.00 purchase option, each Lease Agreement or Lease Schedule shall automatically renew on a month-to-month basis at the same Payment amount and frequency unless Customer, at least sixty (60) days before the end of the scheduled term or any renewal term, sends to CFS written notice that Customer either (i) shall exercise the purchase option in accordance with the terms hereof, and at the end of such term exercises such purchase option, or (ii) does not want to renew the Lease Agreement or Lease Schedule, and at the end of such term returns the respective Equipment as provided below. CFS may cancel the automatic renewal term by, at least sixty (60) days before the end of any term,</p> |

Canon Business Solutions, Inc.
Detailed Description of Proposed Solution(s)

| | Requirements | A | B |
|-----|---|-----|---|
| | | | <p>sending Customer written notice that CFS does not want the respective Schedule to renew. Unless a Lease Agreement or Lease Schedule automatically renews or Customer purchases the Equipment as provided in this Agreement, Customer shall, at the termination of the respective Lease or Schedule, return the Equipment at its sole cost and expense in good operating condition, ordinary wear and tear resulting from proper use excepted, to a location specified by CFS. If for any reason Customer shall fail to return any Equipment subject to a Lease Schedule or a Rental Schedule to CFS as provided in this Agreement by the last day of the applicable term, Customer shall pay to CFS upon demand one billing period's Payment (as specified in the applicable Schedule) for each billing period or portion thereof that such delivery is delayed.</p> |
| 15. | <p>Will your company provide leasing as an option? If so, please provide your leasing documents in Microsoft Word format.</p> | Y | <p>Pricing is valid for 120 days. Equipment pricing will remain fixed and the lease rate will be based on the then current lease rate factor at the time of the addition of the equipment.</p> <p>Please see Canon Financial Services, Inc.'s Lease document included with this response. The Microsoft Word version of this document is located on CD 1 in the "Appendices" folder.</p> |
| 16. | <p>Once a lease agreement has been completed and the Authorized User does not wish to keep the equipment, please describe the process on notification, scheduling of pickup, etc.</p> | N/A | <p>If awarded this opportunity, upon expiration of the Agreement, the cost to return the equipment acquired under the Agreement shall be absorbed by Canon Business Solutions, Inc. Canon Business Solutions, Inc. will work with you to coordinate the de-installation and return of the equipment to ensure minimal downtime/to ensure a smooth transition.</p> |
| 17. | <p>Does your solution provide the ability for Authorized Users to trade-in devices for credit against new purchase/lease agreements? If so, please describe.</p> | Y | <p>Canon Business Solutions, Inc. can offer trade-in credits for devices being replace. The trade-in value is dependent upon the manufacturer,</p> |

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| | Requirements | A | B |
|-----|---|---|---|
| | | | <p>model and meter reading. Canon Business Solutions, Inc. cannot provide trade-in values on discontinued Canon Brand equipment. Nor do we provide trade-in values on scanners, analog units, fax machines, software, wide format, RIPS and eCopy.</p> |
| 18. | <p>Does your proposed equipment meet the currently U.S. Environmental Protection Agency's and Department of Energy's Energy Star guidelines? If no, please explain.</p> | Y | <p>The EPA has named Canon U.S.A., Inc. a 2010 ENERGY STAR Partner of the Year for its outstanding contributions towards reducing greenhouse gas emissions.</p> |
| 19. | <p>Does your solution have the ability to use recycled paper? If so, please describe.</p> | Y | <p>Our imageRUNNER line of MFPs is compatible with recycled paper; however, our imagePROGRAF line is not.</p> |
| 20. | <p>Does your solution provide for escalation procedures for hardware/maintenance issues and when Authorized User's are not satisfied with the attention they are receiving? If so, please describe.</p> | Y | <p>If our customers are dissatisfied with any aspect of their relationship with Canon Business Solutions, Inc., they can contact their local sales representative. Customer issues of any nature are then routed to the appropriate person who will attempt to resolve the issue within twenty-four hours. Over the years, there has been much advancement made internally to ensure accurate and timely billing. In addition, we have created a Customer Care Department to focus on customer account management.</p> <p>For technical issues that require further escalation, we have the following process:</p> <ul style="list-style-type: none"> • First, the service technician will attempt to troubleshoot and resolve the technical issue with the customer over the phone, if applicable. • If on-site service is necessary, the service technician is dispatched to the location. • If the service technician is unable to resolve the issue, he/she will contact the Field Service Manager or Specialist for further assistance. |

Canon Business Solutions, Inc.
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| | Requirements | A | B |
|--|--------------|---|--|
| | | | <ul style="list-style-type: none">• If the issue requires further escalation, the Technical Support Group will assist with the repair.• If the issue persists, the Canon U.S.A., Inc. Technical Support Group will intervene.• Once the service technician has exhausted all levels of support with unsuccessful results, Senior Management will review the machine for replacement. |

Canon Business Solutions, Inc.
Detailed Description of Proposed Solution(s)

B. Reports

| C. | Requirements | A | B |
|-----|---|---|---|
| 1. | Can you provide quarterly reports to customers detailing products that have been placed in any of their locations? (provide examples) | Y | Please see the Sample Service Report included in the "Appendices" section of this response. |
| 2 | Can you maintain an electronic service log that is available to customers on specific copiers/printers? (provide examples) | Y | Customers may view and sort account information through eManage, a web-based tool available to all Customers with an active Canon Business Solutions, Inc. contract. eManage allows the Customer to sort account information by serial number, model number, and requisition number. Customers can then view active service calls and service call history and sort the data by the service call issue, such as paper jam and preventative maintenance. |
| 3.. | Can you provide any additional reports that would be an added value to the Commonwealth? Please describe and provide examples. | Y | <p>Canon Business Solutions, Inc. can provide customized reports to meet your company's specific requirements. The following is a list of the types of reports we can provide. Other formats can be prepared based on your request.</p> <p>Quarterly Management Report – This report will summarize all activity on a quarterly basis. It provides detailed information on the following topics:</p> <ul style="list-style-type: none"> • Equipment volume • Equipment relocation • Volume trends <p>Monthly Machine Volume Report Trended 12 Months –This report provides a rolling 12-month copy volume history for each piece of equipment. This report tracks the actual volume versus the rated volume for any given machine and pinpoints any potential user concerns and equipment issues sorted by location.</p> <p>Machine Uptime Report – This report details percentage "Uptime" for each piece of equipment.</p> <p>Quarterly Service Call Report – This report describes the average response</p> |

Canon Business Solutions, Inc.
Detailed Description of Proposed Solution(s)

| | | | |
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| | | | <p>time for all Maintenance Requests within the reporting period.</p> <p>Quarterly Usage Report – This report provides maintenance usage and toner requirement calculations sorted by location.</p> <p>Excessive Visit Report – This report provides details on machines that require additional attention and therefore specific action schedules.</p> |
|--|--|--|---|

Canon Business Solutions, Inc.
Detailed Description of Proposed Solution(s)

C. Security

| | Requirements | A | B |
|----|---|----------|---|
| 1. | <p>If a hard drive needs to be replaced, or the device has a hard drive and is being returned to the Supplier, will Supplier comply as a service provider under section "Statement of ITRM Requirements for the Removal of Commonwealth Data from Electronic Media" from VITA's Security Policy located at (http://www.vita.virginia.gov/uploadedFiles/Library/PSGs/Data_Removal_Standard_514_03%2010_07_2008_r3.pdf). If so, please describe.</p> | | <p>The customer acknowledges that the hard drive on any Equipment (as defined in separate agreements between the customer and Canon Business Solutions, Inc.) may retain images, content, or other data during normal operation of the Equipment ("Data"), and that exposure or access to the Data by Canon Business Solutions, Inc., if any, is purely incidental to the services performed by Canon Business Solutions, Inc.. Neither Canon Business Solutions, Inc. nor any of its affiliates has an obligation under any agreement with the customer to erase or overwrite Data prior to or upon the customer's return of the Equipment to Canon Business Solutions, Inc. or other disposition of the Equipment. The customer is solely responsible for determining and implementing the appropriate method for erasing or overwriting Data during the Equipment's use by or on behalf of the customer and upon return of the Equipment to Canon Business Solutions, Inc. or other disposition of the Equipment. Accordingly, the customer agrees to indemnify and hold Canon Business Solutions, Inc. and its parent company, affiliates, directors, officers, employees and agents harmless from and against any and all costs, expenses, liabilities, claims, damages, losses, judgments or fees (including reasonable attorneys' fees) arising or related to the customer's failure to erase, overwrite or destroy the Data.</p> <p>Without limiting the foregoing, the customer should, prior to return or other disposition of the Equipment, utilize the Hard Disk Drive (HDD) formatting (or comparable) function (which may be referred to as "Initialized All Data/Settings" function) found on the Equipment to perform a one pass overwrite of Data or, if the customer has higher security</p> |

Canon Business Solutions, Inc.
Detailed Description of Proposed Solution(s)

| | | |
|----|--|--|
| | | <p>requirements, the customer may purchase from Canon Business Solutions, Inc. at current rates an available option for the Equipment, which may include (a) an HDD Data Encryption Kit option which disguises information before it is written to the hard drive using encryption algorithms, (b) a HDD Data Erase Kit that can perform up to a 3-pass overwrite of Data or (c) a replacement hard drive (in which case the customer should properly destroy the replaced hard drive).</p> <p>HDD Replacement For situations requiring hard drive replacement or returning a device with a hard drive to the supplier, Canon will dispatch, at the customer's request, a technician to ensure that the hard drive is properly overwritten, degaussed, and/or physically destroyed in compliance with COV ITRM Standard SEC514-03.</p> |
| 2. | <p>If the device uses non-volatile memory to store data, will those systems automatically erase the data after each job is complete or does the user have to perform a specific task? Again, please refer to VITA's Security Policy regarding non-volatile memory.</p> | <p>Non-Volatile Memory The Canon devices included in this RFP use either a combination of Random Access Memory (RAM) and an internal Hard Disk Drive (HDD) or just Random Access Memory (RAM) for short term and long term data storage while handling system functions. The internal HDD (where applicable) is formatted with two partitions, Partition A and Partition B.</p> <p>Partition A, which is used to store spooled print jobs, is formatted with a FAT16-like file system that is not accessible from DOS/Windows. The print jobs stored on Partition A are automatically deleted at the following points:</p> <ul style="list-style-type: none"> • After they are rendered to image files in memory • When a device has not successfully received a job • When a job is cancelled by a user's operation • When the machine's power is |

Canon Business Solutions, Inc.
Detailed Description of Proposed Solution(s)

| | | | |
|--|--|--|--|
| | | | <p>turned on, if any files remain</p> <p>Partition B is formatted with a Canon proprietary file system, which is not compatible with any commonly used file system. All image data is written to Partition B in random and non-contiguous portions of the hard disk drive, making it difficult to meaningfully analyze or reassemble data.</p> <p>To recompile this randomly written data properly, it is necessary to store the location and sequence of all data written to the HDD. The product's controller accomplishes this by creating a File Allocation Table (FAT) that stores all appropriate data locations and sequence on the HDD. Upon finishing a specific job, the system automatically erases the FAT. As a result, all information required to recompile data in the image server is lost.</p> |
|--|--|--|--|

EXHIBIT D
Appendix C (Large Format (Technical and CAD Drawing))

| Segment | Evaluation Model | List | Percentage Off List | Purchase Price | One Year of Maintenance, On Site Next Business Day (Does not include ink) | | Publicly Available site showing list price |
|---------|------------------|----------|---------------------|----------------|---|----------|--|
| | | | | | True Purchase Price for 3 Years | | |
| 35 | iPF 650 | 2,495.00 | 25.65% | 1,855.03 | 0.00 | 1,855.03 | ing/State_of_Texas_DIR_DIR-SDD-509_Wet |
| 36 | iPF 810 | 5,795.00 | 28.93% | 4,118.51 | 0.00 | 4,118.51 | ing/State_of_Texas_DIR_DIR-SDD-509_Wet |

Fixed Spread Rate (in decimal format)

| Term | Rate |
|-----------|---------|
| 36 Months | 0.03400 |
| 48 Months | 0.02900 |
| 60 Months | 0.02500 |
| 72 Months | 0.02268 |
| 84 Months | 0.02074 |

| Segment | Minimum Output Width | Minimum Ink Colors | Minimum Memory | Minimum Warranty | Connectivity Type | Minimum Print Resolution | Roll Feed |
|---------|----------------------|--------------------|----------------|--------------------------------|----------------------|--------------------------|-----------|
| 35 | 24" | 4 | 128 MB | One Year On Site Next Bus. Day | Ethernet 10/100, USB | 1200 x 1200 | Y |
| 36 | 36" - 44" | 4 | 128 MB | One Year On Site Next Bus. Day | Ethernet 10/100, USB | 1200 x 1200 | Y |

Accessories for Segment 35
 Vendor is provide a percentage off list (list must be publicly available)
 Vendors proposed price must be 20% or more
 25% off List

Accessories for Segment 36
 Vendor is provide a percentage off list (list must be publicly available)
 Vendors proposed price must be 20% or more
 20% off List

*****Ink/Toner cannot be included as a standard accessory. DGS has established contracts for ink and toner.
 *****VITA will allow ink/toner to be purchased only at the time of the sale of the device.

Exhibit D (Large Format (Graphics Arts))

| Segment | Evaluation Model | List | Percentage Off List | Purchase Price | One Year of Maintenance, On Site Next Business Day (Does not include ink) | True Purchase Price for 3 Years | Publicly Available site showing list price |
|---------|------------------|-----------|---------------------|----------------|---|---------------------------------|--|
| 37 | iPF 6000s | 3,295.00 | 27.25% | 2,397.11 | 0.00 | 2,397.11 | g/State_of_Texas_DIR_DIR-SDD-509_W4 |
| 38 | iPF 8000s | 6,295.00 | 24.97% | 4,723.14 | 0.00 | 4,723.14 | g/State_of_Texas_DIR_DIR-SDD-509_W4 |
| 39 | iPF9000s | 15,995.00 | 27.95% | 11,524.40 | 0.00 | 11,524.40 | g/State_of_Texas_DIR_DIR-SDD-509_W4 |

Fixed Spread Rate (in decimal format)

| Term | Rate |
|-----------|---------|
| 36 Months | 0.03400 |
| 48 Months | 0.02900 |
| 60 Months | 0.02500 |
| 72 Months | 0.02268 |
| 84 Months | 0.02074 |

| Segment | Output Width | Minimum Ink Colors | Minimum Hard Drive Size | Minimum Memory | Minimum Warranty | Connectivity Type | Maximum Print Resolution | Roll Feed |
|---------|--------------|--------------------|-------------------------|----------------|--------------------------------|----------------------|--------------------------|-----------|
| 37 | 24" | 6 | 40 GB | 128 MB | One Year On Site Next Bus. Day | USB | 2400 x 1200 | Y |
| 38 | 36" - 44" | 8 | 40 GB | 128 MB | One Year On Site Next Bus. Day | Ethernet 10/100, USB | 2400 x 1200 | Y |
| 39 | 60" | 8 | 40 GB | 256 MB | One Year On Site Next Bus. Day | Ethernet 10/100, USB | 2400 x 1200 | Y |

Accessories for Segment 37

Vendor is provide a percentage off list (list must be publicly available)

Vendors proposed price must be 20% or more

25% off List

Accessories for Segment 38

Vendor is provide a percentage off list (list must be publicly available)

Vendors proposed price must be 20% or more

20% off List

Accessories for Segment 39

Vendor is provide a percentage off list (list must be publicly available)

Vendors proposed price must be 20% or more

25% off List

*****Ink/Toner cannot be included as a standard accessory. DGS has established contracts for ink and toner.

****VITA will allow ink/toner to be purchased only at the time of the sale of the device.

Exhibit D (Large Format (Photo Graphic Quality))

| Segment | Evaluation Model | List | Percentage Off List | Purchase Price | One Year of Maintenance, On Site Next Business Day (Does not include ink) | True Purchase Price for 3 Years | Publicly Available site showing list price |
|---------|------------------|-----------|---------------------|----------------|---|---------------------------------|--|
| 40 | IPF 6350 | 3,995.00 | 26.30% | 2,944.32 | 650.00 | 4,894.32 | State_of_Texas_DIR_DIR-SDD-509_W |
| 41 | IPF8300 | 5,995.00 | 29.83% | 4,206.69 | 900.00 | 6,906.69 | State_of_Texas_DIR_DIR-SDD-509_W |
| 42 | IPF9000s | 15,995.00 | 27.95% | 11,524.40 | 900.00 | 14,224.40 | State_of_Texas_DIR_DIR-SDD-509_W |

Fixed Spread Rate (in decimal format) Term

| | |
|---------|-----------|
| 0.03400 | 36 Months |
| 0.02900 | 48 Months |
| 0.02500 | 60 Months |
| 0.02268 | 72 Months |
| 0.02074 | 84 Months |

| Segment | Output Width | Minimum Ink Tanks | Minimum Ink Hard Drive Size | Minimum Memory | Minimum Warranty | Connectivity Type | Maximum Print Resolution |
|---------|--------------|-------------------|-----------------------------|----------------|--------------------------------|----------------------|--------------------------|
| 40 | 24" | 12 | 40 GB | 256 MB | One Year On Site Next Bus. Day | Ethernet 10/100, USB | 2400 x 1200 |
| 41 | 36" - 44" | 12 | 80 GB | 256 MB | One Year On Site Next Bus. Day | Ethernet 10/100, USB | 2400 x 1200 |
| 42 | 60" | 8 | 40 GB | 256 MB | One Year On Site Next Bus. Day | Ethernet 10/100, USB | 2400 x 1200 |

Accessories for Segment 40
 Vendor is provide a percentage off list (list must be publicly available)
 Vendors proposed price must be 20% or more
25 % off List

Accessories for Segment 41
 Vendor is provide a percentage off list (list must be publicly available)
 Vendors proposed price must be 20% or more
20 % off List

Accessories for Segment 42
 Vendor is provide a percentage off list (list must be publicly available)
 Vendors proposed price must be 20% or more
25 % off List

*****Ink/Toner cannot be included as a standard accessory. DGS has established contracts for ink and toner.
 ****VITA will allow ink/toner to be purchased only at the time of the sale of the device.



Exhibit D Color Wide Format MFP Low-End Ink

| Segment | Evaluation Model | List | Percentage Off List | Purchase Price | One Year of Maintenance, On Site Next Business Day (Does not include ink) | True Purchase Price for 3 Years | Publicly Available site showing list price |
|---------|-------------------------|-----------|---------------------|----------------|---|---------------------------------|--|
| 47 | iPF 810 w/ Vidar SD4450 | 28,785.00 | 37.29% | 18,051.07 | 0.00 | 18,051.07 | g/State_of_Texas_DIR_DIR-SDD-509_We |

Fixed Spread Rate (in decimal format) Term

| | |
|---------|-----------|
| 0.03400 | 36 Months |
| 0.02900 | 48 Months |
| 0.02500 | 60 Months |
| 0.02268 | 72 Months |
| 0.02074 | 84 Months |

| Segment | Minimum Scanning Width | Minimum Printing Width | Minimum Print Speed D Size | Optical Resolution | Scan Formats | Minimum Warranty | Connectivity Type | Integrated Touch Screen | Energy Star Compliant | Minimum Hard Drive | Minimum Memory | Contact Image Sensor Scanner Technology |
|---------|------------------------|------------------------|----------------------------|--------------------|----------------|--------------------------------|-------------------|-------------------------|-----------------------|--------------------|----------------|---|
| 47 | 42" | 42" | Under 40 seconds | 600 x 600 DPI | TIFF, PDF, JPG | One Year On Site Next Bus. Day | Ethernet 10/100 | Y | Y | 60 GB | 320 MB | Y |

Accessories for Segment 47
 Vendor is provide a percentage off list (list must be publicly available)
 Vendors proposed price must be 20% or more
20% off List

*****Ink/Toner cannot be included as a standard accessory. DGS has established contracts for ink and toner.
 ****VITA will allow ink/toner to be purchased only at the time of the sale of the device.

Exhibit D Color Wide Format MFP Mid Ink

| Segment | Evaluation Model | List | Percentage Off List | Purchase Price | One Year of Maintenance, On Site Next Business Day (Does not include ink) | True Purchase Price for 3 Years | Publicly Available site showing list price |
|---------|-------------------------|-----------|---------------------|----------------|---|---------------------------------|--|
| 48 | iPF 810 w/ Vidar HD4230 | 21,965.00 | 20.06% | 17,558.82 | 0.00 | 17,558.82 | g/State_of_Texas_DIR_DIR-SDD-509_We |

Fixed Spread Rate (in decimal format) Term
 0.03400 36 Months
 0.02900 48 Months
 0.02500 60 Months
 0.02268 72 Months
 0.02074 84 Months

| Segment | Minimum Scanning Width | Minimum Printing Width | Minimum Print Speed D Size | Optical Resolution | Scan Formats | Minimum Warranty | Connectivity Type | Integrated Touch Screen | Energy Star Compliant | Minimum Hard Drive | Minimum Memory | Charge Coupled Device Scanner Technology |
|---------|------------------------|------------------------|----------------------------|--------------------|----------------|--------------------------------|-------------------|-------------------------|-----------------------|--------------------|----------------|--|
| 48 | 42" | 44" | Under 40 seconds | 600 x 600 DPI | TIFF, PDF, JPG | One Year On Site Next Bus. Day | Ethernet 10/100 | Y | N | 80 GB | 320 MB | Y |

Accessories for Segment 48
 Vendor is provide a percentage off list (list must be publicly available)
 Vendors proposed price must be 20% or more
20% off List

*****Ink/Toner cannot be included as a standard accessory. DGS has established contracts for ink and toner.
 *****VITA will allow ink/toner to be purchased only at the time of the sale of the device.

Exhibit D Color Wide Format MFP High End Ink

| Segment | Evaluation Model | List | Percentage Off List | Purchase Price | True Purchase Price for 3 Years | Publicly Available site showing list price |
|---------|-------------------------|-----------|---------------------|----------------|---------------------------------|---|
| 49 | iPF 820 w/ Vidar HD4230 | 23,665.00 | 19.92% | 18,950.93 | 0.00 | 18,950.93 g/State_of_Texas_DIR_DIR-SDD-509_We |

Fixed Spread Rate (in decimal format) Term
 0.03400 36 Months
 0.02900 48 Months
 0.02500 60 Months
 0.02268 72 Months
 0.02074 84 Months

| Segment | Minimum Scanning Width | Minimum Printing Width | Print Speed 2 D size prints per minute | Optical Resolution | Scan Formats | Minimum Warranty One Year On Site Next Bus. Day | Connectivity Type | Integrated Touch Screen | Energy Star Compliant | Minimum Hard Drive | Minimum Memory | Charge Coupled Device Scanner Technology | Ability to Handle Two Media Rolls |
|---------|------------------------|------------------------|--|--------------------|----------------|---|-------------------|-------------------------|-----------------------|--------------------|----------------|--|-----------------------------------|
| 49 | 42" | 42" | | 600 x 600 DPI | TIFF, PDF, JPG | | Ethernet 10/100 | Y | N | 80 GB | 320 MB | Y | Y |

Accessories for Segment 49
 Vendor is provide a percentage off list (list must be publicly available)
 Vendors proposed price must be 20% or more
20% off List

*****Ink/Toner cannot be included as a standard accessory. DGS has established contracts for ink and toner.
 *****VITA will allow ink/toner to be purchased only at the time of the sale of the device.

****Suppliers are encouraged to add additional service options such as yearly maintenance options, install the right to eliminate any additional service options that don't fit the purpose**

| Item Description | Rate | Add additional "Surrender Hard Drive Cost" as |
|--|-----------------------|---|
| Surrender Hard Drive Cost (Cost includes labor and hard drive costs) | \$ 550.00 | needed |
| Additional iPF Installation & Training | \$ 363.00 | |
| Additional Software Training | \$ 120.00 | |
| Web Based Training for Poster Artist Software | \$ 75.00 | |
| Additional 2 Years Care Pak Service | \$ 2,200.00 | |
| CASSETTE FEEDING MODULE N2 (IR 1023/1025) | Available Accessories | |
| PCL PRINTER KIT-AB1 | Available Accessories | |
| BARCODE PRINTING KIT-B1 | Available Accessories | |
| DIGITAL QC 120/15 NETWORK POWER FILTER | Available Accessories | |
| CASSETTE FEEDING UNIT-AB1 | Available Accessories | |
| CABINET TYPE-A | Available Accessories | |
| COLOR SEND KIT-W1 | Available Accessories | |
| SUPER G3 FAX BOARD-AB1 | Available Accessories | |
| PCL PRINTER KIT-Y1 | Available Accessories | |
| SYSTEM UPGRADE RAM-A1 | Available Accessories | |
| BARCODE PRINTING KIT-C1 | Available Accessories | |
| PAPER FEEDER PF-723 | Available Accessories | |
| BARCODE ROM A-723A | Available Accessories | |
| HARD DISK HD-723 | Available Accessories | |
| WIRELESS NETWORK INTERFACE BOARD NB-W2 | Available Accessories | |
| EXPANSION RAM ER-128A | Available Accessories | |
| EXPANSION RAM ER-256A | Available Accessories | |
| EXPANSION RAM ER-512A | Available Accessories | |
| ROLL HOLDER SET RH2-26 (2" OR 3" CORE WITH SUPPLIED ADAPTER) | Available Accessories | |
| MAINTENANCE CARTRIDGE MC-10 | Available Accessories | |
| POSTERARTIST 2009 | Available Accessories | |
| DIGITAL QC 120/15 NETWORK POWER FILTER | Available Accessories | |
| IPF650 1 YEAR CAREPAK | Available Accessories | |
| IPF650 2 YEAR CAREPAK | Available Accessories | |
| ROLL HOLDER SET RH2-33 (2" CORE W/3" ADAPTERS) | Available Accessories | |
| MAINTENANCE CARTRIDGE MC-10 | Available Accessories | |
| 36" PLAIN PAPER STACKER | Available Accessories | |
| IPF755 1 YEAR CAREPAK | Available Accessories | |
| IPF755 2 YEAR CAREPAK | Available Accessories | |
| PRINT HEAD PF-04 | Available Accessories | |
| ROLL HOLDER SET RH2-44 (2" CORE W/3" ADAPTERS) | Available Accessories | |
| MAINTENANCE CARTRIDGE MC-09 | Available Accessories | |
| IEEE 1394 EXPANSION BOARD EB-05 | Available Accessories | |
| 44" PLAIN PAPER STACKER | Available Accessories | |
| IPF810/810 PRO 1 YEAR CAREPAK | Available Accessories | |
| IPF810/IPF810 PRO 2 YEAR CAREPAK | Available Accessories | |
| 42"X150' ECONOMY BOND PAPER | Available Accessories | |

| | |
|---|-----------------------|
| IPF PRINTHEAD PF-03 | Available Accessories |
| ROLL HOLDER SET RH2-25 (2" OR 3" CORE WITH SUPPLIED ADAPTER) | Available Accessories |
| MAINTENANCE CARTRIDGE MC-16 | Available Accessories |
| IPF6000S 1 YEAR CAREPAK | Available Accessories |
| IPF6000S 2 YEAR CAREPAK | Available Accessories |
| IPF PRINTHEAD PF-03 | Available Accessories |
| ROLL HOLDER SET RH2-42 | Available Accessories |
| ROLL HOLDER SET RH3-42 | Available Accessories |
| CUTTER BLADE CT-06 | Available Accessories |
| MAINTENANCE CARTRIDGE MC-08 | Available Accessories |
| MEDIA TAKE-UP UNIT TU-06 | Available Accessories |
| IEEE 1394 EXPANSION BOARD EB-05 | Available Accessories |
| IPF8000S 1 YEAR CAREPAK | Available Accessories |
| IPF8000S 2 YEAR CAREPAK | Available Accessories |
| ROLL HOLDER SET RH2-63 (2" CORE) | Available Accessories |
| ROLL HOLDER SET RH3-63 (3" CORE) | Available Accessories |
| BASKET BU-01 | Available Accessories |
| CUTTER BLADE CT-06 | Available Accessories |
| MAINTENANCE CARTRIDGE MC-08 | Available Accessories |
| IEEE 1394 EXPANSION BOARD EB-05 | Available Accessories |
| IPF9000S 1 YEAR CAREPAK | Available Accessories |
| IPF9000S 2 YEAR CAREPAK | Available Accessories |
| ROLL HOLDER SET RH2-25 (2" OR 3" CORE WITH SUPPLIED ADAPTER) | Available Accessories |
| MAINTENANCE CARTRIDGE MC-16 | Available Accessories |
| IPF6350 1 YEAR CAREPAK | Available Accessories |
| IPF6350 2 YEAR CAREPAK | Available Accessories |
| PRINT HEAD PF-05 | Available Accessories |
| ROLL HOLDER SET RH2-44 (2" CORE W/3" ADAPTERS) | Available Accessories |
| CUTTER BLADE CT-06 | Available Accessories |
| MAINTENANCE CARTRIDGE MC-08 | Available Accessories |
| MEDIA TAKE-UP UNIT TU-06 | Available Accessories |
| POSTERARTIST 2009 | Available Accessories |
| IPF8300 1 YEAR CAREPAK | Available Accessories |
| IPF8300 2 YEAR CAREPAK | Available Accessories |
| PRINT HEAD PF-05 | Available Accessories |
| ROLL HOLDER SET RH2-44 (2" CORE W/3" ADAPTERS) | Available Accessories |
| MAINTENANCE CARTRIDGE MC-09 | Available Accessories |
| IEEE 1394 EXPANSION BOARD EB-05 | Available Accessories |
| 44" PLAIN PAPER STACKER | Available Accessories |
| IPF820/IPF820 PRO 1 YEAR CAREPAK | Available Accessories |
| IPF820/IPF820 PRO 2 YEAR CAREPAK | Available Accessories |
| ROLL HOLDER SET RH2-44 (2" CORE W/3" ADAPTERS) | Available Accessories |
| MAINTENANCE CARTRIDGE MC-09 | Available Accessories |
| IEEE 1394 EXPANSION BOARD EB-05 | Available Accessories |
| 44" PLAIN PAPER STACKER | Available Accessories |
| IPF810/810 PRO 1 YEAR CAREPAK | Available Accessories |
| IPF810/IPF810 PRO 2 YEAR CAREPAK | Available Accessories |
| IPF PRINTHEAD PF-03 | Available Accessories |
| VIDAR ON-SITE INSTALLATION AND TRAINING 900001 | Available Accessories |
| EXTENDED ANNUAL WARRANTY FOR VIDAR SD 4450 COPY BUNDLE (3 YR) | Available Accessories |
| ANNUAL SUPPORT & MAINTENANCE FOR VIDAR HD4230 HD4230-MAINT | Available Accessories |

tion, training, etc. VITA however reserves
of this RFP

EXHIBIT E

Appendix A – Service Level Agreements (SLAs)

(To be effective 60 days following commencement of the Solution.)

**** Items listed below are examples, please insert your own set of SLA's that you can measure and agree to.

| Performance Standard | Measurement | Measurement period | % Level | Service Price | Remedy |
|--|--|--|-----------------|---------------|---------------------------------------|
| Response Time (Please see below for details.) | Response Time shall be calculated from the time the customer call is placed with our Dispatch Department, until the time the Technician arrives at the individual location. | 4 fixed quarterly intervals per year | Average 4 hours | N/A | 5% (Please see below for details.) |
| Uptime (Please see below for details.) | Downtime is calculated from the time a service call is placed with our Dispatch department until the time the Technician completes the repair. Uptime is calculated between 8:30am and 5:00pm, Monday through Friday, excluding Canon Business Solutions, Inc. holidays, and exceptions outlined below. | 4 fixed quarterly intervals per year | Average 95% | N/A | 5% (Please see below for details.) |
| Replacement Guarantee | In the event that we do not meet our contractual obligations, the Commonwealth of Virginia shall notify us in writing and permit us 30 days to remedy the default. For all devices covered under an active Canon Business Solutions, Inc. maintenance agreement, within 36, 48, 60, 72, or 84 months of original installation of any newly installed Canon brand equipment specified above, Canon Business Solutions, Inc. will, at the customer's request, replace such equipment with a like unit if the customer meets the following three conditions: (1) The equipment is | within 36, 48, 60, 72, or 84 months of original installation | N/A | N/A | N/A |

Canon Business Solutions, Inc.
Appendix A – Service Level Agreements (SLAs)

| | | | | | |
|--------|--|-----|-----|-----|-----|
| | continuously under the Canon Business Solutions, Inc. maintenance agreement from date of installation, (2) The customer fulfills all of the terms of the maintenance agreement applicable to customer, and (3) Before requesting a replacement unit, the customer gives Canon Business Solutions, Inc. the opportunity to cure any service problems which the customer may have with the equipment. | | | | |
| Loaner | Canon Business Solutions, Inc.'s experience has shown that the benchmark for a loaner to be issued has been 16 consecutive business hours. The reason for this time frame is that in the majority of cases we have been able to remedy the problem with the inoperable machine. In the event that an item of equipment is inoperable for a period in excess of sixteen (16) consecutive business hours, Canon Business Solutions, Inc. will offer a loaner unit until the item is restored to good working order. The above loaner remedy excludes imageRUNNER machines with rated speeds of 110 pages per minute or greater, imagePRESS and CLC color machines. | N/A | N/A | N/A | N/A |

Response Time

For all of customer's US locations, Canon Business Solutions, Inc. will commit to a fleet average response of 4 hours, over 4 fixed quarterly intervals per year. Response time, as noted above, shall be calculated from the time the customer call is placed with our Dispatch Department, until the time the Technician arrives at the individual location. Response times are calculated between 8:30am and 5:00pm, Monday through

Canon Business Solutions, Inc.
Appendix A – Service Level Agreements (SLAs)

Friday, excluding Canon Business Solutions, Inc. holidays. For the individual location which has multiple machines and active service calls, the Technician's arrival shall stop the response time calculation for all open service calls at that location.

Uptime Fleet

Canon Business Solutions, Inc. will commit to a fleet average uptime of 95% over the 4 fixed quarterly intervals per year. Downtime is calculated from the time a service call is placed with our Dispatch department until the time the Technician completes the repair. Uptime is calculated between 8:30am and 5:00pm, Monday through Friday, excluding Canon Business Solutions, Inc. holidays, and exceptions outlined below. Uptime requirements will not include preventative maintenance service calls, calls which could have been prevented by key operator functions outlined in unit's operation manual, calls created by user mishandling, units which are running outside the manufacturer's optimum performance volume, or units which need to be over-hauled as a result of reaching useful life, in the opinion of our Service department.

Response Time and Uptime Penalty

Failure to meet the above U.S. fleet-wide response and/or uptime commitments will result in a credit on the fixed maintenance and click charges for each machine which exceeded the maximum during the relevant quarter. The credit, which shall be applied against future service billings, shall be equal to 5% of the fixed maintenance and click charges for each month in which the machine exceeded the maximum. Such credits, which shall be applied by Canon Business Solutions, Inc. upon your written request, shall be your sole and exclusive remedy for any failure by Canon Business Solutions, Inc. to obtain the above response or uptime commitments. The maximum credit with respect to any particular machine's fixed maintenance and click charges in any particular month shall be 5%, even if both uptime and response time maximums were exceeded for such machine in such month.

Please see the On Demand Service Rates located in the Pricing Proposal.

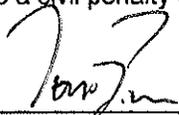
ATTACHMENT F: CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of his or her knowledge and belief, that:

- i). No Federal appropriated funds have been paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal Contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal Contract, grant, loan, or cooperative agreement.
- ii). If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal Contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- iii). The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and Contracts under grants, loans and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Signature: _____



Printed Name: _____

TOD D. PIKE

Organization: _____

CANON BUSINESS SOLUTIONS, INC.,

Date: _____

June 23, 2010



EXHIBIT G
AWARDED BRANDS/CATEGORIES

| <u>Category</u> | <u>Manufacturer Represented</u> |
|---------------------------------|--|
| Large Format Technical | Canon |
| Large Format Graphics Arts | Canon |
| Large Format Photo Quality | Canon |
| Color Wide Format Low-End MFP | Canon |
| Color Wide Format Mid MFP Toner | Canon |
| Color Wide Format High Toner | Canon |