NORTH MIAMI
FLORIDA
776 N.E. 125 Street, North Miami, Florida 33161

Council Report

To: The Honorable Mayor and City Council

From: Ricardo Castillo, I.T. Manager

Date: 01/13/15

RE: Panasonic Laptops Purchase using WSCA Agreement

RECOMMENDATION

It is recommended that the City Council authorizes the City Manager to execute a lease to own to purchase replacement laptops for the North Miami Police department using pricing as per the Western States Contracting Alliance (WSCA) Florida Contract 250-WSCA-10-ACS in an amount not to exceed $150,000.00 to be paid out over 36 month payments with a $1 buyout from IT Department and Police Department General Funds.

BACKGROUND

Police department laptops are over 4 years old, in poor condition and using unsupported software. The 105 laptops are using Windows XP which Microsoft stopped supporting and updating on April 8th, 2014. While it's true that we can keep using PCs with Windows XP after support ends, it is not recommend especially for equipment used for law enforcement. PCs with Windows XP become five times more vulnerable to security risks and viruses, which means PCs could get hacked and have sensitive information stolen.

Part of compliance with FBI's National Crime Information Center (NCIC) and Florida Crime Information Center (FCIC) Audits require law enforcement agencies to comply with sections CSP 5.10 System and Communication Protection and Information Integrity. CSP 5.10.4 specifically requires the agency to implement safeguards to ensure the integrity and protection of systems that access Criminal Justice Information (CJI).

In addition to the unsupported software, because of the poor conditions the laptops require constant maintenance and repairs and do not meet the minimum requirements necessary to run current operating systems and software systems. The Police

department recently upgrades its Computer Aid Dispatch (CAD) systems and Mobile Records Management System (RMS) to its newest version MSP 10.1. The replacement laptops have updated operating system and hardware to allow the Police department to fully and optimally take advantage of all the new upgraded modules, functionalities, etc. of their recent Enterprise Systems upgrade.

Attachments

Resolution
Quote
VAR Lease Agreement Documents
WSCA Master Agreement
CJIS Security Policy Section 5.10

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA, AUTHORIZING THE CITY MANAGER TO DO ALL THINGS NECESSARY TO EXECUTE THE PURCHASE OF ONE HUNDRED FIVE (105) PANASONIC LAPTOPS FOR THE NORTH MIAMI POLICE DEPARTMENT, PIGGYBACKING ON THE WESTERN STATES CONTRACTING ALLIANCE MASTER PRICE AGREEMENT FOR COMPUTER EQUIPMENT, PERIPHERALS AND RELATED SERVICES NUMBER B27172, THROUGH THE STATE OF FLORIDA DEPARTMENT OF MANAGEMENT SERVICES ALTERNATE SOURCE CONTRACT #250-WSCA-10-ACS, IN THE AMOUNT NOT TO EXCEED ONE HUNDRED FIFTY THOUSAND DOLLARS ($150,000.00), IN COMPLIANCE WITH THE FBI'S NATIONAL CRIME INFORMATION CENTER AND FLORIDA CRIME INFORMATION CENTER; PROVIDING FOR AN EFFECTIVE DATE AND FOR ALL OTHER PURPOSES.

WHEREAS, the City of North Miami ("City") requires Information Technology ("IT") hardware, software, accessories and related services to maintain and update the City's IT infrastructure which is crucial for City administration and for day-to-day operations ("IT Equipment"); and

WHEREAS, the State of Minnesota Department of Administration, requests from time to time, proposals and bids on behalf of the State of Minnesota, participating members of the National Association of State Procurement Officials, members of the Western States Contracting Alliance and other authorized purchasing entities ("WSCA-NASPO"), to obtain master agreements from qualified manufacturers and providers of computer hardware and software, with the directive and commitment to offer cooperative procurement services to cities, counties, governmental agencies, public and private educational agencies and non-profit organizations in all fifty (50) states; and

WHEREAS, on July 29, 2009, WSCA-NASPO executed a master agreement with Panasonic Computer Solutions Company for the provision of IT Equipment, in accordance with the terms, conditions and specifications contained in the WSCA-NASPO Request for Proposals; and

WHEREAS, on December 1, 2014, the State of Florida Department of Management Services issued Memorandum 9, extending the WSCA-NASPO master agreement for IT Equipment through March 31, 2015 ("Agreement"); and

WHEREAS, the North Miami Police Department needs to replace one hundred five (105) laptops with outdated technology and operating systems, and with the imminent requirement of costly repairs and maintenance; and

WHEREAS, the laptops to be replaced are in poor condition and with unsupported software that Microsoft stopped updating since April 8, 2014, leaving the equipment vulnerable to unauthorized use or hacking; and

WHEREAS, to comply with the FBI's National Crime Information Center ("NCIC") and the Florida Crime Information Center ("FCIC"), law enforcement agencies must implement safeguards to ensure the integrity and protection of IT systems with access to criminal justice information; and

WHEREAS, City administration requires the replacement of laptops with updated operating systems and hardware to allow the City Police Department to completely take advantage of all the new upgraded modules and functionalities, in compliance with the NCIC and the FCIC; and

WHEREAS, on October 23, 2007, the Mayor and City Council of the City of North Miami adopted Ordinance No. 1244, authorizing the City Manager to approve the purchase of supplies, goods and or services from current contracts of other governmental entities and cooperatives ("Piggyback"), such as the WSCA-NASPO; and

WHEREAS, in accordance with Ordinance No. 1244, the City administration respectfully requests that the Mayor and City Council authorize the City Manager to execute the purchase of much needed IT Equipment at a competitive price available under this Piggyback procurement.

NOW THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA:

Section 1. Authority of City Manager. The Mayor and City Council of the City of North Miami, Florida, hereby authorize the City Manager to do all things necessary to execute

the purchase of one hundred five (105) Panasonic Laptops for the North Miami Police Department, piggybacking the *Western States Contracting Alliance Master Price Agreement for Computer Equipment, Peripherals, and Related Services Number B27172*, through the State of Florida Department of Management Services Alternate Source Contract #250-WSCA-10-ACS, in the amount not to exceed One Hundred Fifty Thousand Dollars ($150,000.00), in compliance with the FBI's National Crime Information Center and Florida Crime Information Center.

Section 2. **Effective Date.** This Resolution shall become effective immediately upon adoption.

PASSED AND ADOPTED by a _____ vote of the Mayor and City Council of the City of North Miami, Florida, this ___ day of January, 2015.

_____
DR. SMITH JOSEPH
MAYOR

ATTEST:

_____
MICHAEL A. ETIENNE, ESQ.
CITY CLERK

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:

_____
REGINE M. MONESTIME
CITY ATTORNEY

SPONSORED BY: CITY ADMINISTRATION

Moved by: _____

Seconded by: _____

Vote:

Mayor Dr. Smith Joseph	_____ (Yes) _____ (No)
Vice Mayor Carol Keys, Esq.	_____ (Yes) _____ (No)
Councilperson Scott Galvin	_____ (Yes) _____ (No)
Councilperson Philippe Bien-Aime	_____ (Yes) _____ (No)
Councilperson Marie Erlande Steril	_____ (Yes) _____ (No)

5.10 Policy Area 10: System and Communications Protection and Information Integrity

Examples of systems and communications safeguards range from boundary and transmission protection to securing an agency's virtualized environment. In addition, applications, services, or information systems must have the capability to ensure system integrity through the detection and protection against unauthorized changes to software and information. This section details the policy for protecting systems and communications infrastructures.

Refer to Section 5.13.4 for additional system integrity requirements related to mobile devices used to access CJI.

5.10.1 Information Flow Enforcement

The network infrastructure shall control the flow of information between interconnected systems. Information flow control regulates where information is allowed to travel within an information system and between information systems (as opposed to who is allowed to access the information) and without explicit regard to subsequent accesses to that information. In other words, controlling how data moves from one place to the next in a secure manner. Examples of controls that are better expressed as flow control than access control (see Section 5.5) are:

1. Prevent CJI from being transmitted unencrypted across the public network.
2. Block outside traffic that claims to be from within the agency.
3. Do not pass any web requests to the public network that are not from the internal web proxy.

Specific examples of flow control enforcement can be found in boundary protection devices (e.g. proxies, gateways, guards, encrypted tunnels, firewalls, and routers) that employ rule sets or establish configuration settings that restrict information system services or provide a packet filtering capability.

5.10.1.1 Boundary Protection

The agency shall:

1. Control access to networks processing CJI.
2. Monitor and control communications at the external boundary of the information system and at key internal boundaries within the system.
3. Ensure any connections to the Internet, other external networks, or information systems occur through controlled interfaces (e.g. proxies, gateways, routers, firewalls, encrypted tunnels). See Section 5.13.4.4 for guidance on personal firewalls.
4. Employ tools and techniques to monitor network events, detect attacks, and provide identification of unauthorized use.
5. Ensure the operational failure of the boundary protection mechanisms do not result in any unauthorized release of information outside of the information system boundary (i.e. the device shall "fail closed" vs. "fail open").

6. Allocate publicly accessible information system components (e.g. public Web servers) to separate sub networks with separate, network interfaces. Publicly accessible information systems residing on a virtual host shall follow the guidance in Section 5.10.3.2 to achieve separation.

5.10.1.2 Encryption

Commonly available encryption tools often use a key to unlock the cipher to allow data access; this key is called a passphrase. While similar to a password, a passphrase is not used for user authentication. Additionally, the passphrase contains stringent character requirements making it more secure and thus providing a higher level of confidence that the passphrase will not be compromised.

1. Encryption shall be a minimum of 128 bit.
2. When CJI is transmitted outside the boundary of the physically secure location, the data shall be immediately protected via cryptographic mechanisms (encryption).

   EXCEPTIONS: See Sections 5.5.7.3.2 and 5.10.2.
3. When CJI is at rest (i.e. stored electronically) outside the boundary of the physically secure location, the data shall be protected via cryptographic mechanisms (encryption).
   a) When agencies implement encryption on CJI at rest, the passphrase used to unlock the cipher shall meet the following requirements:
      i. Be at least 10 characters
      ii. Not be a dictionary word.
      iii. Include at least one (1) upper case letter, one (1) lower case letter, one (1) number, and one (1) special character.
      iv. Be changed when previously authorized personnel no longer require access.
   b) Multiple files maintained in the same unencrypted folder shall have separate and distinct passphrases. A single passphrase may be used to encrypt an entire folder or disk containing multiple files. All audit requirements found in Section 5.4.1 Auditable Events and Content (Information Systems) shall be applied.
4. When encryption is employed, the cryptographic module used shall be certified to meet FIPS 140-2 standards.

   Note 1: Subsequent versions of approved cryptographic modules that are under current review for FIPS 140-2 compliancy can be used in the interim until certification is complete.

   Note 2: While FIPS 197 (Advanced Encryption Standard) certification is desirable, a FIPS 197 certification alone is insufficient as the certification is for the algorithm only vs. the FIPS 140-2 standard which certifies the packaging of an implementation.

EXCEPTION: When encryption is used for CJI at rest, agencies may use encryption methods that are FIPS 197 certified, 256 bit as described on the National Security Agency (NSA) Suite B Cryptography list of approved algorithms.

5. For agencies using public key infrastructure technology, the agency shall develop and implement a certificate policy and certification practice statement for the issuance of public key certificates used in the information system. Registration to receive a public key certificate shall:
    a) Include authorization by a supervisor or a responsible official.
    b) Be accomplished by a secure process that verifies the identity of the certificate holder.
    c) Ensure the certificate is issued to the intended party.

5.10.1.3 Intrusion Detection Tools and Techniques

The agency shall implement network-based and/or host-based intrusion detection tools.

The CSA/SIB shall, in addition:

1. Monitor inbound and outbound communications for unusual or unauthorized activities.
2. Send individual intrusion detection logs to a central logging facility where correlation and analysis will be accomplished as a system wide intrusion detection effort.
3. Employ automated tools to support near-real-time analysis of events in support of detecting system-level attacks.

5.10.1.4 Voice over Internet Protocol

Voice over Internet Protocol (VoIP) has been embraced by organizations globally as an addition to, or replacement for, public switched telephone network (PSTN) and private branch exchange (PBX) telephone systems. The immediate benefits are lower costs than traditional telephone services and VoIP can be installed in-line with an organization's existing Internet Protocol (IP) services. Among VoIP's risks that have to be considered carefully are: myriad security concerns, cost issues associated with new networking hardware requirements, and overarching quality of service (QoS) factors.

In addition to the security controls described in this document, the following additional controls shall be implemented when an agency deploys VoIP within a network that contains unencrypted CJI:

1. Establish usage restrictions and implementation guidance for VoIP technologies.
2. Change the default administrative password on the IP phones and VoIP switches.
3. Utilize Virtual Local Area Network (VLAN) technology to segment VoIP traffic from data traffic.

Appendix G.2 outlines threats, vulnerabilities, mitigations, and NIST best practices for VoIP.

5.10.1.5 Cloud Computing

Organizations transitioning to a cloud environment are presented unique opportunities and challenges (e.g., purported cost savings and increased efficiencies versus a loss of control over the data). Reviewing the cloud computing white paper (Appendix G.3), the cloud assessment located within the security policy resource center on FBI.gov, NIST Special Publications (800-144, 800-145, and 800-146),as well as the cloud provider's policies and capabilities will enable organizations to make informed decisions on whether or not the cloud provider can offer service that maintains compliance with the requirements of the CJIS Security Policy.

The metadata derived from CJI shall not be used by any cloud service provider for any purposes. The cloud service provider shall be prohibited from scanning any email or data files for the purpose of building analytics, data mining, advertising, or improving the services provided.

5.10.2 Facsimile Transmission of CJI

CJI transmitted via facsimile is exempt from encryption requirements.

5.10.3 Partitioning and Virtualization

As resources grow scarce, agencies are increasing the centralization of applications, services, and system administration. Advanced software now provides the ability to create virtual machines that allows agencies to reduce the amount of hardware needed. Although the concepts of partitioning and virtualization have existed for a while, the need for securing the partitions and virtualized machines has evolved due to the increasing amount of distributed processing and federated information sources now available across the Internet.

5.10.3.1 Partitioning

The application, service, or information system shall separate user functionality (including user interface services) from information system management functionality.

The application, service, or information system shall physically or logically separate user interface services (e.g. public web pages) from information storage and management services (e.g. database management). Separation may be accomplished through the use of one or more of the following:

1. Different computers.
2. Different central processing units.
3. Different instances of the operating system.
4. Different network addresses.
5. Other methods approved by the FBI CJIS ISO.

5.10.3.2 Virtualization

Virtualization refers to a methodology of dividing the resources of a computer (hardware and software) into multiple execution environments. Virtualized environments are authorized for criminal justice and noncriminal justice activities. In addition to the security controls described in this Policy, the following additional controls shall be implemented in a virtual environment:

1. Isolate the host from the virtual machine. In other words, virtual machine users cannot access host files, firmware, etc.
2. Maintain audit logs for all virtual machines and hosts and store the logs outside the hosts' virtual environment.
3. Virtual Machines that are Internet facing (web servers, portal servers, etc.) shall be physically separate from Virtual Machines that process CJI internally.
4. Device drivers that are "critical" shall be contained within a separate guest.

The following are additional technical security control best practices and should be implemented wherever feasible:

1. Encrypt network traffic between the virtual machine and host.
2. Implement IDS and IPS monitoring within the virtual machine environment.
3. Virtually firewall each virtual machine from each other (or physically firewall each virtual machine from each other with an application layer firewall) and ensure that only allowed protocols will transact.
4. Segregate the administrative duties for the host.

Appendix G-1 provides some reference and additional background information on virtualization.

5.10.4 System and Information Integrity Policy and Procedures

5.10.4.1 Patch Management

The agency shall identify applications, services, and information systems containing software or components affected by recently announced software flaws and potential vulnerabilities resulting from those flaws.

The agency (or the software developer/vendor in the case of software developed and maintained by a vendor/contractor) shall develop and implement a local policy that ensures prompt installation of newly released security relevant patches, service packs and hot fixes. Local policies should include such items as:

1. Testing of appropriate patches before installation.
2. Rollback capabilities when installing patches, updates, etc.
3. Automatic updates without individual user intervention.
4. Centralized patch management.

Patch requirements discovered during security assessments, continuous monitoring or incident response activities shall also be addressed expeditiously.

5.10.4.2 Malicious Code Protection

The agency shall implement malicious code protection that includes automatic updates for all systems with Internet access. Agencies with systems not connected to the Internet shall implement local procedures to ensure malicious code protection is kept current (i.e. most recent update available).

The agency shall employ virus protection mechanisms to detect and eradicate malicious code (e.g., viruses, worms, Trojan horses) at critical points throughout the network and on all workstations, servers and mobile computing devices on the network. The agency shall ensure malicious code protection is enabled on all of the aforementioned critical points and information systems and resident scanning is employed.

5.10.4.3 Spam and Spyware Protection

The agency shall implement spam and spyware protection.

The agency shall:

1. Employ spam protection mechanisms at critical information system entry points (e.g. firewalls, electronic mail servers, remote-access servers).
2. Employ spyware protection at workstations, servers and mobile computing devices on the network.
3. Use the spam and spyware protection mechanisms to detect and take appropriate action on unsolicited messages and spyware/adware, respectively, transported by electronic mail, electronic mail attachments, Internet accesses, removable media (e.g. diskettes or compact disks) or other removable media as defined in this Policy.

5.10.4.4 Security Alerts and Advisories

The agency shall:

1. Receive information system security alerts/advisories on a regular basis.
2. Issue alerts/advisories to appropriate personnel.
3. Document the types of actions to be taken in response to security alerts/advisories.
4. Take appropriate actions in response.
5. Employ automated mechanisms to make security alert and advisory information available throughout the agency as appropriate.

5.10.4.5 Information Input Restrictions

The agency shall restrict the information input to any connection to FBI CJIS services to authorized personnel only.

Restrictions on personnel authorized to input information to the information system may extend beyond the typical access controls employed by the system and include limitations based on specific operational/project responsibilities.

5.10.5 References/Citations/Directives

Appendix I contains all of the references used in this Policy and may contain additional sources that apply to this section.

Figure 14 – A Local Police Department's Information Systems & Communications Protections

A local police department implemented a replacement CAD system within a physically secure location that was authorized to process CJI using a FIPS 140-2 encrypted VPN tunnel over the Internet to the state's CSA. In addition to the policies, physical and personnel controls already in place, the police department employed firewalls both at their border and at key points within their network, intrusion detection systems, a patch-management strategy that included automatic patch updates where possible, virus scanners, spam and spyware detection mechanisms that update signatures automatically, and subscribed to various security alert mailing lists and addressed vulnerabilities raised through the alerts as needed.

WESTERN STATES CONTRACTING ALLIANCE
MASTER PRICE AGREEMENT
for
COMPUTER EQUIPMENT, PERIPHERALS, AND RELATED SERVICES

Number B27172

This Agreement is made and entered into by Panasonic Computer Solutions Company, Unit of Panasonic Corporation of North America, 3 Panasonic Way, 2F-11, Secaucus, NJ 07094 ("Contractor") and the State of Minnesota, Department of Administration ("State") on behalf of the State of Minnesota, participating members of the National Association of State Procurement officials (NASPO), members of the Western States Contracting Alliance (WSCA) and other authorized Purchasing Entities.

RECITALS

WHEREAS, the State has the need to purchase and the Contractor desires to sell; and,

WHEREAS, the State has the authority to offer contracts to CPV members of the State of Minnesota and to other states.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows:

INTENT AND PURPOSE

The intent and purpose of this Agreement is to establish a contractual relationship with equipment manufacturers to provide, warrant, and offer maintenance services on **ALL** products proposed in their response to the RFP issued by the State of Minnesota. Delivery, support, warranty, and maintenance may be provided by the Contractor using subcontractors. The Contractor agrees to take legal responsibility for the warranty and maintenance of all products furnished under this Agreement. The Contractor is responsible for the timeliness and quality of all services provided by individual subcontractors. Subcontractor participation will be governed by individual Participating Entities, who have the sole discretion to determine if they will accept services from a subcontractor.

Individual Purchasing Entities may enter in to lease agreements for the products covered in this Master Price Agreement, if they have the legal authority to enter into these types of agreements without going through a competitive process, and if the Contractor submitted copies of its lease agreements with its response to the RFP. The lease agreements were not reviewed or evaluated as part of the RFP evaluation process. The agreements are located in Exhibit C, Value-Added Services.

The Agreement is **NOT** for the purchase of major, large hardware or hardware and software offerings. In general, individual units/configurations for servers and storage (SANs, etc.) should not exceed $300,000 each. Desktop per unit/configuration costs should not exceed $100,000. Printers of all types and monitors per unit/configuration costs should not exceed $50,000 each. It is the expressed intent of some of the Participating States to set this level at not to exceed $25,000 each, or $50,000. Contractors must be willing to comply with these restrictions by agreeing to supply products in those price ranges only. This **IS NOT** a restriction on how many units/configurations can be purchased, but on the value of each individual unit/configuration. Individual Participating States and Participating Entities may set specific limits in a participating addendum above these limits, with the prior approval of the WSCA Directors; or may set specific limits in a participating addendum below these limits.

Contractors may offer, but participating states and entities do not have to accept, limited professional services related **ONLY** to the equipment and configuration of the equipment purchased through the Agreement.

1. Definitions

"Announced Promotional Price" are prices offered nationally to specific categories of customers (Consumer, Business or government) for defined time periods under predefined terms and conditions.

"Consumables" those items that are required for the operation of the Equipment offered or supplied which are consumed over time with the purchaser's use of the equipment are included – printer cartridges, batteries, projector bulbs, etc. *Consumables such as magnetic media, paper and generally available office supplies are excluded.*

"Configuration" in most instances in this document means a total system configuration. This may include more than one model or part number (or SKU), or a combination of hardware, software, and configuring of the system to make the system work.

"Contract" means a binding agreement for the procurement of items of tangible personal property or services. Contract and Master Price Agreement are used interchangeably in this document.

"Contractor" means the successful Responder who enters into a binding Master Price Agreement. The Contractor is responsible for all sales, support, warranty, and maintenance services for the products included in this Agreement. The Contractor must manufacture or take direct, non-assignable, legal responsibility for the manufacture of the equipment and warranty thereof. For the purposes of this Contract, the term Contractor and Contract Vendor are synonymous.

"CPV Member" is any governmental unit having independent policy making and appropriating authority, that is a member of Minnesota's Cooperative Purchasing Venture (CPV) program.

"CPV Program." The Cooperative Purchasing Venture (CPV) program, as established by Minn. Stat. § 16C.03, subd. 10, authorizes the commissioner of

Administration to "enter into a cooperative purchasing agreement for the provision of goods, services, and utilities with [governmental entities] ..., as described in section 471.59, subdivision 1." Based on this authority, the commissioner of Administration, through the Materials Management Division (MMD), enters into a joint powers agreement that designates MMD as the authorized purchasing agent for the governmental entity. It is not legal for governmental entities that are not members of the CPV program to purchase from a State contract. Vendors are free to respond to other solicitations with the same prices they offer under a contract, but that is not considered use of the "State contract price."

"Cumulative Volume Discount" means a contractual, cumulative, permanent volume discount based on dollars resulting from the cumulative purchases by all governmental purchasers for the duration of the Master Price Agreement.

"Documentation" refers to manuals, handbooks, and other publications listed in the PSS, or supplied with products listed in the PSS, or supplied in connection with services. Documentation may be provided on magnetic media or may be downloaded from the Contractor's web site.

"E-Rate" is a program sponsored by the Federal Communications Commission whereby educational and other qualifying institutions may purchase authorized technology at reduced prices.

"Educational Discount Price" means the price offered in a nationally announced promotion, which is limited to educational customers only.

"Equipment" " means workstations, desktop, laptop (includes Tablet PC's), handheld (PDA) devices, projectors, servers, printers, monitors, computing hardware, including upgrade components such as memory, storage drives, and spare parts. AUDIO VISUAL PRODUCTS (digital cameras, televisions, whiteboards, etc.) are NOT included in this RFP or subsequent contracts. The exception to this definition is whiteboards, which can be sold as part of the Instructional Bundles, but not as a stand-alone item.

"FCC" means the Federal Communications Commission or successor federal agency. In the event of deregulation, this term applies to one or more state regulatory agencies or other governing bodies charged to perform the same, or similar, role.

"General Price Reduction Price" means the price offered to consumer, business or governmental purchasers at prices lower than PSS pricing. General price reduction prices will be reflected in the PSS as soon as practical.

"Lead State" means the State conducting this cooperative solicitation and centrally administering any resulting Master Price Agreement(s). For this Master Price Agreement, the Lead State is Minnesota.

"Mandatory" The terms "must" and "shall" identify a mandatory item or factor.

"Manufacturer" means a company that, as its primary business function, designs, assembles, owns the trademark/patent and markets computer equipment including workstations, desktop computers, laptop (includes Tablet PC's) computers, handheld (PDA) devices, servers, printers, and storage

solutions/auxiliary storage devices. The manufacturer must provide direct un-infringed unlimited USA OEM warranties on the products. The manufacturer's name(s) shall appear on the computer equipment. The Contractor(s) shall provide the warranty service and maintenance for equipment on a Master Price Agreement as well as a Takeback Program.

"Master Price Agreement" means the contract that MMD will approve that contains the foundation terms and conditions for the acquisition of the Contractor's products and/or services by Purchasing Entities. The "Master Price Agreement" is a permissive price agreement. In order for a Purchase Entity to participate in a Master Price Agreement, the appropriate state procurement official or other designated procurement official must be a Participating State or Participating Entity.

"Materials Management Division" or "MMD" means the procurement official for the State of Minnesota or a designated representative.

"NASPO" means the National Association of State Procurement Officials

"Participating Addendum" or "Participating Addenda" means a bilateral agreement executed by the Contractor and a Participating State or political subdivision of a State that clarifies the operation of the price agreement for the State or political subdivision concerned, e.g. ordering procedures specific to a State or political subdivision and other specific language or other requirements. Terms and conditions contained in a Participating Addendum shall take precedence over the corresponding terms in the master price agreement. Additional terms and conditions, including but not limited to payment terms, may be added via the Participating Addendum. However, a Participating Addendum may not alter the scope of this Agreement or any other Participating Addendum. ***Unless otherwise specified, the Participating Addendum shall renew consecutively with the Master Price Agreement.*** One digitally formatted, executed copy of the Participating Addendum must be submitted to the WSCA/NASPO Contract Administrator PRIOR to any orders being processed.

"Participating State" or "Participating Entity" means a member of NASPO (Participating State) or a political subdivision of a NASPO member (Participating Entity) who has indicated its intent to participate by signing an Intent to Participate, where required, or another state or political subdivision of another state authorized by the WSCA Directors to be a party to the resulting Master Price Agreement.

"PDA" means a Personal Digital Assistant and refers to a wide variety of handheld and palm-size PCs, and electronic organizers. PDA's usually can store phone numbers, appointments, and to-do lists. PDA's can have a small keyboard, and/or have only a special pen that is used for input and output. The PDA can also have a wireless fax modem. Files can be created on a PDA which is later entered into a larger computer. NOTE: For this procurement, all Tablet PC's are NOT considered PDA's. The Contractor(s) shall provide the warranty service and maintenance for equipment on a Master Price Agreement as well as a Takeback Program.

"Peripherals" means any product that can be attached to, added within, or networked with personal computers or servers, including but not limited to

storage, printers (including multifunction network printers), scanners, monitors, keyboards, projectors, uninterruptible power supplies and accessories. Software, as defined in the RFP, is not considered a peripheral. Adaptive/Assistive technology devices are included as well as configurations for education. Peripherals may be manufactured by a third party, however, Contractor shall not offer any peripherals manufactured by another contractor holding a Master Price Agreement without the prior approval of the WSCA/NASPO Contract Administrator. AUDIO VISUAL PRODUCTS (digital cameras, televisions, whiteboards, etc.) are NOT included in the contract. The exception to this definition is whiteboards, which can be sold as part of the Instructional Bundles, but not as a stand-alone item. The Contractor(s) shall provide the warranty service and maintenance for equipment on a Master Price Agreement as well as a Takeback Program.

"Permissive Price Agreement" means that placement of orders through the Price Agreement is discretionary with Purchasing Entities. They may satisfy their requirements through the Price Agreement without using statutory or regulatory procedures (e.g., invitations for bids) to solicit competitive bids or proposals. Purchasing Entities may, however, satisfy requirements without using the Price Agreement as long as applicable procurement statutes and rules are followed.

"Per Transaction Multiple Unit Discount" means a contractual volume discount based on dollars in a single purchase order or combination of purchase orders submitted at one time by a Purchasing Entity or multiple entities conducting a cooperative purchase.

"Political Subdivision" means local pubic governmental subdivisions of a state, as defined by that state's statutes, including instrumentalities and institutions thereof. Political subdivisions include cities, counties, courts, public schools and institutions of higher education.

"Price Agreement/Master Price Agreement" means an indefinite quantity contract that requires the Contractor to furnish products or services to a Purchasing Entity that issues a valid Purchase Order.

"Procurement Manager" means the person or designee authorized by MMD to manage the relationships with WSCA, NASPO, and Participating States/Participating Entities.

"Product(s)" means personal computer equipment, peripherals, LAN hardware, pre-loaded Software, and Network Storage devices, but not unrelated services. The Contractor(s) shall provide the warranty service and maintenance for equipment on a Master Price Agreement as well as a Takeback Program.

"Products and Services Schedule Prices" or **"PSS"** refers to a complete list, grouped by major product and/or service categories, of the Products and services provided by the contractor that consists of an item number, item description and the Purchasing Entity's price for each Product or Service. All such Products and services shall be approved by the WSCA/NASPO Contract Administrator prior to being listed on a Contractor-supplied web site accessed via a URL. The Contractor(s) shall provide the warranty service and maintenance for all equipment listed on the PSS on a Master Price Agreement as well as a Takeback Program.

"Purchase Order" means an electronic or paper document issued by the Purchasing Entity that directs the Contractor to deliver Products or Services pursuant to a Price Agreement.

"Purchasing Entity" means a Participating State or another legal entity, such as a political subdivision, properly authorized by a Participating State to enter into a contract for the purchase of goods described in this solicitation. Unless otherwise limited by statute, in this solicitation or in a Participating Addendum, political subdivisions of Participating States are Purchasing Entities and authorized to purchase the goods and/or services described in this solicitation.

"**Refurbished Products**" are products that may have been powered on or used by another customer that have been fully retested, defective parts replaced, and repackaged to meet original factory specifications.

"Services" are broadly classed as installation/de-installation, maintenance, support, training, migration, and optimization of products offered or supplied under the Master Price Agreement. These types of services may include, but are not limited to: warranty services, maintenance, installation, de-installation, factory integration (software or equipment components), asset management, recycling/disposal, training and certification, pre-implementation design, disaster recovery planning and support, service desk/helpdesk, and any other directly related technical support service required for the effective operation of a product offered or supplied. *General consulting and all forms of application development and programming services are excluded.*

"Servicing Subcontractor/Subcontractor/Reseller Agent" means a Contractor authorized and state-approved subcontractor who may provide local marketing support or other authorized services on behalf of the Contractor in accordance with the terms and conditions of the Contractor's Master Price Agreement. A wholly owned subsidiary or other company providing warranty or other technical support services qualifies as a Servicing Subcontractor. Local business partners may qualify as Servicing Subcontractors. Servicing Subcontractors may not directly accept Purchase Orders or payments for Products or Services from Purchasing Entities, unless otherwise provided for in a Participating Addendum. Servicing Subcontractors shall be named individually or by class in the Participating Addendum. **The Contractor(s) actually holding the Master Price Agreement shall be responsible for Servicing Subcontractor's providing products and services, as well as warranty service and maintenance for equipment the subcontractor has provided on a Master Price Agreement as well as the Takeback Program**.

"Standard Configurations" or **"Premium Savings Configurations"** means deeply discounted standard configurations that are available to Purchasing Entities using the Master Price Agreement only. Any entity, at any time, that commits to purchasing the standard configuration adopted by other Purchasing Entities shall receive the same price from the contract awardees. This specification includes a commitment to maintain and upgrade (keep pace with the advance of technology) the standard configurations for a stated period of time or intervals.

"State Procurement Official" means the director of the central purchasing authority of a state.

"Storage Solution/Auxiliary Storage" means the technology and equipment used for storage of large amounts of data or information. This includes technologies such as: Network Attached Storage (NAS) and Storage Area Networks (SAN). **The Contractor(s) shall provide the warranty service and maintenance for equipment on a Master Price Agreement as well as a Takeback Program**.

"Takeback Program" means the Contractor's process for accepting the return of the equipment or other products at the end of life—as determined by the State utilizing the Master Price Agreement.

"Trade In" refers to the exchange of used Equipment for new Equipment at a price reduced by the value of the used Equipment.

"Travel" means expenses incurred by authorized personnel directly related to the performance of a Service. All such expenses shall be documented in a firm quotation for the Purchasing Entity prior to the issuance and acceptance of a Purchase Order. Travel expenses will be reimbursed in accordance with the purchasing entities allowances, if any, as outlined in the PA.

"Universal Resource Locator" or **"URL"** means a standardized addressing scheme for accessing hypertext documents and other services using the WWW browser.

"WSCA" means the Western States Contracting Alliance, a cooperative group contracting consortium for state procurement officials, representing departments, institutions, agencies, and political subdivisions (i.e., colleges, school districts, counties, cities, etc.) for the states of Alaska, Arizona, California, Colorado, Hawaii, Idaho, Minnesota, Montana, Nevada, New Mexico, Oregon, South Dakota, Utah, Washington, and Wyoming.

"WSCA/NASPO Contract Administrator" means the person or designee authorized by MMD to manage all actions related to the Master Price Agreements on behalf of the State of Minnesota, the participating NASPO and WSCA members, and other authorized purchasers.

2. Scope of Work

The Contractor, or its approved subcontractor, shall deliver computing system Products and services to Purchasing Entities in accordance with the terms of this agreement. This Agreement is a "Master Price Agreement". Accordingly, the Contractor shall provide Products or Services only upon the issuance and acceptance by Contractor of valid "Purchase Orders". Purchase Orders may be issued to purchase the license for software or to purchase products listed on the Contractor's PSS. A Purchasing Entity may purchase any quantity of Product or Service listed in the Contractor's PSS at the prices in accordance the Paragraph 13, Price Guarantees. Subcontractor participation is governed by the individual Participating State procurement official.

The Contractor is required to provide and/or agree to take legal responsibility for the warranty and maintenance of all proposed equipment, including peripherals. Taking legal responsibility means the Contractor must provide warranty and maintenance call

numbers, accept, process and respond to those calls, and be legally liable for and pay for those warranty and maintenance (under warranty) activities The Contractor shall offer a Takeback Program for all products covered by this Agreement.

3. Title Passage

The Contractor must pass unencumbered title to any and all products purchased under this Contract upon receipt of payment by the State. This obligation on the part of the Contractor to transfer all ownership rights does not apply to proprietary materials owned or licensed by the Contractor or its subsidiaries, subcontractors or licensor, or to unmodified commercial software that is available to the State on the open market. Ownership rights to such materials shall not be affected in any manner by this Agreement

4. Permissive Price Agreement and Quantity Guarantee

This Agreement is not an exclusive agreement. Purchasing Entities may obtain computing system Products and services from other sources during the agreement term. The State of Minnesota, NASPO and WSCA make no express or implied warranties whatsoever that any particular number of Purchase Orders will be issued or that any particular quantity or dollar amount of Products or Services will be procured.

5. Order of Precedence

Each Purchase Order that is accepted by the Contractor shall become a part of the Agreement as to the Products and services listed on the Purchase Order only; no additional terms or conditions will be added to this Agreement as the result of acceptance of a Purchase Order. The Contractor agrees to accept all valid Purchase Orders. In the event of any conflict among these documents, the following order of precedence shall apply:

A. Executed Participating Addendum(s);

B. Terms and conditions of this Agreement;

C. Exhibits and amendments to this Agreement;

D. The list of products and services contained in the purchase order;

E. The request for proposals document; and

F. Contractor's proposal including best and final offer.

6. Payment Provisions

All payments under this Agreement are subject to the following provisions:

A. Acceptance

A Purchasing Entity shall determine whether all Products and services delivered meet the Contractor's published specifications. No payment shall be made for any Products or Services until the Purchasing Entity has accepted the Products or Services. The Purchasing Entity will make every effort to notify the Contractor in a timely manner of non-acceptance of a product or service.

B. Payment of Invoice

Payments shall be submitted to the Contractor at the address shown on

the invoice, as long as the Contractor has exercised due diligence in notifying the State of Minnesota and/or the Purchasing Entity of any changes to that address. Minn. Stat. § 16A.124 requires payment within 30 days following receipt of an undisputed invoice, merchandise or service, whichever is later. The ordering entity is not required to pay the Contractor for any goods and/or services provided without a written purchase order or other approved ordering document from the appropriate purchasing entity. In addition, all goods and/or services provided must meet all terms, conditions, and specifications of the Contract and other ordering document and be accepted as satisfactory by the ordering entity before payment will be issued. Payments may be made via a Purchasing Entity's "Purchasing Card".

In the event an order is shipped incomplete (partial), the Purchasing Entity shall pay for each shipment as invoiced by the Contractor unless the Purchasing Entity has clearly specified "No Partial Shipments" on each Purchase Order.

C. Payment of Taxes

Payment of taxes for any money received under this agreement shall be the Contractor's sole responsibility and shall be reported under the Contractor's federal and state tax identification numbers. If a Purchasing Entity is not exempt from sales, gross receipts, or local option taxes for the transaction, the Contractor shall be reimbursed by the Purchasing Entity to the extent of any tax liability assessed.

The State of Minnesota State agencies are subject to paying Minnesota sales and use taxes. Taxes for State agencies will be paid directly to the Department of Revenue using Direct Pay Permit #1114.

D. Invoices

Invoices shall be submitted to the Purchasing Entity at the address shown on the Purchase Order. Invoices shall match the line items on the Purchase Order.

7. Agreement Term

Pursuant to Minnesota law, the term of this Agreement shall be effective upon the date of final execution by the State of Minnesota, through August 31, 2012. The Agreement may be mutually renewed for two (2) additional one-year terms, or one additional two-year term, unless terminated pursuant to the terms of this Agreement.

8. Termination

The following provisions are applicable in the event that the agreement is terminated.

A. Termination for Convenience

At any time, the State may terminate this agreement, in whole or in part, by giving the Contractor (30) days written notice; provided, however, neither the State nor a Purchasing Entity has the right to terminate a specific purchase order for convenience after it has been issued if the product is ultimately accepted. At any time, the Contractor may terminate this Agreement, in whole or in part, by giving the WSCA/NASPO Contract

Administrator sixty (60) days written notice. Such termination shall not relieve the Contractor of warranty or other Service obligations incurred under the terms of this Agreement. In the event of a cancellation, the Contractor shall be entitled to payment, determined on a pro rata basis, for work or services satisfactorily performed and accepted.

B. Termination for Cause

Either party may terminate this Agreement for cause based upon material breach of this Agreement by the other party, provided that the non-breaching party shall give the breaching party written notice specifying the breach and shall afford the breaching party a reasonable opportunity to correct the breach. If within thirty (30) days after receipt of a written notice the breaching party has not corrected the breach or, in the case of a breach that cannot be corrected in thirty (30) days, begun and proceeded in good faith to correct the breach, the non-breaching party may declare the breaching party in default and terminate the Agreement effective immediately. The non-breaching party shall retain any and all other remedies available to it under the law.

C. A Purchasing Entity's Rights

In the event this Agreement expires or is terminated for any reason, a Purchasing Entity shall retain its rights in all Products and services accepted prior to the effective termination date.

D. The Contractor's Rights

In the event this Agreement expires or is terminated for any reason, a Purchasing Entity shall pay the Contractor all amounts due for Products and services ordered and accepted prior to the effective termination date or ordered before the effective termination date and ultimately accepted.

9. Non-Appropriation

The terms of this Agreement and any purchase order issued for multiple years under this Agreement is contingent upon sufficient appropriations being made by the Legislature or other appropriate governing entity. Notwithstanding any language to the contrary in this Agreement or in any purchase order or other document, a Purchasing Entity may terminate its obligations under this Agreement, if sufficient appropriations are not made by the governing entity at a level sufficient to allow for payment of the goods or services due for multiple year agreements, or if operations of the paying entity are being discontinued. The Purchasing Entity's decision as to whether sufficient appropriations are available shall be accepted by the Contractor and shall be final and binding.

A Purchasing Entity shall provide sixty (60) days notice, if possible, of its intent to terminate for reason cited above. Such termination shall relieve the Purchasing Entity, its officers and employees from any responsibility or liability for the payment of any further amounts under the relevant Purchase Order.

10. Shipment and Risk of Loss

A. All deliveries shall be F.O.B. destination, prepaid and allowed, with all transportation and handling charges included in the price of the product and paid

by the Contractor. Responsibility and liability for loss or damage shall remain with the Contractor until final inspection and acceptance when responsibility shall pass to the Purchasing Entity except as to latent defects, fraud and Contractor's warranty obligations.

B. Whenever a Purchasing Entity does not accept Products and returns them to the Contractor, all related documentation furnished by the Contractor shall be returned also. Unless otherwise agreed upon by the Purchasing Entity, the Contractor is responsible for the pick-up of returned Products. The Contractor shall bear all risk of loss or damage with respect to returned Products except for loss or damage directly attributable to the negligence of the Purchasing Entity.

C. Unless otherwise arranged between the Purchasing Entity and Contractor, all basic configuration Products shall be shipped within 30 days after receipt of a purchase order, by a reliable and insured shipping company. All customer customized configuration products shall be shipped within 60 days after receipt of a purchase order, by a reliable and insured shipping company. The product will ship from the Panasonic noted and authorized reseller(s) to the customer.

11. Warranties

A. The Contractor agrees to warrant and assume responsibility for each Product that it licenses, or sells, to the Purchasing Entity under this Agreement. The Contractor agrees to take legal responsibility for the warranty and maintenance of all products furnished through this Agreement. Taking legal responsibility means the Contractor must provide warranty and maintenance call numbers, accept, process, and respond to those calls, and be legally liable for and pay for those warranty and maintenance (under warranty) activities. The Contractor acknowledges that the Uniform Commercial Code applies to this Agreement. In general, the Contractor warrants that:

1. The Product conforms to the specific technical information about the Contractor's products which is published in the Contractor's product manuals or data sheets.

2. The product will meet mandatory specifications provided in writing to the Contractor prior to reliance by the Participating Entity on the Contractor's skill or judgment when it advised the Purchasing Entity about the Product's ability to meet those mandatory specifications.

3. The express warranties set forth in this Agreement are in lieu of all other warranties, express, implied or statutory, including without limitation the implied warranties of merchantability and fitness for a particular purpose.

4. The Product has been properly designed and manufactured for its intended use.

5. The Product is free of significant defects in material and workmanship, or unusual problems about which the Purchasing Entity has not been warned.

6. The Product is in the legal possession of the Purchasing Entity, as defined in Article 10 Shipment and Risk of Loss, before any warranty period begins.

7. Exhibit A contains additional warranties in effect as of the date of this Agreement. The warranties will be limited in duration to the time period(s) provided in Exhibit A. The warranties will not apply to use of a Product other than as anticipated and intended by the Contractor, to a problem arising after changes or modifications to the Products or operating system by any party other than the Contractor (unless expressly authorized in writing by the Contractor), or the use of a Product in conjunction or combination with other products or software not authorized by the Contractor. The following is a list of the warranties attached as **Exhibit A**:

   a) Panasonic Gold/Premiere

   b) Panasonic Silver/Preferred

   c) Protection Plus Warranty

B. Contractor may modify the warranties described in Exhibit A from time to time with the prior approval of the WSCA/NASPO Contract Administrator.

C. Warranty documents for Products manufactured by a third party shall be delivered to the Purchasing Entity with the Products.

D. The basic warranty shall be three years, next business day, as stated in Appendix B of the RFP, for all products included in the Bands listed in Article 14 Products and Services Schedule. Panasonic average turnaround time on Toughbook repairs over the past (6) years has been 1.65 days. The 1.65 days does not include the one (1) day return option for overnight freight to the National Service Center (NSC) or the one (1) day for return option overnight freight back to the client. This figure does also not include the day the unit arrives at the NSC, as it may arrive on the early am shipment, or possibly not until later in the work day. Shipping charges for in-warranty repairs are paid for by Panasonic.

12. Patent, Copyright, Trademark and Trade Secret Indemnification

A. The Contractor shall defend, at its own expense, the State of Minnesota, Participating and Purchasing Entities and their agencies against any claim that any Product or Service provided under this Agreement infringes any patent, copyright or trademark in the United States or Puerto Rico, and shall pay all costs, damages and attorneys' fees that a court finally awards as a result of any such claim. In addition, if any third party obtains a judgment against a Purchasing Entity based upon the Contractor's trade secret infringement relating to any Product or Service provided under this Agreement, the Contractor agrees to reimburse the Lead State for all costs, attorneys' fees and the amount of the judgment. To qualify for such defense and/or payment, the Lead State or Participating or Purchasing Entity shall:

   1. Give the Contractor prompt written notice of any claim;

   2. Allow the Contractor to control the defense or settlement of the claim; and

   3. Cooperate with the Contractor in a reasonable way to facilitate the defense or settlement of the claim.

B. If any Products or Service becomes, or in the Contractor's opinion is likely to become the subject of a claim of infringement, the Contractor shall at its option and expense:

1. Provide a Purchasing Entity the right to continue using the Products or Services;
2. Replace or modify the Products or Services so that it becomes non-infringing; or
3. Accept the return of the Products or Service and refund an amount equal to the depreciated value of the returned Products or Service, less the unpaid portion of the purchase price and any other amounts, which are due to the contractor. The Contractor's obligation will be void as to any Products or Services modified by the Purchasing Entity to the extent such modification is the cause of the claim.

C. The Contractor has no obligation for any claim of infringement arising from:

1. The Contractor's compliance with the Purchasing Entity's or by a third party on the Purchasing Entity's behalf designs, specifications, or instructions;
2. The Contractor's use of technical information or technology provided by the Purchasing Entity;
3. Product modifications by the Purchasing Entity or a third party;
4. Product use prohibited by Specifications or related application notes; or
5. Product use with products that are not the Contractor branded.

13. Price Guarantees

The Purchasing Entities shall pay the lower of the prices contained in the PSS or an Announced Promotion Price, Educational Discount Price, General Price Reduction price, Trade-In price, Standard Configuration price or Per Transaction Multiple Unit Discount. Only General Price Reduction price decreases will apply to all subsequent Purchase Orders accepted by Contractor after the date of the issuance of the General Price Reduction prices.

The initial base-line, Cumulative, and Per Transaction Multiple Unit Discounts shall be submitted by the Contractor in a format agreeable to both parties prior to signing the Agreement. Once a cumulative volume has been reached, the increased price discount will apply to all future orders, until the next level of cumulative volume is reached.

14. Product and Service Schedule

The Contractor agrees to maintain the PSS in accordance with the following provisions:

A. The PSS prices for Products and services will conform to the guaranteed prices discount levels on file with WSCA/NASPO Contract Administrator

for the following Products:

Band 2 – Workstations

Band 5 - PDAs

B. The Contractor may change the price of any Product or Service at any time, based upon documented baseline price changes, but the guaranteed price discount levels shall remain unchanged during the agreed period unless or until prior approval is obtained from the WSCA/NASPO Contract Administrator. The Contractor agrees that the PSS on the State's administration website shall contain a single, uniform WSCA price for configurations and items. Failure to comply with this requirement will be grounds for further action to be taken against the Contractor.

C. The Contractor may make model changes; add new Products, and Product upgrades or Services to the PSS in accordance with Item 15. Product Substitutions, below. The pricing for these changes shall incorporate, to the extent possible, comparable price discount levels approved by the WSCA/NASPO Contract Administrator for similar Products or Services.

D. The Contractor agrees to delete obsolete and discontinued Products from the PSS on a timely basis.

E. The Contractor shall maintain the PSS on a Contractor supplied Internet web site.

15. Product Substitutions

A. Substitution of units/configurations

MMD and the WSCA Directors acknowledge that individual units and configurations may stop being produced during the life of the resulting contracts. Substitution of different units and configurations will be permitted with the prior written approval of the WSCA/NASPO Contract Administrator. This substitution is at the sole discretion of the WSCA/NASPO Contract Administrator, subject only to review and approval of the WSCA/NASPO Contract Administrator.

B. Addition of units/configurations

MMD and the WSCA Directors acknowledge that with the evolution of technology, new, emerging units and configurations will develop. Addition of these new, emerging units may be permitted, with the prior approval of the WSCA/NASPO Contract Administrator and the WSCA Directors. The addition of new, emerging units and configurations is at the sole discretion of the WSCA/NASPO Contract Administrator, subject only to review and approval of the WSCA Directors.

16. Technical Support

The Contractor agrees to maintain a toll-free technical support telephone line. The line shall be accessible to Purchasing Entity personnel who wish to obtain competent technical assistance regarding the installation or operation of Products supplied by the Contractor during a product warranty period or during a

support agreement.

17. Takeback and Other Environmental Programs

The Contractor agrees to maintain for the term of this Agreement, and all renewals/extensions thereof, programs as described in the following paragraphs.

A. Takeback/Recycling of CPUs, servers, monitors, flat panel displays, notebook computers, and printers. Costs are list on the web site. Panasonic will work with its partners to provide these services and also thus work with the appropriate entity.

B. Environment: Compliance with the following standards: Energy Star, EPEAT (by level) and RoHS. Contractor will be pursue compliance with other standards as their requirements become mandatory in the US or European Mobile market.

C. Product labeling of compliance with Items B & C above, as well as a identification of such information on the web site.

18. Product Delivery

Contractor agrees to deliver basic configuration Products to Purchasing Entities within 30 days after receipt of a valid Purchase Order, or in accordance with the schedule in the Purchasing Entity's Purchase Order. All customer customized configuration products shall be shipped within 60 days after receipt of a purchase order, or in accordance with the schedule in the Purchasing entity's purchase order. Product delivery will be made to the Purchasing Entity by an authorized Panasonic reseller(s).

19. Force Majeure

Neither party hereto shall be considered in default in the performance of its obligations hereunder to the extent that performance of any such obligations is prevented or delayed by acts of God, war, riot or other catastrophes beyond the reasonable control of the party unless the act or occurrence could have been reasonably foreseen and reasonable action could have been taken to prevent the delay or failure to perform. A party defaulting under this provision must provide the other party prompt written notice of the default and take all necessary steps to bring about performance as soon as practicable.

20. Records and Audit

Per Minn. Stat. § 16C.05, Subd. 5, the books, records, documents, and accounting procedures and practices of the Contractor and its employees, agents, or subcontractors relevant to the Contract or transaction must be made available and subject to examination by the contracting agency or its agents, the Legislative Audit and/or the State Auditor for a minimum of six years after the end of the Contract or transaction.

Unless otherwise required by other than Minnesota Purchasing Entity governing law, such records relevant to other Purchasing Entity transactions shall be subject to examination by appropriate government authorities for a period of three years from the date of acceptance of the Purchase Order.

21. Independent Contractor

The Contractor and its agents and employees are independent contractors and

are not employees of the State of Minnesota or of any participating entity. The Contractor has no authorization, express or implied to bind the Lead State, NASPO, WSCA or any participating entity to any agreements, settlements, liability or understanding whatsoever, and agrees not to perform any acts as agent for the Lead State, NASPO, WSCA, or participating entity, except as expressly set forth herein. The Contractor and its agents and employees shall not accrue leave, retirement, insurance, bonding, use of state vehicles, or any other benefits afforded to employees of the Lead State or Participating Entity as a result of this Agreement.

22. Use of Servicing Subcontractors

The Contractor may subcontract services and purchase order fulfillment and/or support in accordance with the following paragraphs. However, the Contractor shall remain solely responsible for the performance of this Agreement.

A. Reseller Agent, Service Provider or Servicing Subcontractors shall be identified individually or by class in the applicable Participating Addendum, or as noted in the Participating Addendum on the Purchasing Entities extranet site. The ordering and payment process for Products or Services shall be defined in the Participating Addendum.

23. Payments to Subcontractors

In the event the Contractor hires subcontractors to perform all or some of the duties of this Contract, the Contractor understands that in accordance with Minn. Stat. § 16A.1245 the Contractor shall, within ten (10) days of the Contractor's receipt of payment from the State, pay all subcontractors and suppliers having an interest in the Contract their share of the payment for undisputed services provided by the subcontractors or suppliers. The Contractor is required to pay interest of 1-1/2 percent per month or any part of a month to the subcontractor on any undisputed amount not paid on time to the subcontractor. The minimum monthly interest penalty payment for an unpaid, undisputed balance of $100 or more will be $10. For an unpaid balance of less than $100, the amount will be the actual penalty due. A subcontractor that takes civil action against the Contractor to collect interest penalties and prevails will be entitled to its costs and disbursements, including attorney's fees that were incurred in bringing the action. The Contractor agrees to take all steps necessary to comply with said statute. A consultant is a subcontractor under this Contract. In the event the Contractor fails to make timely payments to a subcontractor, the State may, at its sole option and discretion, pay a subcontractor or supplier any amounts due from the Contractor and deduct said payment from any remaining amounts due the Contractor. Before any such payment is made to a subcontractor or supplier, the State shall provide the Contractor written notice that payment will be made directly to a subcontractor or supplier. If there are not remaining outstanding payments to the Contractor, the State shall have no obligation to pay or to see to the payment of money to a subcontractor except as may otherwise be required by law.

The Contractor shall ensure that the subcontractor transfers all intellectual or industrial property rights, including but not limited to any copyright it may have in the work performed under this Contract, consistent with the intellectual property

rights and ownership sections of this Contract. In the event the Contractor does not obtain the intellectual property rights of the subcontractor consistent with the transfer of rights under this Contract, the State may acquire such rights directly from the subcontractor. Any and all costs associated with such a direct transfer may be deducted from any amount due the Contractor.

24. Indemnification, Hold Harmless and Limitation of Liability

The Contractor shall indemnify, protect, save and hold harmless the Lead State, Participating Entities, and its representatives and employees, from any and all claims or causes of action, including all legal fees incurred by the State arising from the performance of the Contract by the Contractor or its agents, employees, or subcontractors. This clause shall not be construed to bar any legal remedies the Contractor may have with the State's or Participating Entities' failure to fulfill its obligations pursuant to the Contract.

The State agrees that the Contractor, its principals, members and employees shall not be liable to the State for any actions, damages, claims, liabilities, costs, expenses, or losses in any way arising out of or relating to the goods provided or services performed hereunder for an aggregate amount in excess of $10,000,000 or the Contract amount, whichever is greater. This limitation of liability does not apply to damages for personal injury or death, or to Contractor's obligation to indemnify, defend and hold the State harmless against intellection property infringement or copyright claims under paragraph 12 of this Agreement. This indemnification does not include liabilities cause by the State's gross negligence, or intentional wrong doing of the State. IN NO EVENT SHALL CONTRACTOR BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

25. Amendments

Contract amendments shall be negotiated by the State with the Contractor whenever necessary to address changes in the terms and conditions, costs, timetable, or increased or decreased scope of work. This Agreement shall be amended only by written instrument executed by the parties. An approved Contract amendment means one approved by the authorized signatories of the Contractor and the State as required by law.

26. Scope of Agreement

This Agreement incorporates all of the agreements of the parties concerning the subject matter of this Agreement. No prior agreements, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

27. Severability

If any provision of this Contract, including items incorporated by reference, is found to be illegal, unenforceable, or void, by a court of competent jurisdiction then both the State and the Contractor shall be relieved of all obligations arising under such provision. If the remainder of this Contract is capable of performance, it shall not be affected by such declaration or finding and shall be fully performed.

28. Enforcement of Agreement/Waivers

A. No covenant, condition, duty, obligation, or undertaking contained in or made a part of this Contract shall be waived except by the written consent of the parties. Forbearance or indulgence in any form or manner by either party in any regard whatsoever shall not constitute a waiver of the covenant, condition, duty, obligation, or undertaking to be kept, performed, or discharged by the other party. Until complete performance or satisfaction of all such covenants, conditions, duties, obligations, and undertakings, the other party shall have the right to invoke any remedy available under law or equity, notwithstanding any such forbearance or indulgence.

B. Waiver of any breach of any provision of this Contract shall not be deemed a waiver of any prior or subsequent breach. No term or condition of this Contract shall be held to be waived, modified, or deleted except by an instrument, in writing, signed by the parties hereto.

C. Neither party's failure to exercise any of its rights under this Contract will constitute or be deemed a waiver or forfeiture of those rights.

29. Web Site Maintenance

A. The Contractor agrees to maintain and support an Internet website linked to the State's administration website for access to the PSS, service selection assistance, problem resolution assistance, billing concerns, configuration assistance, Product descriptions, Product specifications and other aids described in the RFP, and/or in accordance with instructions provided by the WSCA/NASPO Contract Administrator. The Contractor agrees that the approved PSS on the State's administration website shall contain a single, uniform WSCA price for configurations and items. Failure to comply with this requirement will be grounds for further action to be taken against the Contractor.

B. The Contractor agrees to maintain and support Participating State and Entity Internet websites for access to the specific Participating Entity PSS, as well as all other items listed in Item 29A, above. The website shall have the ability to hold quotes for 45 days, as well as the ability to change the quote.

C. The Contractor may provide electronic commerce assistance for the electronic submission of Purchase Orders, purchase order tracking and reports.

D. Once the website is approved, the Contractor may not make changes to the website without notifying the WSCA/NASPO Contract Administrator and receiving written approval of the changes.

30. Equal Opportunity Compliance

The Contractor agrees to abide by all applicable laws, regulations, and executive orders pertaining to equal employment opportunity, including federal laws and the laws of the state in which its primary place of business is located. In accordance with such laws, regulations, and executive orders, the Contractor

agrees that no person in the United States shall, on the grounds of race, color, religion, national origin, sex, age, veteran status or handicap, be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity performed by the contractor under this Agreement. If the Contractor is found to be not in compliance with these requirements during the life of this Agreement, the Contractor agrees to take appropriate steps to correct these deficiencies.

The Contractor certifies that it will remain in compliance with Minn. Stat. § 363.073 during the life of the Contract.

31. Governing Law

This Agreement shall be governed and construed in accordance with the laws of the Lead State. The construction and effect of any Participating Addendum or order against this Agreement shall be governed by and construed in accordance with the laws of the Purchasing Entity's state. Venue for any claim, dispute or action concerning the construction and effect of the Agreement shall be in the Lead State. Venue for any claim, dispute or action concerning an order placed against this Agreement or the effect of a Participating Addendum or shall be in the Purchasing Entity's state.

32. Change in Contractor Representatives

Contractor shall appoint a primary representative to work with the WSCA/NASPO Contract Administrator to maintain, support and market this Agreement. The Contractor shall notify the WSCA/NASPO Contract Administrator of changes in any Contractor key personnel, in writing, and in advance if possible. The State reserves the right to require a change in Contractor's then-current primary representative if the assigned representative is not, in the opinion of the State, adequately serving the needs of the Lead State and the Participating Entities.

33. Release

The Contractor, upon final payment of the amount due under this Agreement, releases the Lead State and Participating Entities, its officers and employees, from all contractual liabilities, claims and obligations whatsoever arising from or under this Agreement. The Contractor agrees not to purport to bind the Lead State or any Participating Entity to any obligation, unless the Contractor has express written authority to do so, and then only within the strict limits of the authority.

34. Data Practices

A. The Contractor and the State must comply with the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13 (and where applicable, if the state contracting party is part of the judicial branch, with the Rules of Public Access to Records of the Judicial Branch promulgated by the Minnesota Supreme Court as the same may be amended from time to time) as it applies to all data provided by the State to the Contractor and all data provided to the State by the Contractor. In addition, the Minnesota Government Data Practices Act applies to all data created, collected, received, stored, used, maintained or disseminated by the Contractor in accordance with this Contract that is private, nonpublic, protected

nonpublic, or confidential as defined by the Minnesota Government Data Practices Act, Ch. 13 (and where applicable, that is not accessible to the public under the Rules of Public Access to Records of the Judicial Branch).

B. In the event the Contractor receives a request to release the data referred to in this article, the Contractor must immediately notify the State. The State will give the Contractor instructions concerning the release of the data to the requesting party before the data is released. The civil remedies of Minn. Stat. § 13.08, apply to the release of the data by either the Contractor or the State.

C. The Contractor agrees to indemnify, save, and hold the State of Minnesota, its agents and employees, harmless from all claims arising out of, resulting from, or in any manner attributable to any violation of any provision of the Minnesota Government Data Practices Act (and where applicable, the Rules of Public Access to Records of the Judicial Branch), including legal fees and disbursements paid or incurred to enforce this provision of the Contract. In the event that the Contractor subcontracts any or all of the work to be performed under the Contract, the Contractor shall retain responsibility under the terms of this paragraph for such work.

35. Organizational Conflicts of Interest

A. The Contractor warrants that, to the best of its knowledge and belief, and except as otherwise disclosed, there are not relevant facts or circumstances which could give rise to organizational conflicts of interest. An organizational conflict of interest exists when, because of existing or planned activities or because of relationships with other persons:

- a Contractor is unable or potentially unable to render impartial assistance or advice to the State;
- the Contractor's objectivity in performing the work is or might be otherwise impaired; or
- the Contractor has an unfair competitive advantage.

B. The Contractor agrees that if an organizational conflict of interest is discovered after award, an immediate and full disclosure in writing shall be made to the Assistant Director of the Department of Administration's Materials Management Division that shall include a description of the action the Contractor has taken or proposes to take to avoid or mitigate such conflicts. If an organizational conflict of interest is determined to exist, the State may, at its discretion, cancel the Contract. In the event the Contractor was aware of an organizational conflict of interest prior to the award of the Contract and did not disclose the conflict to the WSCA/NASPO Contract Administrator, the State may terminate the Contract for default. The provisions of this clause shall be included in all subcontracts for work to be performed, and the terms "Contract," "Contractor," and "WSCA/NASPO Contract Administrator" modified appropriately to preserve the State's rights.

36. Replacement Parts

Unless otherwise restricted in a Participating Addendum or maintenance service agreement, replacement parts may be manufacturer-certified refurbished parts carrying USA OEM warranties.

37. FCC Certification

The Contractor agrees that Equipment supplied by the Contractor meets all applicable FCC Certifications. Improper, falsely claimed or expired FCC certifications are grounds for termination of this Agreement for cause.

38. Site Preparation

A Purchasing Entity shall prepare and maintain its site in accordance with written instructions furnished by the Contractor prior to the scheduled delivery date of any Products and shall bear the costs associated with the site preparation.

39. Assignment

The Contractor shall not sell, transfer, assign, or otherwise dispose of this Contract or any portion hereof or of any right, title, or interest herein without the prior written consent of the State's authorized agent. Such consent shall not be unreasonably withheld. The Contractor shall give written notice to the State's authorized agent of such a possibility at least 30 days prior to the sale, transfer, assignment, or other disposition of this Contract. Failure to do so may result in the Contractor being held in default. This consent requirement includes reassignment of this Contract due to a change in ownership, merger, or acquisition of the Contractor or its subsidiary or affiliated corporations. This section shall not be construed as prohibiting the Contractor's right to assign this Contract to corporations to provide some of the services hereunder. Notwithstanding the foregoing acknowledgment, the Contractor shall remain solely liable for all performance required and provided under the terms and conditions of this Contract.

40. WSCA/NASPO Contract Administrator

The State shall appoint a WSCA/NASPO Contract Administrator whose duties shall include but not be limited to the following:

A. The WSCA/NASPO Contract Administrator may provide instructions concerning the contents of the Contractor's website.

B. The WSCA/NASPO Contract Administrator will facilitate dispute resolution between the Contractor and Purchasing Entities. Unresolved disputes shall be presented to the State for resolution.

C. The WSCA/NASPO Contract Administrator shall promote and support the use of this Agreement by NASPO members and other Participating Entities.

D. The WSCA/NASPO Contract Administrator shall advise the State regarding the Contractor's performance under the terms and conditions of this Agreement.

E. The WSCA/NASPO Contract Administrator shall receive and approve quarterly price agreement utilization reports and the administration fee

payments.

F. The WSCA/NASPO Contract Administrator shall periodically verify the Product and Service prices in the PSS conform to the Contractor's volume price and other guarantees. The WSCA/NASPO Contract Administrator may require the Contractor to perform web site audits to accomplish this task.

G. The WSCA/NASPO Contract Administrator shall conduct annual Contractor performance reviews.

H. The WSCA/NASPO Contract Administrator shall maintain an Agreement administration website containing timely and accurate information.

41. Survival

The following rights and duties of the State and Contractor will survive the expiration or cancellation of the resulting Contract. These rights and duties include, but are not limited to Paragraph 12. Patent, Copyright, Trademark and Trade Secret Indemnification; Paragraph 20. Records and Audit; Paragraph 24. Indemnification, Hold Harmless, and Limitation of Liability; Paragraph 31, Governing Law; Paragraph 34. Data Practices; and Paragraph 52. Right to Publish.

42. Succession

This Agreement shall be entered into and be binding upon the successors and assigns of the parties.

43. Notification

A. If one party is required to give notice to the other under the Contract, such notice shall be in writing and shall be effective upon receipt. Delivery may be by certified United States mail or by hand, in which case a signed receipt shall be obtained. A facsimile transmission shall constitute sufficient notice, provided the receipt of the transmission is confirmed by the receiving party. Either party must notify the other of a change in address for notification purposes. All notices shall be addressed as follows:

To MMD:

Department of Administration
Materials Management Division
Bernadette Kopischke, CPPB
Acquisitions Supervisor
50 Sherburne Avenue
112 State Administration Building
St. Paul, MN 55155
Fax: 651.297.3996
Email: bernie.kopischke@state.mn.us

To Contractor:

Panasonic Computer Solutions Company
3 Panasonic Way 2F-11
Secaucus, NJ 07094
Attention: James King, Vice President

with a copy to:

Panasonic Corporation of North America
One Panasonic Way 3B-6
Secaucus, NJ 07094
Attn: General Counsel
Fax: 201-348-7619

Panasonic Computer Solutions Company
Attn – Michelle Chapin, Director of Government Relations
21473 Glebe View Dr
Ashburn, VA 20148

44. Reporting and Fees

A. Administration Reporting and Fees

1. The Contractor agrees to provide monthly utilization reports to the WSCA/NASPO PC Contracts Reporting person and the WSCA/NASPO Contract Administrator by the 15th of the month following the end of the previous month. (Ex. Purchases during January are reported by the 15th of February; purchases made during February are reported by the 15th of March; etc.). The report shall be in the format developed by the Lead State and supplied to the Contractor.

2. The Contractor agrees to provide quarterly Administrative Fee check payable to WSCA/NASPO for an amount equal to one-twentieth of one percent (0.0005) of the net sales for the period. The form to be submitted with the check, as well as the mailing address, has been supplied to the Contractor. Payment shall be made in accordance with the following schedule:

Period End	Fee Due
June 30	July 31
September 30	October 31
December 31	January 31
March 31	April 30

3. The Contractor agrees to include all Reseller Agent sales in the monthly utilization reports described above. In addition, the Contractor agrees to provide a supplemental Reseller Agent utilization report of the net sales for the period subtotaled by Purchasing Entity name, within Purchasing Entity state name by Reseller Agent Name.

4. The Contractor agrees to provide with the utilization report the environmental information shown in the report format provided; as well as a supplemental report of the number and type of units taken back in a format to be mutually agreed to.

5. The utilization reports shall be submitted to the WSCA/NASPO PC Contracts Reporting person and the WSCA/NASPO Contract Administrator via electronic mail in a Microsoft Excel spreadsheet format, or other methods such as direct access to Internet or other databases.

6. If requested by the WSCA/NASPO Contract Administrator, the Contractor agrees to provide supporting Purchase Order detail records on mutually agreed magnetic media in a mutually agreed format. Such request shall not exceed twelve per year.

7. The failure to file the utilization reports and fees on a timely basis shall constitute grounds for the removal of the Contractor's primary representative, suspension of this Agreement or termination of this Agreement for cause.

8. The WSCA/NASPO Contract Administrator shall be allowed access to all reports from all Purchasing Entities.

B. Participating Entity Reports and Fees

1. Participating Entities may require an additional fee be paid directly to the State on purchases made by Purchasing Entities within that State. For all such requests, the fee level, payment method and schedule for such reports and payments shall be incorporated in to the Participating Addendum that is made a part of this Agreement. The Contractor may adjust PSS pricing accordingly for purchases made by Purchasing Entities within the jurisdiction of that State. All such agreements shall have no affect whatsoever on the WSCA fee or the prices paid by the Purchasing Entities outside the jurisdiction of the State requesting the additional fee.

2. Purchasing Entities will be encouraged to use the reporting format developed by the lead State for their reporting needs. However, the Contractor agrees to provide additional reports to Purchasing Entities upon agreement by both parties as to the content and delivery methods of the report. Methods of delivery may include direct access to Internet or other databases.

3. Each State Purchasing Entity shall be allowed access to reports from all entities within that State.

45. Default and Remedies

A. Any of the following shall constitute cause to declare this Agreement or any order under this Agreement in default:

1. Nonperformance of contractual requirements; or

2. A material breach of any term or condition of this Agreement.

B. A written notice of default, and an opportunity to cure, shall be issued by the party claiming default, whether the Lead State (in the case of breach of the entire Agreement), a Participating Entity (in the case of a breach of the participating addendum), the Purchasing Entity (with respect to any order), or the Contractor. Time allowed for cure shall not diminish or eliminate any liability for liquidated or other damages.

C. If the default remains after the opportunity for cure, the non-defaulting party may:

1. Exercise any remedy provided by law or equity;
2. Terminate the Agreement, a Participating Addendum, or any portion thereof, including any Purchase Orders issued against the Agreement;
3. Impose liquidated damages, as specified in a Participating Addendum;
4. In the case of default by the Contractor, and to the extent permitted by the law of the Participating State or Purchasing Entity, suspend Contractor from receiving future solicitations.
5. Charge the defaulting Contractor the full increase in cost and administrative handling to purchase the product or service from another Contractor.

D. The MMD reserves the right, upon approval of the WSCA Directors, to develop and implement a step-by-step process to deal with Contractor failure to perform issues.

46. Audits

A. Website Pricing Audit

The Contractor agrees to assist the WSCA/NASPO Contract Administrator or designee with web site Product and pricing audits based on the requirements described in the Vendor Mandatory meeting presentation. Website prices will be audited by the 7th day of every new Contract quarter.

1. The product audit will closely monitor the products and services listed on the website to insure they comply with the approved products and services. The addition of products or services not approved by the WSCA/NASPO Contract Administrator will not be tolerated and may be considered a material breach of this Agreement.

B. Sales Audit

The Contractor further agrees to provide sales audit reports based on the formulas described in the Vendor Mandatory meeting presentation. These presentations were held the week of March 30-April 3, 2009.

C. Upon request, the Contractor agrees to assist Participating Entities with invoice audits to ensure that the Contractor is complying with this Agreement in accordance with mutually agreed procedures set forth in the

Participating Addendum.

47. Extensions

If specifically authorized by provision in a Participating Addendum, Contractor may, at the sole discretion of Contractor and in compliance with the laws of the Participating State, offer Products and services to non-profit organizations, private schools, Native American governmental entities, government employees and students within the governmental jurisdiction of the entity completing the Participating Addendum with the understanding that the governmental entity has no liability whatsoever concerning payment for products or services.

48. Sovereign Immunity

The State does not waive its sovereign immunity by entering into this Contract and fully retains all immunities and defenses provided by law with regard to any action based on this Contract.

49. Ownership

A. Ownership of Documents/Copyright. Any reports, studies, photographs, negatives, databases, computer programs, or other documents, whether in tangible or electronic forms, prepared by the Contractor in the performance of its obligations under the Contract and paid for by the State shall be the exclusive property of the State and all such material shall be remitted to the State by the Contractor upon completion, termination or cancellation of the Contract. The Contractor shall not use, willingly allow or cause to allow such material to be used for any purpose other than performance of the Contractor's obligations under the Contract without the prior written consent of the State.

B. Rights, Title and Interest. All rights, title, and interest in all of the intellectual property rights, including copyrights, patents, trade secrets, trade marks, and service marks in the said documents that the Contractor conceives or originates, either individually or jointly with others, which arise out of the performance of the Contract, will be the property of the State and are, by the Contract, assigned to the State along with ownership of any and all copyrights in the copyrightable material. The Contractor also agrees, upon the request of the State, to execute all papers and perform all other acts necessary to assist the State to obtain and register copyrights on such materials. Where applicable, works of authorship created by the Contractor for the State in performance of the Contract shall be considered "works for hire" as defined in the U.S. Copyright Act.

50. Prohibition Against Gratuities

A. The State may, by written notice to the Contractor, terminate the right of the Contractor to proceed under this Contract if it is found by the State that gratuities in the form of entertainment, gifts, or otherwise were offered or given by the Contractor or any employee, agent, or representative of the Contractor to any officer or employee of the State with a view toward securing this Contract, or securing favorable treatment with respect to the award or amendment of this Contract, or the making of any determinations with respect to the performance of this Contract.

B. The Contractor certifies that no elected or appointed official or employee of the State has benefited or will benefit financially or materially from this Contract. This Contract may be terminated by the State if it is determined that gratuities of any kind were either offered to or received by any of the aforementioned individuals from the Contractor, its agent, or its employees.

51. Antitrust

The Contractor hereby assigns to the State any and all claims for overcharges as to goods and/or services provided in connection with this Contract resulting from antitrust violations which arise under antitrust laws of the United States and the antitrust laws of the State.

52. Right to Publish

A. Any publicity given to the program, publications or services provided resulting from the Contract, including but not limited to notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Contractor, or its employees individually or jointly with others, or any subcontractors or resellers shall identify the State as the sponsoring agency and shall not be released, unless such release is a specific part of an approved work plan included in the Contract prior to its approval by the WSCA/NASPO Contract Administrator.

B. The Contractor shall not make any representations of the State's opinion or position as to the quality or effectiveness of the products and/or services that are the subject of this Contract without the prior written consent of the WSCA/NASPO Contract Administrator. Representations include any publicity, including but not limited to advertisements, notices, press releases, reports, signs, and similar public notices.

53. Performance While Dispute is Pending

Notwithstanding the existence of a dispute, the parties shall continue without delay to carry out all of their responsibilities under this Contract that are not affected by the dispute. If a party fails to continue without delay to perform its responsibilities under this Contract, in the accomplishment of all undisputed work, any additional cost incurred by the other parties as a result of such failure to proceed shall be borne by the responsible party.

54. Hazardous Substances

To the extent that the goods to be supplied to the Purchasing Entity by the Contractor contain or may create hazardous substances, harmful physical agents as set forth in applicable State and federal laws and regulations, the Contractor must provide the Purchasing Entity, upon request, with Material Safety Data Sheets regarding those substances (including mercury).

55. Customer Satisfaction/Complaint Resolution

A. The Contractor's process for resolving complaints concerning products, support, and billing problems is attached as **Exhibit B.**

B. The Contractor will survey its customers in each Participating State

approximately two (2) months prior to the annual meeting with the Contract Administrator using, at a minimum, the survey questions provided by the State.

56. Value Added Services

The Contractor is expected to provide such services as installation, training, and software imaging upon request of the Purchasing Entity. Additional Value Added Services offered by the Contractor are attached as **Exhibit C**.

57. E-Rate Program

The Contractor's reseller(s)does not have a direct E-Rate number; however, the Contractor's reseller will provide their E-Rate number upon request of the Purchasing Entity.

IN WITNESS WHEREOF, the parties have executed this agreement as of the date of execution by the State of Minnesota Commissioner of Administration, below.

1. PANASONIC COMPUTER SOLUTIONS COMPANY

The Contractor certifies that the appropriate person(s) have on behalf of the Contractor as required by applicable articles, bylaws, resolutions, or ordinances.

By: James King

Title: Vice President

Date: 7/29/09

By:

Title:

Date:

2. MATERIALS MANAGEMENT DIVISION

In accordance with Minn. Stat. § 16C.03, Subd. 3.

By: Bernadette Kopischke

Title: Acquisitions Supervisor

Date: 7/31/09

3. COMMISSIONER OF ADMINISTRATION

Or delegated representative.

By: Brenda Millard

Date: 7/31/09

EXHIBIT A – ADDITIONAL WARRANTIES

Exhibit A - Warranty & Extended Warranty information

The standard limited warranty covers Panasonic Toughbook notebooks for three years and includes a priority parts exchange program and repair service at no cost. It also provides lifetime access to a U.S.-based technical support hotline to handle any questions or problems that may arise.
• Limited Hardware Warranty—PCSC will repair in-warranty Toughbook notebooks at no cost.

• Telephone Support—A team of U.S.-based technical specialists is available for all Toughbook laptop users by calling 1-800-LAPTOP5.

• Website Support—Toughbook laptop customers have access to a download center for drivers, first-aid disks, BIOS updates, tools, utilities and manuals.

• Priority Exchange—When in need of a user-replaceable part for an in-warranty Toughbook computer, the part will be shipped within the United States at no cost.

• Repair and Shipping—When it is determined that a Toughbook laptop needs to be shipped to PCSC's National Service Center, PCSC will arrange for pickup and shipment, repair the unit and return it, all at no cost for an in-warranty Toughbook.

• Field Personnel—Panasonic field service managers are strategically located throughout the country to provide customers with additional support when required.

IN-WARRANTY REPORTING PROCESS
For in-warranty service on all Panasonic computers and accessories, you can call Panasonic's technical support hotline at 1-800-LAPTOP5 (1-800-527-8675), 24 hours a day, 365 days a year. A Panasonic hotline representative will help you determine if a hardware problem exists and whether or not the laptop needs to be shipped to the National Service Center. If it is determined that a problem exists and the laptop needs to be shipped to the National Service Center, the representative will request the following information:

• Name
• Address
• Unit model and serial number
• Date of failure
• Description of problem

The hotline representative will then provide you with a service authorization number, shipping company name and account number, and the address of the National Service Center. PCSC will pay for shipping to and from the National Service Center, and even send you a box for returning the unit that needs repair

On-Site Repair Services
Panasonic will provide repair services for Panasonic laptop computers and their related accessories at the Customer's site. This service is available in one-year term increments, up to five years. The in-warranty years of the Unit must be the same as the On-site Repair Service. The Customer must supply serial numbers for each Unit that is to be covered.

Response Time: The service technician will arrive on-site within eight business hours in all major metropolitan areas. Remote areas (more than 50 miles outside a major metropolitan area) may require slightly longer access times. A coverage map is available. A dispatch center is available 24 hours a day, 365 days a year. The on-site service of the equipment is available Monday through Friday, 8:00 am to 5:00 pm local time, excluding Federal holidays and those observed at the Customer location. Panasonic will not be held responsible for response time during extreme weather of other acts of God or war.
Services Provided: On-site repair service will be fulfilled by a qualified technician, with Panasonic manufactured parts or with Panasonic approved equivalents. The technician may or may not be a direct

employee of Panasonic. The technician may be a representative from a Panasonic Authorized Service Provider. The Customer must accommodate the arrival of the on-site technicians, access to the site, and access to the unit requiring repair. A warranty determination will be made by the on-site technician. In-warranty repairs will be performed at no charge at the time of service. Out-of- warranty repairs will be billed at the cost of labor, parts, shipping costs (if applicable), and applicable taxes.

Out-of-Warranty Repairs: Should a repair be deemed to be outside of Panasonic' Standard Warranty (printed copies available in separate documents), or other additional warranty coverage that has been previously purchased, the Customer will be responsible for the cost of the repairs. The Customer will be given an estimate on out-of warranty repairs for their approval prior to the repair.

General Terms for Extended Warranty, Extended Battery Warranty and Protection Plus
Panasonic Computer Solutions Company (referred to as "Panasonic") will provide the following warranties to the purchasers (referred to as "Customers") of Panasonic Toughbook computing devices (referred to as "Units"). Under the Panasonic Standard Toughbook Limited Warranty, Panasonic will repair hardware products sold by Panasonic with new or rebuilt parts, free of charge for 3 years on all laptops and for 1 year on selected models from the date of the original purchase. The owner's manual that comes standard with each Unit will provide the exact warranty term. This standard limited warranty only covers failures due to defects in materials or workmanship that occur during normal use. It does not cover damage which occurs in shipment or failures which are caused by products not supplied by Panasonic, or failures that result from alteration, accident, misuse, introduction of liquid or other foreign matter into the unit, abuse, neglect, installation, maladjustment of consumer controls, improper maintenance, modification or service by anyone other than the National Service Center or a Panasonic Authorized Service Provider, or damage that is attributable to acts of God. This warranty does not cover software or consumable items. All consumable items not purchased as part of the Toughbook PC original sale are covered for 1 year from the date of purchase. This warranty is provided solely to the original purchaser. A purchase receipt or other proof of the original date of purchase may be required before warranty service is rendered.

Extended Warranty
The Extended Warranty provides standard limited warranty coverage for all system components for an additional fourth and/or fifth year depending on which option the Customer purchases. This warranty does not cover are consumable items such as batteries, screen protectors, etc. Coverage exclusions include intentional misuse or abuse, virus-inflicted damage, data recovery from hard drive failure or cosmetic damage that does not affect that functionality of the system. A list of the Customer's serial numbers for the Toughbook models purchased and proof of purchase is required to entitle the Units for this warranty.

Extended Battery Warranty
The Extended Battery Warranty coverage provides for an additional two, three or four years of coverage depending on which option the Customer purchases. This allows for up to five years of coverage on the battery. If a battery is returned under this coverage because it maintains less than 50% of its charge capacity, a replacement battery will be sent at no charge to the Customer's user. A battery covered by this warranty is considered good if it maintains 50% of its charge capacity after the first year. Toughbook models covered under this warranty are eligible to receive up to one battery per year for the duration of the extended battery warranty period. A list of the Customer's serial numbers for the Toughbook models purchased and proof of purchase is required to entitle the Units for this warranty.

Protection Plus Warranty
The Protection Plus Warranty (or No Fault Warranty) increases the coverage for all system components during the standard limited warranty period or for the Extended Warranty period depending on which option the Customer purchases. The additional coverage includes damage that occurs as a result of accidental damage during normal use, exposure to environmental conditions, and other non-intentional conditions not covered by the standard limited warranty. This warranty does not coverage damage from intentional acts, fire, loss, theft, or normal wear (cosmetic damage) not affecting functionality. This warranty does not cover consumable items such as the battery, screen protectors, and printing of the keyboard. Panasonic may elect to repair or replace a damaged Unit, at our discretion, with a model of equal or greater value.

The maximum benefit for Protection Plus coverage is limited to one major failure per Unit per year for the LCD, keyboard, hard drive and system board. A replacement Unit will not be provided if the maximum

benefit has already been met for a Unit. If the maximum benefit has not been met and a unit needs to be replaced, a replacement Unit will be provided. The replacement Unit will not be covered by Protection Plus unless separately purchased for the replacement Unit.

A list of the Customer's serial numbers for the Toughbook models purchased and proof of purchase is required to entitle the Units for this warranty.

Ownership, Copyrights, and Indemnification
The Customer warrants and insures that the Customer has obtained and currently holds, legal right to use/install all requested software and/or third-party devices being integrated into the Unit. This includes appropriate number of licenses/rights to cover the number of Units being configured/loaded. The Customer acknowledges that unless otherwise expressed in writing, all costs associated with the acquisition of said rights are the sole responsibility of the Customer. The Customer will indemnify, defend, and hold harmless Panasonic against all copyright infringement claims and actions regarding third-party software/hardware loaded at the Customer's request.

Limitations and Exclusions
PANASONIC SHALL NOT BE LIABLE FOR LOSS OF DATA OR OTHER INCIDENTAL OR CONSEQUENTIAL DAMAGES RESULTING FROM THE USE OF THESE SERVICES, OR ARISING OUT OF ANY BREACH OF THIS WARRANTY. ALL EXPRESS AND IMPLIED WARRANTIES, INCLUDING THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ARE LIMITED TO THE APPLICABLE WARRANTY PERIOD SET FORTH ABOVE. Some states do not allow the exclusion or limitation of incidental or consequential damages, or limitations on how long an implied warranty lasts, so the above limitations or exclusions may not apply to your project. This limited warranty gives you specific legal rights and you may also have other rights, which vary from state to state.

EXHIBIT B – COMPLAINT RESOLUTION.

Throughout the period of performance, Panasonic will ensure that all complaints are resolved effectively and as quickly as possible. As stated, Panasonic distributes products exclusively through our network of Authorized Resellers. The benefit of our approach to Participating States is that they have the opportunity to choose to work with one or more of our Authorized Resellers on the basis of additional support, incentives, and programs that each may offer independently.

Bottom line responsibility for complaint resolution lies with Panasonic as the Prime for this contract. However, each of our resellers selected for this proposal have proven their capability to independently resolve complaints and issues within the scope of their support for procurement operations. Through our distribution model, Participating States' representatives may choose to resolve complaints at the local level through their reseller of choice, or at their own discretion, choose to escalate such complaints directly to Panasonic for resolution.

To accommodate this process, Panasonic has designated a primary authority who has access to all decision makers and Panasonic resources for the resolution of complaints, this contact is identified as follows:

Michelle Chapin
Director Government Relations
21473 Glebe View Drive
Ashburn, VA 20148
973.303.7787
Michelle_Chapin@us.panasonic.com

Processes for complaint resolution utilized by our resellers will be reviewed, and approved or modified in accordance with State Participating Addendums as may be warranted. Panasonic will also implement a process to ensure complaint tracking and resolutions managed directly by our resellers (at Participating State Representatives option), are reviewed on a regular basis to identify any potential program management issues that can be resolve through more effective policy, procedure or training.

Complaints escalated to Panasonic, or complaints originally directed to Panasonic will be resolved according to the following activity timeline:

1. Complaints may be directed to Panasonic's designated contact (above), via telephonic or electronic means.
2. Complaints will be acknowledged upon receipt.
3. Complaints will be reviewed immediately and action taken to resolve each.
4. Panasonic's designated contact will provide the complaint originator with a complaint resolution status within 24 hours of receiving the complaint detailing action taken or pursued, and an estimated time for resolution.
5. Complaints that can be resolved immediately or within 24 hours will be, otherwise, our goal for complaint resolution is within 72 hours.

EXHIBIT C – VALUE-ADDED SERVICES

Value added services offered by Panasonic and our Authorized Resellers provide your Participating States with all of the resources and programs to ensure successful product acquisitions through the entire life-cycle of the product – from Acquisition to Recycling – specific value added programs are described as follows (Corresponding service data sheets are provided within Binder 3 of our submission):

Panasonic uses a **three-phase process** to provide managed deployment and project management services for its mobile customers. It provides bundled packages to handle the entire deployment, as well as ongoing support services (such as Panasonic Gold/Premiere & Silver/Preferred Service). Additionally, Panasonic also offers its customers the flexibility to tailor the packages to their specific needs, as well as the ability to purchase any individual service on an "à la carte" basis.

In addition, warranty service is performed on the Toughbook units, some of which will be "in warranty," and a smaller percentage which will fall under the "out-of-warranty" guidelines. The ongoing service & support is a critical stage to ensure user "uptime" and accurately track system performance and company assets.

Configuration Services – *Phase 1* TOUGHBOOK

Panasonic National Service and Configuration Center manages custom integration as follows:

- Integrate all hardware, software, drivers, gold master disk image, and third-party devices into a single Toughbook unit
- 48-hour "burn-in"
- CMOS configuration
- Wireless testing and confirmation
- Custom, high-quality asset tag
- Key content capture (S/N, MN)
- Image setup and review
- Mass disk imaging (user)
- Unique disk imaging (superior)

Panasonic

Service Packages

To jump-start the deployment of your Toughbooks, let Panasonic reduce the time required to get your new equipment in the hands of your users. Toughbooks are configured to your exact specifications for general usage, or by job description. Our expert deployment team will ensure your deployment and ongoing implementation is completed on time and within budget by acting as the single point of accountability for the life of your project. Deployment services included in this package also help implement an online tracking system designed to provide administrators with timely and accurate data. Additionally, this package provides an asset tracking system that makes it easy to manage a large PC deployment. Panasonic's Asset Management Online Service (AMOS) also allows customers to track and report on all of their field-based assets.

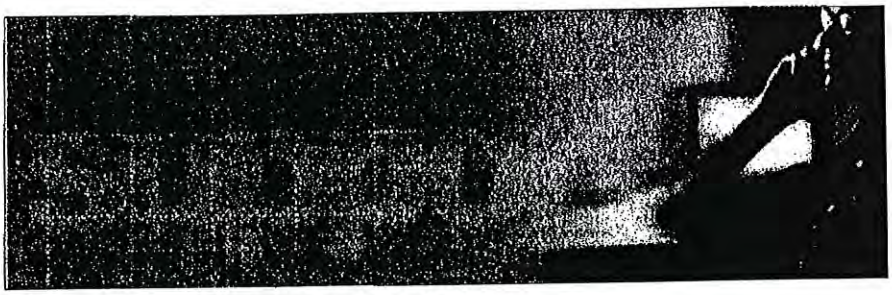
Panasonic Gold/Premiere Package –
The Panasonic Gold/Premiere Service package provides a bundle of services that include nearly all items shown in Phases 1, 2, and 3. The Gold/Premiere Service package is available for terms of service from (3) to (5) years.

Silver package

Panasonic Silver/Preferred Package –
The Panasonic Silver/Preferred Service package provides a bundle of services that primarily focus on initial imaging and unit deployment while still providing for online service analysis during the length of the service in the field.

For more details on these packages or a uniquely designed program, please contact your local Panasonic sales representative.

In addition to the service bundles, Panasonic also offers services on an à la carte basis, tailored to the exact needs of our customers. Along with providing specific services that are part of the Gold or Silver service bundles, individual services are also available to complement existing customer internal infrastructures.



The following is a listing of individual **Panasonic Professional Services**:
Panasonic Computer Solutions Company (referred to as "Panasonic") will provide the following services to the purchasers (referred to as "Customers") of Panasonic Toughbook computing devices (referred to as "Units").

- Disk Image Management
- Asset Management
- Online Service Analysis
- Hot Spare Management
- Express Loaner Service
- On-Site Service
- Data Protection

Deployment Package Services:
Panasonic can provide to Customers as part of the Premiere/Gold deployment package selected services from the following list:

1. **Unit initial disk imaging and hardware configuration.** Hardware configuration refers to a standard group of basic configuration services which include, but are not limited to BIOS and switch settings, power-up/test, and burn-in of the disk image. The configuration and related settings are agreed to prior to starting the deployment and are contained on the PS Design Document, which must be approved by the Customer.

2. **Third-party software loads and hardware integration.** Panasonic will advise the Customer as to the preferred settings for all third-party tasks related to the configuration. Panasonic assumes no liability for the configuration as specified by the Customer. The Customer acknowledges that unless otherwise expressed in writing, all acquisition costs associated with any third-party software and hardware are the sole responsibility of the Customer.

3. **Wireless Service Activation**. Panasonic will activate the wireless carrier service for the Customer and test the activation prior to the shipping the Units to the Customer. Customer is responsible for all costs associated with the acquisition of hardware, software, and the selected carrier service contract.

4. **Asset tagging and serial number reporting**. Panasonic will perform these services for the

Customer. And, if the Customer purchases either the Silver or Gold deployment service package the serial numbers will also be loaded into the Online Service Analysis web-based tool for the Customer to track work performed by the National Service Center.

5. **Shipping coordination.** Panasonic will manage the preparation, packing, and shipping of Units to a single or multiple locations specified by the Customer. The Units and their destination will be tracked and Panasonic will forward this information to the Customer. Depending on the level of deployment service package selected, shipping costs to the specified number of destinations within the United States may be included.

6. All other deployment services are performed for additional charges.

Disk Image Management
Panasonic will load the Customer's Gold disk image onto a Panasonic server. These images will be used to initialize and load software onto the hard drives of new Units deployed with the Panasonic Silver and Gold Packages and/or in-warranty units repaired at the National Service Center. The Customer will designate which image is to be loaded on the Unit as part of the initial deployment service package or when the Unit is sent in for repair. In-warranty coverage does not include damage caused by viruses, outdated software, misuse or abuse of the unit, and corruption of the application or operating system. Elective updates to a partial or entire group of your organization's users are not covered in this service and will be charged on a project or time and materials basis. Images can be updated by the Customer on a quarterly basis. The total number of Customer images per deployment will be determined prior to the start of the service. Two images are allowed per Toughbook model. The number of images per Customer deployment will be based on the total number of Units purchased. All Customer images will be stored on a Panasonic Server.
Each image can be a maximum size of 10 Gigabytes. Additional image requirements/maintenance needed by the Customer can be provided for an additional charge.

Panasonic will advise the Customer of the preferred software drivers and operating systems for their requirements. Panasonic assumes no liability for the appropriateness, correctness, or usability of the applications chosen by the Customer.

Asset Management and Online Service Analysis
All repair and service information is extracted from the National Service Center's repair history and displayed in reports and charts for the Customer on Panasonic's web-based tracking and reporting system. Panasonic will make every reasonable effort to maintain data in an accurate and secure manner. Panasonic does not share any of the Customer's data, or information about the Customer, with third parties other than Panasonic Authorized Service Providers. Panasonic will provide a Customer's user access via individual IDs and passwords, which will be kept confidential. Customers have the ability to edit and modify their own data. Panasonic cannot be held liable for the accuracy or completeness of any Customer data accessed by their users. Panasonic will act, with the Customer's help, to correct any known inaccuracies. Do to the nature of how access is distributed, Panasonic will not be held liable for security violations on the Customer's end. Panasonic will act quickly to correct any security issue that becomes known. This service requires that the users have Microsoft's Internet Explorer version 5.0 or higher and access to the Internet. Panasonic does not supply either requirement for this service. Panasonic may change functionality over time, without notice.

Hot Swap Management and Express Loaner Service
Panasonic will provide inventory management, packaging and shipping to Customer locations within the United States at no charge, and logistical coordination services for the Customer's assets for the express purpose of replacing Units that are currently in use and are experiencing operating problems. The inventory managed on behalf of the Customer as part of either the Hot Swap Management or the Express Loaner Service shall require the Customer to purchase a minimum of 2% of the current installed Unit population to be designated as either the "Swap Pool" or the "Loaner Pool". The Customer will maintain ownership of these Units and has the sole responsibility for inventory levels. Panasonic will proactively work with the Customer to make sure they are informed of any shortages and/or Units not being returned from a Customer's user. Panasonic will not be held responsible for Units not returned by the Customer or the Customer's users to either the "Swap Pool" or the "Loaner Pool". Customer warrants and insures that they have obtained and currently hold legal right to use/install all requested third-party software and third-

party hardware being integrated into the Unit. The Customer acknowledges that unless otherwise expressed in writing, all acquisition costs associated with any third-party software and hardware are the sole responsibility of the Customer. Panasonic will repair incoming in-warranty damaged Units in accordance with the standard warranty procedure. The Customer may incur additional repair costs for a damaged Unit that is identified as out-of-warranty.

Panasonic Leasing Information

Individual Purchasing Entities may enter in to lease agreements for the products covered in this Master Price Agreement, if they have the legal authority to enter into these types of agreements without going through a competitive process. The lease agreements were not reviewed or evaluated as part of the RFP evaluation process.

Proposed Lease Agreements

Panasonic has not proposed a specific lease agreement with our submission. However, Panasonic, as well as our Authorized Resellers have lease programs in place for those Participating States that are interested in lease terms for their specific acquisitions. We would welcome the opportunity to work with those specific states and agencies to provide a customized lease program. On the designated area for the WSCA contract on Panasonic's website is a sample agreement of what a lease may look like. Additional information about leasing can be customized to fit the specific customer's unique needs.

Addendum to Master Price Agreement
Between
Panasonic Computer Solutions Company
And
State of Minnesota, Materials Management Division
Representing the Western States Contracting Alliance (WSCA) and
the National Association of State Procurement Officials (NASPO)
Lead State Contract #: 827172 Executed on: July 31, 2009

August 11, 2009 Page 1 of 1

This Master Price Agreement Addendum governs Panasonic Computer Solutions Company's - Unit of Panasonic Corporation of North America (hereinafter "CONTRACTOR") use of the NASPO/WSCA name and logo during the term of this Master Price Agreement and amendments to this Master Price Agreement. CONTRACTOR may use the name and logo only as set forth below. Any use not expressly permitted herein is prohibited, and such use constitutes a material breach of the Master Price Agreement with the Lead State and all Participating States.

1. CONTRACTOR may display the NASPO/WSCA name and logo on the face of the Master Price Agreement, including all electronic and hard copy versions.

2. CONTRACTOR and its subcontractors, resellers, and agents may display the NASPO/WSCA names and logos on a web site as a "click on" link to the Master Price Agreement. No other use of the logos or names is permitted on any web site, except as permitted in paragraphs 1 and 3.

3. With, and only with, prior written approval of the Lead State Contract Administrator, CONTRACTOR may advertise the Master Price Agreement in publications and promotional materials aimed at state and local government entities eligible to use the Master Price Agreement. The sole focus and intent of such advertisements must be to increase participation in the Master Price Agreement. The NASPO/WSCA names may be used and the logos displayed in the advertisement ONLY as it relates to the Master Price Agreement. The Lead State Contract Administrator's approval must encompass the content and appearance of the advertisement and the media in which the advertisement will appear.

4. CONTRACTOR may not make explicit or implicit representations concerning the opinion of NASPO/WSCA, the Lead State, or any Participating State regarding CONTRACTOR or its products or services. This restriction includes general use of the NASPO/WSCA names and logos NOT directly linked to or related to this Master Price Agreement.

5. CONTRACTOR must ensure that its sub-contractors, resellers, and agents adhere to the terms of this Addendum, and CONTRACTOR is responsible for any breach by these entities.

6. CONTRACTOR must immediately cease all use of the NASPO/WSCA names and logos if directed to do so in writing by the Lead State Contract Administrator, and CONTRACTOR must ensure that its sub-contractors, re-sellers, and agents immediately cease all use.

7. CONTRACTOR shall not make, or permit its subcontractors, resellers, or agents to make, any alterations to NASPO's or WSCA's names or logos (including characters, style and colors) and CONTRACTOR shall not use or permit the use of NASPO's or WSCA's names or logos in a manner or context that could adversely affect NASPO's/WSCA's integrity, goodwill, or reputation.

8. Upon termination or expiration of the Master Price Agreement, CONTRACTOR and its sub- contractors, re-sellers, and agents must cease all use of the NASPO/WSCA names and logos; except that, CONTRACTOR may use the NASPO/WSCA names for reference purposes in a description of its prior experience.

Acknowledged:

CONTRACTOR: Panasonic Computer Solutions Company-Unit of Panasonic Corporation of North America

The Contractor certifies that the appropriate person(s) have executed this agreement on behalf of the Contractor as required by applicable articles, bylaws, resolutions, or ordinances.

Signature: James Ring
Title: Vice President
Date: 8/10/09

LEAD STATE: MINNESOTA

In accordance with state statutes or rules.

Signature: Bernadette Kopischke
Title: Acq-Supvr.
Date: 8/17/09

Admin Minnesota
MATERIALS MANAGEMENT DIVISION

WSCA/NASPO Contract Administration
112 Administration Building
50 Sherburne Avenue
St. Paul, MN 55155
Fax: 651.297.3996
TTY: MN Relay Service 1.800.627.3529
http://www.mmd.admin.state.mn.us

AMENDMENT NUMBER: ONE (1)
TO CONTRACT NUMBER: B27172

THIS AMENDMENT is by and between the State of Minnesota, acting through is commissioner of Administration, and on behalf of the WSCA/NASPO ("Lead State") and Panasonic Computer Solutions Company, Unit of Panasonic Corporation of North America, 3 Panasonic Way, 2F-11, Secaucus, NJ 07094 (Contractor).

WHEREAS, the Lead State has a Contract with the Contractor identified as No. B27172, effective September 1, 2009, through August 31, 2012, to provide direct-from-manufacturer personal computer equipment, peripherals and related services; and

WHEREAS, Minn. Stat. § 16C.03, subd. 5, affords the commissioner of Administration, or delegate pursuant to Minn. Stat. § 16C.03, subd. 16, the authority to amend contracts; and

WHEREAS, the terms of the Contract specifically state that the Contractor shall provide the basic warranty, three years, next business day, as stated in Appendix B of the RFP, for all products included in the Bands listed in Article 14 Products and Services Schedule. (Bands 2. Workstations; and 5. PDA's).

NOW, THEREFORE, it is agree by the parties to amendment the Contract as follows:

1. The Contractor may offer one-year and/or two-year warranties for each Band of equipment provided under the Contract. The Contractor shall show these as options when configuring a system/obtaining a quote, as a reduction in the cost of the equipment.
Panasonic Solutions Company Toughbook Computer products come standard with a 3-year warranty. There is not an option for a one-year and two-year warranty on the Toughbook laptop products.

This Amendment is effective beginning on the date that the final required signatures are obtained, and shall remain in effect until August 31, 2012, or until the Contract is canceled, whichever occurs first.

Except as herein amended, the provisions of the original Contract between the parties hereto are expressly reaffirmed and remain in full force and effect.

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Admin Minnesota
MATERIALS MANAGEMENT DIVISION

WSCA/NASPO Contract Administration
112 Administration Building
50 Sherburne Avenue
St. Paul, MN 55155
Fax: 651.297.3996
TTY: MN Relay Service 1.800.627.3529
http://www.mmd.admin.state.mn.us

IN WITNESS WHEREOF, the parties have caused this Amendment to be duly executed intending to be bound thereby.

1. PANASONIC COMPUTER SOLUTIONS
The Contractor certifies that the appropriate person(s) have executed this document on behalf of the Contractor as required by applicable articles, bylaws, resolutions, or ordinances.

By: _____
Title: Vice President
Date: 9/24/2010

2. LEAD STATE
MATERIALS MANAGEMENT DIVISION
In accordance with Minn. Stat. § 16C.03, Subd. 3.

By: Bernadette Kopischke
Title: Acquisitions Supervisor
Date: 9/23/10

By: _____
Title: _____
Date: _____

3. LEAD STATE
COMMISSIONER OF ADMINISTRATION
Or delegated representative.

By: Brenda Mulland
Date: 9/23/10

December 10, 2014

City of North Miami
776 NE 125th St Fl 4 Rm 403
North Miami, FL 33161-5654

Dear Ricardo Castillo:

Thank you for the opportunity to provide leasing/financing to City of North Miami. Enclosed are the lease documents for the equipment and/or software that you wish to acquire from CDW.

Please sign and **overnight** the enclosed documents (See #7 below) to 2330 Interstate 30, Mesquite, TX 75150. **Please do not fill in the commencement date on Exhibit A. This date is determined when the lease funds**.

Please use the following as your checklist:

1. **All "Lease Documents" MUST** be **signed and initialed** where applicable by:
   a. **Corporations:** Corporate Officer/President/EVP/SVP/VP of finance/Treasurer/CEO/COO/CFO/Controller/Corp Secretary
   b. **Limited Liability Company:** Managing Member/Member
   c. **Partnership/LLP:** Partner/Managing Partner
   d. **Limited Partnership:** General Partner
   e. **Sole Proprietorship:** Owner
2. **Copy of Drivers License(s) -** *Please provide a copy of the drivers' license for the document signer - for the purpose of signature verification. The same person must sign all the documents*
3. **A check payable to VAR Resources, Inc. from the account of City of North Miami** in the amount of $0.00.
4. **The Federal Tax ID No. for City of North Miami** is _____.
5. **Evidence of property insurance covering the leased equipment** and naming VAR Resources, Inc., its successors and assigns, as loss payee and additional insured. An insurance authorization letter is attached. Please provide us with your agent information and return with the documents.
6. **PLEASE DO NOT USE WHITE-OUT or MAKE ANY CROSS OUTS ON ANY DOCUMENT. ELECTRONIC OR STAMPED SIGNATURES WILL NOT BE ACCEPTED. WE CANNOT ACCEPT DOUBLE SIDED DOCUMENTS. Please print each page of the document set as a single page.**
7. **Please reply to this email with a copy of your scanned signed documents so that we can check your documents before you overnight them. PLEASE DO NOT SEND YOUR DOCUMENTS VIA THE US POSTAL SERVICE. ONCE WE RECEIVE A COPY OF YOUR SCANNED DOCUMENTS WE WILL EMAIL A UPS LABEL TO YOU SO THAT YOU CAN RETURN THE ORIGINALS TO US. If you cannot scan the documents please fax a signed copy to fax # 972-755-8210.**
8. **ACH Required X**
9. **State & Local Gov't Addendum**
10. **Validation of Board Approval**
11. **Lessee Certificate**
12. **Tax Exemption Certificate**

If you have any questions, please feel free to call me at (800) 347-0628.

Sincerely,
Mike Coke
National Account Manager
VAR Resources, Inc.

Addendum to Purchase Order and Conditions of Credit Approval

To: City of North Miami

From: VAR Resources, Inc.

Approval Date: 12/08/14 **Expiration Date: 02/06/15**

Approval Amount: $133,839.80

City of North Miami ("Customer") understands and agrees that VAR Resources, Inc. ("Lessor") will issue a Purchase Order(s) to the vendor(s) listed below for the product described in the lease or any schedule(s) attached to the lease (the "Product") pursuant to Customer's specific request. If for any reason within 10 days from the date of delivery by Vendor(s) of the product covered by the Purchase Order (the "Product") Customer: (i) fails to execute any required lease documents; (ii) does not provide Lessor with (a) written notice of acceptance of the delivered Product, (b) notice that it has returned some or all of the delivered Product only after Vendor(s) has provided written approval in advance of the return or (c) instructions to pay Vendor(s) for the Product; (iii) for any reason decides not to proceed with the lease; or (iv) for any reason defaults on the lease, then the Product shall be deemed accepted by Customer and Vendor(s) shall have recourse directly from Customer for immediate payment in full with respect to the Product, including, without limitation attorneys' fees and costs of collection, and customer indemnifies and holds Lessor harmless against all payment claims from the following vendor(s) : **CDW** .

CDW is an intended third party beneficiary of, and authorized to enforce, this Addendum.

Conditions of Credit Approval:

Funding is contingent upon our receipt of original executed lease contracts, executed delivery and acceptance form, verbal verification and any other documents required by VAR Resources. VAR Resources may revoke this approval at any time prior to funding or in the event of fraud or a material adverse change in the customer's financial condition. This approval will automatically expire on 02/06/15 as stated above. In the event of approval expiration or revocation, City of North Miami is responsible for paying all invoices for assets ordered from any vendor related to this lease/financing approval.

VAR Resources, Inc. will be issuing the purchase order to the vendors listed above for the items listed on the Schedule "A" of your lease agreement.

By signing this form, I agree that I have not issued, nor will issue a purchase order to the vendors listed above for the equipment and/or software listed on the Schedule "A" of my lease contract.

In the event that you or the any vendor(s) representative changes the ship to address to any address other than 776 NE 125th St Fl 4 Rm 403, North Miami, FL 33161-5654 you agree to pay cash to vendor(s) directly and the lease is considered void.

Agreed to and accepted this ____ day of _____, 20__.

Customer: City of North Miami

By: _____

Print Name: _____

Title: _____

Master Lease Agreement

THIS IS A NON-CANCELABLE, LEGALLY BINDING CONTRACT

Master Lease Number:

Lessee (Leasing Customer) – ***Use exact registered name if a corp., LLC or LP***	Lessee's Chief Executive Office – Street		City
City of North Miami	776 NE 125th St Fl 4 Rm 403		North Miami
Tax ID #	**State**	**County**	**Zip Code** / **Lessee's Telephone**
	FL		33161-5654

In this Master Lease Agreement ("Master Agreement"), the words **"You"** and **"Your"** mean the Lessee named above. **"We," "Us"** and **"Our"** mean **VAR Resources, Inc.** **"Schedule"** means the form of lease schedule attached hereto as Exhibit A. **"Supplier"** means the equipment supplier supplying the Equipment (defined below) leased under a Schedule. ***This Master Agreement, together with each Schedule entered into pursuant hereto and the related and supporting documents entered into directly with Us in connection with the transaction represented in a Schedule ("Other Documents"), represent the final and only agreement between You and Us regarding the leasing of the Equipment identified in such Schedule and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements. There are no unwritten oral agreements between You and Us. Neither this Master Agreement nor any Schedule may be changed except by a written agreement between You and Us. Other agreements not stated in this Master Agreement, Schedules and Other Documents (including those contained in any purchase agreement or order between You and the Supplier) are not binding on Us.*** If you provide a telephone number for a cellular phone or other wireless device, for business purposes, now or in the future, you are expressly consenting to receiving communications (for NON-marketing or solicitation purposes) at that number, including, but not limited to, prerecorded or artificial voice message calls, text messages, and calls made by an automatic telephone dialing system from VAR Resources, Inc. and its affiliates and agents. These calls and messages may incur access fees from your cellular provider.

1. ***LEASE OF EQUIPMENT.*** Each Schedule executed by You represents your agreement to lease from Us the equipment listed therein (together with all existing and future accessories, embedded software programs, attachments, replacements, additions and repairs) (the **"Equipment"**), upon the terms stated in such Schedule and this Master Agreement. Each Schedule shall be substantially in the form of **Exhibit A** and shall be deemed to be a separate lease transaction (a **"Lease"**) between You and Us. In the event of any conflict between the provisions of this Master Agreement and the provisions of any Schedule, the provisions of the Schedule shall control. You promise to pay to Us the Lease Payments shown on each Schedule in accordance with the payment schedule set forth therein, plus all other amounts stated herein and therein. Each Schedule is binding on You as of the date You sign it. After You sign a Schedule, We may (i) insert the Lease number thereon and any other information missing in such Schedule, and (ii) change the Lease Payment amount by not more than 15% due to a change in the Equipment configuration, cost or tax amount, or a payment miscalculation. No Schedule is binding on Us until We sign it. If You are other than a sole proprietorship, Your signature on this Master Agreement and on each Schedule constitutes Your representation that the execution and delivery by You of this Master Agreement, the Schedule and the Other Documents, and the performance of Your obligations hereunder and thereunder, have been authorized by all necessary company action, and that the person(s) signing this Master Agreement, the Schedule and the Other Documents has been duly authorized to do so.

2. ***UNCONDITIONAL OBLIGATION TO PERFORM.*** **With respect to each Schedule, You agree that: (a) You, not We, selected the Equipment and the Supplier, (b) We are a separate company from the Supplier, manufacturer and any other vendor (collectively, "Vendors"), the Vendors are NOT Our agents, and no statement, representation or warranty by any Vendor is binding on Us, (c) Your duty to perform Your obligations under the Master Agreement and the Schedule is unconditional despite any equipment failure, the existence of any law restricting the use of the Equipment, or any other adverse condition whatsoever, (d) if You are a party to any maintenance, service, supplies or other contract with any Vendor, We are NOT a party thereto, such contract is NOT part of any Lease (even though We may, as a convenience to You and a Vendor, bill and collect monies owed by You to such Vendor), and no breach by any Vendor will excuse You from fully performing Your payment and other obligations to Us, and (e) if the Equipment is unsatisfactory or if any Vendor fails to provide any service or maintenance or fulfill any other obligation to You, You shall not make any claim against Us and shall continue to perform your payment and other obligations to Us.**

3. ***ORIGINAL TERM; END OF TERM OPTIONS; RENEWAL PROVISIONS.*** The original term of each Lease represented by a Schedule will begin on a date designated by Us after We accept and sign the Schedule (the **"Commencement Date"**) and will continue for the number of months shown in the Schedule (**"Original Term"**). As used herein, **"Present Term"** means the term presently in effect, whether it is the Original Term or a Renewal Term (as defined below). **Unless You notify Us in writing at least 90 days but not more than 120 days before the end of a Present Term that, at the end of such Present Term, You intend to (i) return the Equipment, or (ii) exercise the purchase option, if any, specified in the Schedule, then: (a) the Schedule will automatically renew for an additional three-month Term** (each, a **"Renewal Term"**), and (b) the Lease Payment amount and the other terms of the Schedule and of this Master Agreement and Other Documents will continue to apply. If You do notify Us in writing within the time set forth above that You intend to return the Equipment or purchase the Equipment at the end of such Present Term, then, immediately upon the expiration of such Term, You shall return the Equipment subject to the Schedule pursuant to Section 13 of this Master Agreement or purchase the Equipment pursuant to Section 10 of the Schedule, as applicable.

4. ***LEASE PAYMENTS.*** With respect to each Schedule, Customer agrees to pay a prorated Lease Payment for the period between the Equipment installation date (i.e. the date of the related delivery and acceptance certificate) and the Commencement Date. This prorated or partial payment will be based on the Lease Payment shown on the related Schedule prorated on a 30-day calendar month and will be added to the Customer's first invoice. With respect to each Schedule, Lease Payments plus applicable taxes and other charges provided for herein are payable in advance periodically as stated herein and therein. Restrictive endorsements on checks will not be binding on Us. All payments received will be applied to past due amounts and then to the current amount due, in such order as We determine. We may add finance charges to any amount We advance on Your behalf, including, without limitation, taxes and insurance premiums, if any. Any security deposit or estimated future Governmental Charge (as defined in Section 10 below) that You pay is non-interest bearing, may be commingled with Our funds, may be applied by Us at any time to past-due amounts, and the unused portion will be returned to You within 90 days after the end of the final Present Term of the applicable Schedule. **If We do not receive a payment in full on or before its due date, You shall pay (i) a fee equal to the greater of 10% of the amount that is late or $29.00, plus (ii) interest on the part of the payment that is late in the amount of 1.5% per month ("Time-Value Interest") from the due date to the date paid.** If any check is dishonored, You shall pay Us a fee of $20.00.

5. ***DELIVERY, LOCATION, OWNERSHIP, USE, MAINTENANCE OF EQUIPMENT.*** We are not responsible for delivery or installation of the Equipment relating to any Schedule. You are responsible for Equipment maintenance. You shall not remove the Equipment from the Equipment Location designated in the applicable Schedule unless You first get Our permission. You shall give Us access to each Equipment Location so that We may inspect the Equipment, and You agree to pay Our costs in connection therewith, whether performed prior to or after the Commencement Date of the applicable Schedule. **We will own and have title to all Equipment (excluding any software) throughout the Term of each Schedule.** You agree that all Equipment is and shall remain personal property. You shall not permit it to become (i) attached to real property or (ii) subject to liens or encumbrances of any kind whatsoever. **You represent that all Equipment will be used solely for commercial purposes and not for personal, family or household purposes.** You shall use all Equipment in accordance with all laws, operation manuals, service contracts (if any) and insurance requirements, and shall not make any permanent alterations. At Your own cost, You shall keep the Equipment in good working order and warrantable condition, ordinary wear and tear excepted (**"Good Condition"**).

6. ***NO WARRANTIES; FINANCE LEASE.*** **WITH RESPECT TO EACH SCHEDULE, WE ARE LEASING THE EQUIPMENT TO YOU "AS IS". WE HAVE NOT MADE AND HEREBY DISCLAIM ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, ARISING BY APPLICABLE LAW OR OTHERWISE, INCLUDING WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.** You agree that the transaction represented by each Schedule is a "finance lease" as defined in Article 2A of the Uniform Commercial Code (**"UCC"**). To the extent permitted by law, **You hereby waive any and all rights and remedies conferred upon You under UCC Sections 2A-303 and 2A-508 through 522.** If it is determined that the transaction represented by any Schedule is other than a "lease" as defined in Article 2A, then You hereby grant to Us a security interest in the Equipment and all proceeds thereof. You authorize Us to record (and amend, if appropriate) a UCC financing statement to protect Our interests. With respect to any one or more Schedules, You may be entitled under Article 2A to the promises and warranties (if any) provided to Us by the Vendor(s) in connection with or as part of the contract(s), if any, by which We acquire the Equipment. You may contact the Vendor(s) for an accurate and complete statement of those promises and warranties (if any), including any disclaimers and limitations of them or of remedies. We hereby transfer to You, **without recourse to Us**, all automatically transferable promises and warranties, if any, made to Us by the Vendor(s).

NO SCHEDULE MAY BE TERMINATED EARLY. THE TERMS OF THIS MASTER LEASE ARE CONTINUED ON THE REVERSE OR NEXT PAGE →

Accepted by **VAR Resources, Inc.** at:	**Lessee:** City of North Miami	
2330 Interstate 30, Mesquite, TX 75150	By: X / (Date)	
/ (Date)	Print Name:	Title:

7. ***LIABILITY; INDEMNIFICATION.*** **We are not liable for any claims, actions, damages (whether direct, indirect, incidental or consequential), liabilities, losses or costs made against or incurred by You relating to the delivery, installation, possession, use, return, loss of use, defect or malfunction of any Equipment (collectively, "Equipment Matters") with respect to any Schedule. You shall indemnify and defend Us against, and hold Us harmless for, any and all claims, actions, damages, liabilities, losses, and costs (including reasonable attorneys' fees) made against or incurred by Us relating to Equipment Matters.**

8. ***LOSS; DAMAGE; COLLATERAL PROTECTION; INSURANCE***

You are responsible for the risk of loss or for any destruction of or damage to the Equipment. No such loss or damage relieves you from the payment obligations under this Agreement. You agree to promptly notify us in writing of any loss or damage and you will then pay to us the present value of the total of all unpaid payments for the full term all discounted at two percent. Any proceeds of insurance will be paid to us and credited against the outstanding balance. You agree to keep each item of Equipment fully insured against loss, naming us as lender's loss payee, in an amount not less than replacement cost until this Agreement is terminated as to such item. You also agree to obtain a general public liability insurance policy from anyone who is acceptable to us and to include us as an insured on the policy. You will provide 10 days advance written notice to us of any modification or cancellation of your insurance policy(s). You agree to provide us certificates or other evidence of insurance acceptable to us. If you fail to comply with this requirement within 30 days after the start of this Agreement, we may charge you a monthly property damage surcharge of up to .0035 of the Equipment cost as a result of our credit risk and administrative and other costs, as would be further described on a letter from us to you. We may make a profit on this program. NOTHING IN THIS PARAGRAPH WILL RELIEVE YOU OF RESPONSIBILITY FOR LIABILITY INSURANCE ON THE EQUIPMENT.

9. ***ASSIGNMENT.*** **YOU SHALL NOT SELL, TRANSFER, ASSIGN, PLEDGE OR OTHERWISE ENCUMBER (collectively, "Transfer") THIS MASTER AGREEMENT OR ANY SCHEDULE, OR TRANSFER OR SUBLEASE ANY EQUIPMENT, IN WHOLE OR IN PART.** We may, without notice to You, Transfer Our interests in this Master Agreement, any one or more Schedules and/or any or all Equipment leased thereunder, in whole or in part, to a third party (a **"New Owner"**), in which case the New Owner will, to the extent of such Transfer, have all of Our rights and benefits but will not have to perform any of Our obligations (if any). You agree not to assert against the New Owner any claim, defense or offset You may have against Us or any predecessor in interest.

10. ***TAXES AND OTHER FEES.*** You are responsible for all taxes (including, without limitation, sales, use and personal property taxes, and excluding only taxes based on Our income), levies, assessments and license and registration fees and other governmental charges relating to each Lease and the ownership, leasing, sale, possession or use of the Equipment leased under each Schedule (collectively, **"Governmental Charges"**). We may periodically bill you for, and You agree to promptly pay, estimated future Governmental Charges. You authorize Us to pay any Governmental Charges when and as they may become due, and You agree to reimburse Us promptly upon demand for the full amount (less any estimated amounts previously paid by You). You hereby appoint Us as Your attorney-in-fact to sign Your name to any document for the purpose of filing tax returns. You agree to pay Us a fee for preparing and filing personal property tax returns. With respect to each Schedule, You also agree to pay Us upon demand (i) for all costs of filing, amending and releasing UCC financing statements and a fee for each filing and (ii) a processing fee of $75.00 for each Lease to cover Our investigation, documentation and other administrative costs in originating the Lease. **You agree that the fees set forth in this Master Agreement and in the Schedules may include a profit component.**

11. ***SAVINGS CLAUSE.*** If it is determined that any amount charged or collected with respect to a Lease is greater than the amount allowed by law, including, without limitation, any amount that is determined to exceed applicable usury limits (an **"Excess Amount"**), then (i) any Excess Amount charged but not yet paid will be waived by Us and (ii) any Excess Amount collected will be applied to any amount then due and owing by You with respect to such Lease, adjusted to conform with applicable law, or, if there is no such amount then due and owing by You, will be refunded to You.

12. ***DEFAULT.*** You will be in default under a Schedule if, with respect to such Schedule, this Master Agreement or any other Schedule or agreement between You and Us, You fail to pay any amount within 15 days of the due date or fail to perform or observe any other obligation. If You are in default, We may do any one or more of the following, at Our option, concurrently or separately: (A) cancel the Lease represented by such Schedule and any one or more Lease(s) represented by any other Schedules, (B) require You to return the Equipment leased under any one or more Schedule(s) pursuant to Section 13 of this Master Agreement, (C) take possession of and/or render unusable the Equipment leased under such Schedule(s), and for such purposes You hereby authorize Us and Our designees to enter Your premises, with or without prior notice or other process of law, (D) with respect to any one or more Schedules, require You to pay to Us, on demand, an amount equal to the sum of (i) all Lease Payments and other amounts then due and past due, (ii) all Lease Payments for the then-remaining Present Term(s) of such Schedules plus Our residual interest in the Equipment as indicated by Our records, discounted at a rate of 2% per annum (or the lowest rate permitted by law, whichever is higher), (iii) interest at the rate of Time-Value Interest on the amounts specified in clauses "i" and "ii" above from the date of demand to the date paid, and (iv) all other amounts that may thereafter become due hereunder to the extent that We will be obligated to collect and pay such amounts to a third party (such amounts specified in sub-clauses "i" through "iv" referred to below as the **"Balance Due"**), and/or (E) exercise any other remedy available to Us under law. You also agree to reimburse Us on demand for all reasonable expenses of collection and enforcement (including, without limitation, reasonable attorneys' fees and other legal costs) and reasonable expenses of repossessing, holding, preparing for disposition, and disposition (**"Remarketing"**) of the Equipment, plus Time-Value Interest on the foregoing amounts from the date of demand to the date paid. In the event We are successful in Remarketing the Equipment with respect to any Schedule, We shall give You a credit against the Balance Due under such Schedule in an amount equal to the present value of the proceeds received and to be received from Remarketing minus the above-mentioned costs (the **"Net Proceeds"**). If the Net Proceeds are greater than the Balance Due, We shall pay You such surplus. If the Net Proceeds are less than the Balance Due, You shall be liable for such deficiency. Any delay or failure to enforce Our rights under the Lease shall not constitute a waiver thereof.

13. ***RETURN OF EQUIPMENT.*** If You are required to return the Equipment under any Schedule, You shall, at Your expense, send the Equipment to any location(s) that We may designate. The Equipment must be properly packed for shipment, freight prepaid and fully insured, and must be received in Good Condition (as defined in Section 5 of this Master Agreement). If You are required to return the Equipment under Section 12 of this Master Agreement, You shall do so promptly upon demand. If You are required to return the Equipment under Section 3 of this Master Agreement, then (i) it must be received by Us in Good Condition within 15 days after the expiration of the then Present Term, (ii) if it is not received within 15 days of the date of demand, You agree to continue paying Lease Payments and all other amounts due hereunder until it is received and accepted by Us in Good Condition, and (iii) You agree to pay a handling and restocking fee of $250.00 promptly upon demand. If You are required to return the Equipment under any provision of this Master Agreement and it is not in Good Condition when it is received by Us, You agree to pay Our reasonable costs that We incur in connection with repairing or restoring the Equipment to Good Condition (as defined in Section 5 of this Master Agreement).

14. ***APPLICABLE LAW; VENUE; JURISDICTION.*** The parties agree that this Master Agreement, each Schedule and Other Document shall be treated as though executed and performed in Dallas County, Texas, or the home state of the assignee, and any legal actions relating to this Agreement, any Schedule or any Other Document must be instituted in the courts of Dallas County, Texas or the United States District Court for the Northern District of Texas, or the home state of the assignee which shall have exclusive jurisdiction. **YOU AND WE HEREBY WAIVE YOUR AND OUR RESPECTIVE RIGHTS TO A TRIAL BY JURY IN ANY LEGAL ACTION.** Each provision of this Master Agreement and of each Schedule shall be interpreted to the maximum extent possible so as to be enforceable under applicable law. If any provision is construed to be unenforceable, such provision shall be ineffective only to the extent of such unenforceability without invalidating the remainder of the Lease.

15. ***MISCELLANEOUS.*** **You represent and covenant to Us that this Master Agreement is, and each Schedule will be, enforceable against You in accordance with its terms, and You acknowledge that this representation and covenant was a material inducement to Us to acquire the Equipment to be leased under each Schedule and to enter into this Master Agreement and each Schedule.** This Master Agreement and any one or more Schedules may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute the same document. You acknowledge that You have received a copy of this Master Agreement, and You agree that a facsimile or other copy of this Master Agreement and of any Schedule and Other Document containing Your faxed or copied signature shall be as enforceable as the original executed document.

Lessee's Initials: _____

Exhibit A

Equipment Lease Schedule No.

This Equipment Lease Schedule (this **"Schedule"**) is made and entered into as of the day of , by and between **VAR Resources, Inc.** (hereinafter "**We**," "**Us**" or "**Our**") and **City of North Miami** (hereinafter "**You**" or "**Your**"). This Schedule is entered into subject to that certain Master Lease Agreement No. **1922052** (the **"Master Agreement"**) between You and Us. All of the terms and conditions set forth in the Master Agreement are hereby reaffirmed and incorporated in and made part of this Schedule, as if fully set forth herein. *The Master Agreement, together with this Schedule and the related and supporting documents entered into in connection with this Schedule, represent the final and only agreement between You and Us regarding the leasing of the Equipment identified below and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements. There are no unwritten oral agreements between You and Us relating to the leasing of the Equipment. This Schedule may not be changed except by way of a written agreement between You and Us. Other agreements (including, without limitation, those contained in any purchase agreement or order between You and the Supplier of Equipment) not stated in the Master Agreement or in the Schedule or other supporting documents are not binding on Us.* This Schedule, inclusive of the terms and conditions set forth in the Master Agreement, constitutes a separate lease between You and Us. Any amendment to the Master Agreement subsequent to the date of this Schedule shall be ineffective as to this Schedule unless otherwise expressly stated in such amendment. This Schedule may not be modified except in a writing signed by You and Us.

1. We hereby agree to lease to You, and You hereby agree to lease from Us, the following-described Equipment upon the terms and conditions set forth in this Schedule and in the Master Agreement:

Description of Equipment – **INCLUDE MAKE, MODEL AND SERIAL NUMBERS** ***(ATTACH ADDITIONAL PAGE IF NECESSARY)***

See attached Schedule A

2. Equipment Supplier: VAR Resources, Inc.
3. Equipment Location Address: 776 NE 125th St Fl 4 Rm 403 , North Miami, FL 33161-5654
4. Original Term: 36 months
5. Commencement Date of this Lease: _____
6. Lease Payment Amount: $4075.46 per: ☒ Month ☐ Quarter ☐ Year ☐ Other:
7. Check here ☐ if Lease Payment amount includes sales/use tax.
8. $0.00 Lease Payment(s) is(are) due at the time this Schedule is signed, which shall be applied to the:

☐ First Lease Payment ☐ First and Last Lease Payments ☒ Other zero advance payments; payments due in arrears

9. Security Deposit: $_____
10. Purchase Option at end of Original Term: ☐ None ☐ Fair Market Value as of end of Original Term ☒ One Dollar ($1.00) ☐ Other:

The above equipment purchase options may be exercised by You **only** at the end of the Original Term. If you are in default under the Master Agreement or this Schedule at the time you desire to exercise a purchase option, You must cure such default to Our satisfaction before having the right to exercise such option. If the "One Dollar" purchase option is checked above, then the last two sentences of Section 3 of the Master Agreement shall not apply to this Lease (in other words, the "automatic renewal" provisions in Section 3 shall **not** apply to this Lease). If the "Fair Market Value" option is checked above, then the purchase price will be the fair market retail value of the Equipment, as determined by Us in our sole but reasonable judgment, as of the end of the Original Term.

11. This Schedule is not binding upon Us unless and until We accept this Schedule by signing below. A facsimile copy of this Schedule shall have the same force and effect as the original. **This Schedule is non-cancelable and may not be terminated early.**

VAR Resources, Inc.	**You:** City of North Miami
By: **X** _____	By: **X** _____
Date: _____	Name (Print): _____
Accepted and signed in Mesquite, TX	Title: _____
	Date Signed:

SCHEDULE "A"

City of North Miami

Quantity	Manufacturer	Description
95		PANASONIC LIND 120W 12-32V CAR ADAPT
95	Panasonic	PAN I5-4310U 2.0GHZ W7

Lessee: City of North Miami

Signature: _____

Title: _____

STATE AND LOCAL GOVERNMENT ADDENDUM

MASTER AGREEMENT # 1922052

Addendum to Master Agreement # 1922052, dated , between City of North Miami , as Lessee ("You" and "Your") and VAR Resources, Inc., as Lessor ("We," "Us" and "Our").

The parties wish to amend the above-referenced Master Agreement to add the following language:

REPRESENTATIONS AND WARRANTIES OF LESSEE: Lessee hereby represents and warrants to Lessor that: (a) Lessee has been duly authorized by the Constitution and laws of the applicable jurisdiction and by a resolution of its governing body to execute and deliver the Master Agreement and any Schedule and to carry out its obligations hereunder; (b) all legal requirements have been met, and procedures have been followed, including public bidding, in order to ensure the enforceability of the Master Agreement and any Schedule; (c) the Master Agreement and any Schedule is in compliance with all laws applicable to Lessee, including any debt limitations or limitations on interest rates or finance charges; (d) the Equipment will be used by Lessee only for essential governmental or proprietary functions of Lessee consistent with the scope of Lessee's authority and will not be used in a trade or business of any person or entity, by the federal government or for any personal, family or household use; Lessee's need for the Equipment is not expected to diminish during the term of the related Schedule; (e) Lessee has funds available to pay contracted Lease Payments until the end of its current appropriation period, and it intends to request funds to make contracted Lease Payments in each appropriation period, from now until the end of the term of the related Schedule; and (f) Lessee's exact legal name is as set forth on page one of the Master Agreement.

NON-APPROPRIATION OR RENEWAL: If either sufficient funds are not appropriated to make contracted Lease Payments under the related Schedule or (to the extent required by applicable law) the related Schedule is not renewed, such Schedule shall terminate and Lessee shall not be obligated to make contracted Lease Payments under the Schedule beyond the then-current fiscal year for which funds have been appropriated. Upon such an event, Lessee shall, no later than the end of the fiscal year for which contracted Lease Payments have been appropriated, deliver possession of the Equipment to Lessor. If Lessee fails to deliver possession of the Equipment to Lessor, the termination shall nevertheless be effective but Lessee shall be responsible for the payment of damages in an amount equal to the portion of contracted Lease Payments thereafter coming due that is attributable to the number of days after the termination during which the Lessee fails to deliver possession and for any other loss suffered by Lessor as a result of Lessee's failure to deliver possession as required. Lessee shall notify Lessor in writing within seven (7) days after either the failure of the Lessee to appropriate funds sufficient for the payment of the contracted Lease Payments or (to the extent required by applicable law) the Schedule is not renewed, but failure to provide such notice shall not operate to extend the Schedule term or result in any liability to Lessee.

TITLE TO THE EQUIPMENT: If the selected purchase option for any Schedule is $1.00 or $101.00, unless otherwise required by law, upon Lessee's acceptance of the Equipment, title to the Equipment shall be in Lessee's name, subject to Lessor's interest under the Master Agreement and such Schedule.

The parties wish to amend the above-referenced Master Agreement by restating the following:

Any provision in the Master Agreement stating this Master Agreement supersedes any invoice and/or purchase order is hereby amended and restated as follows: "You agree that the terms and conditions of the Master Agreement and any supplement or Schedule thereto and any related acceptance certificate constitutes the entire agreement regarding the financing or lease of the Equipment and supersedes any purchase order, invoice, request for proposal or other document."

Any provision in the Master Agreement or Schedule stating that the Schedule shall automatically renew unless the Equipment is purchased, returned or a notice requirement is satisfied is hereby amended and restated as follows: "This Schedule will renew for month-to-month terms unless You purchase or return the Equipment (according to the conditions herein) or send Us written notice at least 30 days (before the end of any term) that You do not want it renewed."

Any provision in the Master Agreement stating that We may assign the Master Agreement or any Schedule is hereby amended and restated as follows: "We may sell, assign, or transfer this Master Agreement or any Schedule without notice to or consent from You, and You waive any right you may have to such notice or consent."

Any provision in the Master Agreement stating that You shall indemnify and hold us harmless is hereby amended and restated as follows: "You shall not be required to indemnify or hold Us harmless against liabilities arising from the Master Agreement or any Schedule. However, as between You and Us, and to the extent permitted by law and legally available funds, You shall bear the risk of loss for, shall pay directly, and shall defend against any and all claims, liabilities, proceedings, actions, expenses, damages or losses arising under or related to the Equipment, including, but not limited to, the possession, ownership, lease, use or operation thereof, except that You shall not

bear the risk of loss of, nor pay for, any claims, liabilities, proceedings, actions, expenses, damages or losses that arise directly from events occurring after You have surrendered possession of the Equipment in accordance with the terms of the Master Agreement or any Schedule to Us or that arise directly from Our gross negligence or willful misconduct. "

Any provision in the Master Agreement requiring You to pay amounts due under any Schedule upon the occurrence of a default, failure to appropriate funds or failure to renew any Schedule is hereby amended to limit such requirement to the extent permitted by law and legally available funds.

Any provision in the Master Agreement stating that the Master Agreement and each Schedule is governed by a particular state's laws and You consent to such jurisdiction and venue is hereby amended and restated as follows: "This Master Agreement and each Schedule will be governed by and construed in accordance with the laws of the state where Lessee is located. You consent to jurisdiction and venue of any state or federal court in such state and waive the defense of inconvenient forum."

By signing this Addendum, Lessee acknowledges the above changes to the Master Agreement and authorizes Lessor to make such changes. In all other respects, the terms and conditions of the Master Agreement and any Schedules remain in full force and effect and remain binding on Lessee.

VAR Resources, Inc.

Lessor

Signature

Title Date

City of North Miami

Lessee

X

Signature

Title Date

NOTE: SIGNER OF THIS DOCUMENT MUST BE SAME AS ON THE MASTER AGREEMENT. A FACSIMILE OF THIS DOCUMENT WITH SIGNATURE SHALL BE CONSIDERED TO BE AN ORIGINAL. CAPITALIZED TERMS IN THIS DOCUMENT ARE DEFINED AS IN THE MASTER AGREEMENT, UNLESS SPECIFICALLY STATED OTHERWISE.

LESSEE'S CERTIFICATE

AGREEMENT # 1922052

Re: Agreement # 1922052, dated , between City of North Miami , as Lessee ("Lessee") and VAR Resources, Inc., as Lessor.

We, the undersigned, being duly elected, qualified and acting authorized representatives of Lessee, with the titles as set forth in our respective signature blocks below, do hereby certify, as of the date of the above-referenced Agreement (the "Agreement"), as follows:

1. Lessee did, at a meeting of the governing body of the Lessee by resolution or ordinance duly enacted, in accordance with all requirements of law, approve and authorize the execution and delivery of the Agreement by at least one of the undersigned.

2. Each undersigned held at the time of such authorization and holds at the present time the office set forth below in such undersigned's signature block. Each undersigned's signature set forth below is true and correct.

3. The meeting(s) of the governing body of the Lessee at which the Agreement was approved and authorized to be executed was duly called, regularly convened and attended throughout by the requisite quorum of the members thereof, and the enactment approving the Agreement and authorizing the execution thereof has not been altered or rescinded. All meetings of the governing body of Lessee relating to the authorization and delivery of Agreement have been: (a) held within the geographic boundaries of the Lessee; (b) open to the public, allowing all people to attend; (c) conducted in accordance with internal procedures of the governing body; and (d) conducted in accordance with the charter of the Lessee, if any, and the laws of the State.

4. No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default or a Non-appropriation (as such terms are defined in the Agreement) exists at the date hereof with respect to the Agreement.

5. The acquisition of all of the Property under the Agreement has been duly authorized by the governing body of Lessee.

6. Lessee has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current budget year to make the Lease Payments scheduled to come due during the current budget year under the Agreement and to meet its other obligations for the current budget year and such funds have not been expended for other purposes.

7. As of the date hereof, no litigation is pending, (or, to my knowledge, threatened) against Lessee in any court (a) seeking to restrain or enjoy in the delivery of the Agreement or of other agreements similar to the Agreement; (b) questioning the authority of Lessee to execute the Agreement, or the validity of the Agreement; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of the Agreement; or (d) affecting the provisions made for the payment of or security for the Agreement.

Lessee: City of North Miami
By:
Name:
Title:

*MUST BE SIGNED BY PERSON SIGNING THE AGREEMENT

Lessee: City of North Miami
By:
Name:
Title:

*MUST BE SIGNED ANOTHER OFFICER – OFFICER OTHER THAN PERSON SIGNING THE AGREEMENT

NOTE: NEED TWO SEPARATE OFFICER'S SIGNATURES, ONE OF WHICH MUST BE PERSON SIGNING THE AGREEMENT. A FACSIMILE OF THIS DOCUMENT WITH SIGNATURE SHALL BE CONSIDERED TO BE AN ORIGINAL. CAPITALIZED TERMS IN THIS DOCUMENT ARE DEFINED AS IN THE AGREEMENT, UNLESS SPECIFICALLY STATED OTHERWISE.

IMPORTANT: INCLUDE A VOIDED CHECK FOR VERIFICATION OF YOUR CHECKING ACCOUNT NUMBER. PLEASE FAX A COPY OF DOCUMENTS TO: 972-755-8210. THEN RETURN THE ORIGINAL SIGNED DOCUMENTS AND THE ORIGINAL VOIDED CHECK USING OUR UPS ACCOUNT #RV8392 VIA PRIORITY OVERNIGHT TO VAR Resources, Inc., 2330 Interstate 30, Mesquite, TX 75150

With the Automatic Payment Plan, all your payments to us will be deducted from your checking account and paid to VAR Resources on the payment due date as shown on your regular invoice. Your regular invoice will show the amount to be deducted and the due date.

Enrollment is Easy. Simply....

1. Complete the Authorization Form.
2. Return the Authorization Form with your voided check to VAR Resources, Inc.

Customer Name: City of North Miami

hereby authorizes to initiate debit entries to our checking account indicated below at the depository named below, hereinafter called "DEPOSITORY", and authorizes the DEPOSITORY to debit the same to such account for amounts due pursuant to the terms of the Agreement(s) dated _____ between City of North Miami and VAR Resources, Inc.

Customer Name: City of North Miami

Depository Name		Branch
City	State	Zip
Routing Number	Account Number	

The authorization is to remain in full force and effect until **City of North Miami** has received written notification from us of its termination in such time and in such manner as to afford **City of North Miami** and DEPOSITORY a reasonable opportunity to act on it. You agree that a facsimile copy of this agreement bearing signatures may be treated as an original.

Date: _____ Customer Name: _____

Customer Account Number: _____

By (Authorized signature for Bank Account) _____

Title: _____

VAR Resources, Inc.

CERTIFICATE@VARRESOURCES.COM

INSURANCE FORM

PLEASE REFERENCE THIS #VAR1922052U IN ALL COMMUNICATIONS.

DATE: December 10, 2014

TO: City of North Miami

Pursuant to the terms of the lease agreement, and for our mutual benefit and protection, the equipment on lease must be insured against loss, theft, damage and destruction. We, therefore, request that you add to your existing insurance policy or obtain such an "all risk" policy naming **VAR Resources, Inc. and/or its Assignees** as the "additional insured" and "Lender's Loss Payee" with respect to the equipment involved for **#VAR1922052U..**

THE APPLICATION NUMBER MUST BE INCLUDED IN THE LOSS PAYABLE INFORMATION IN ORDER FOR US TO PROCESS. ALL CERTIFICATES WITHOUT THE NUMBER WILL BE RETURNED.

We also request that you add to or obtain public liability insurance naming **VAR Resources, Inc. and/or its Assignees** as the "additional insured", with respect to the equipment on lease.

Please provide the information listed below and make arrangements with your insurance agent to **EMAIL to VAR Resources, Inc. at CERTIFICATE@VARRESOURCES.COM**, a **BINDER** or **CERTIFICATE OF INSURANCE** showing the names and interests as requested above.

Insurance Company: _____

Insurance Agency: _____

Telephone: _____

Contact: _____

Policy Number: _____

Effective Date: _____

How long have you had insurance through this company? _____

Thank you for your cooperation.

VAR Resources, Inc.

Please Attach A Legible Copy of Your Driver's License To This Page:

Thank you

CDW·G

CDWG.com | 800.594.4239

OE400SPS

SALES QUOTATION

QUOTE NO.	ACCOUNT NO.	DATE
FTJN524	9886367	12/10/2014

BILL TO:
CITY OF NORTH MIAMI
PO BOX 619085

Accounts Payable
NORTH MIAMI , FL 33261-9085

Customer Phone #

SHIP TO:
CITY OF NORTH MIAMI
Attention To: RICARDO CASTILLO
776 NE 125TH ST
4TH FLOOR, ROOM 403

NORTH MIAMI , FL 33161-5654
Contact: RICARDO
CASTILLO 305.895.9851

Customer P.O. # TOUGHBOOK QTY95
QUOTE

ACCOUNT MANAGER	SHIPPING METHOD	TERMS	EXEMPTION CERTIFICATE
MIKE ZORICA 866.339.3535	AIT - Deferred, 3-5 Days	Net 30 Days-Govt State/Local	85-8012621653C5

QTY	ITEM NO.	DESCRIPTION	UNIT PRICE	EXTENDED PRICE
95	2090640	PANASONIC LIND 120W 12-32V CAR ADAPT Mfg#: CF-LNDDC120 Contract: Florida Panasonic WSCA B27172 250-WSCA-10-ACS	112.00	10,640.00
95	3439511	PAN I5-4310U 2.0GHZ W7 Mfg#: CF-532JCZYCM Contract: Florida Panasonic WSCA B27172 250-WSCA-10-ACS	1,296.84	123,199.80

----------SPECIAL INSTRUCTIONS----------
Pricing is good through Feb. 28, 2014.
*** Pricing is good through Feb. 28, 2015 ***

SUBTOTAL	133,839.80
FREIGHT	0.00
TAX	0.00

US Currency

TOTAL 133,839.80

Please remit payment to:
CDW Government
75 Remittance Drive
Suite 1515
Chicago, IL 60675-1515

CDW Government
230 North Milwaukee Ave.
Vernon Hills, IL 60061

Fax: 312.705.8218

This quote is subject to CDW's Terms and Conditions of Sales and Service Projects at http://www.cdw.com/content/terms-conditions/product-sales.asp
For more information, contact a CDW account manager.