

WESTERN STATES CONTRACTING ALLIANCE

MASTER PRICE AGREEMENT

for

COMPUTER EQUIPMENT, PERIPHERALS, AND RELATED SERVICES

Number B27163

This Agreement is made and entered into by Grace Global Corporation located at 1933 East Redondo Ave, Salt Lake City, UT 84108 USA ("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 desire 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 public 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 (Packages)” 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 Products shall be shipped within 15 to 45 business days after receipt of a purchase order, by a reliable and insured shipping company.

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 Product will be suitable for the ordinary purposes for which such Product is used,
4. The Product has been properly designed and manufactured for its intended use, and
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) Grace Extended Care Warranty with Zero Response Time Service
 - 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 year, 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.

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 Grace Global branded 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 1: Rackmount Servers, Tower Servers

Band 2: Workstations: Desktop, Laptops

Band 6: Instructional Packages: Workstation/Projector Package,
Laptop/Projector/Whiteboard Package

Band 7: Monitors

Operating Systems

LAN Devices

- 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.

B. Environment: Compliance with the following standards: Blue Angel, EcoLogo, Energy Star, EPEAT (by level), Green Guard, Nordic Swan, and TCO.

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 Products to Purchasing Entities within 15 to 45 business days after receipt of a valid Purchase Order, or in accordance with the schedule in the Purchasing Entity's Purchase Order.

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 intellectual property infringement or copyright claims under paragraph 12 of this Agreement. This indemnification does not include liabilities caused by the State's gross negligence, or intentional wrong doing of the State.

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 an 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:

Grace Global Corporation
Mary Hill, WSCA Primary Account Representative
Director: Engineering, State & Local Government Procurement
1933 E. Redondo Avenue
Salt Lake City, UT 84108
Fax: 801-466-0731
Email: wsc@graceglobalinc.com

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:

<u>Period End</u>	<u>Report Due</u>
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 Audits.

The Contractor will conduct website pricing audits every quarter. 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.

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. 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 E-Rate identification number and list of E-Rate qualifying products is as follows: **SPIN#143030527**

List of qualifying products and services are:

E-mail Service

Internet-based Grace Global Hosted E-mail Service is eligible. Such a service is often included in the cost of basic conduit access to the Internet or may be provided at a separate cost, either as a fixed charge and/or on a per-user or other basis. Some e-mail services may include substantial ineligible features, such as collaboration tools, and services to ineligible users. Funding is limited strictly to the eligible e-mail portion. Any cost allocation must be based on tangible information that provides a reasonable and appropriate delineation between the eligible and ineligible components.

Data Distribution

Components used to distribute information from telecommunication or Internet access facilities all the way to individual classrooms or public areas of a library are eligible. Such components may include:

- Access Point used in a LAN environment
- Hub
- Multiplexer used as part of a LAN
- Network Switches are eligible for discount when used for an eligible purpose
- Routers are eligible for a discount when used for an eligible purpose

Voice/Video over IP (VoIP) components are eligible as Internal Connections.

Components such as those indicated above are typically configured into a local area network or wireless local area network.

Some products may have modules or features that are not eligible, (e.g., content filtering, network management, and caching). If these ineligible components are available separately, or the applicant specifically seeks the ineligible functions, their cost must be subtracted from the amount eligible for discount.

Data Protection

Data protection components are used to ensure the continued operation of eligible equipment by protecting equipment and computer files from environmental or security hazards. The following components are eligible if used to provide basic and reasonable measures for data protection:

- Firewall
- Proxy Server
- Tape Backup when used as part of an eligible server
- Virtual Private Network (VPN) Components
- Tape backup cartridge units are eligible when used as part of an eligible server. A cartridge included with a tape backup may be provided as an integral component of the backup unit, if the cartridge is part of the standard product configuration and provided at no additional cost.

Internal Connections

An Uninterruptible Power Supply (UPS)/Battery Backup) that protects eligible equipment is eligible as a data protection component, but no funding will be provided for UPS systems that can provide continued backup power for substantial periods in excess of that necessary for basic power protection.

The following components used for the reliable operation of a UPS are eligible:

- UPS Interface Expander
- Relay I/O Module

Servers

Computers used as servers or similar centralized functions are eligible if the use is necessary to transport information all the way to individual classrooms or public areas of a library. A server can be eligible or not eligible, depending on how it is used. An eligible server must serve as a conduit for information rather than as a source for content. Servers typically provide multiple functions. If servers are used for both eligible and ineligible purposes, the cost of the ineligible portion must be cost allocated. The following uses are eligible:

- Dynamic Host Configuration Protocol (DHCP)
- Domain Name Service (DNS)
- E-mail
- Firewall or Proxy Server

The following servers are eligible only in certain cases:

Remote Access Components— Eligible if steps are taken to ensure that remote access is limited to connections from eligible locations. Remote access cannot be provided to homes or other non-school or non-library sites.

Terminal Server— Eligible to the extent that the use meets the other eligible server types indicated in this section but not eligible as a source for ineligible software applications or other ineligible uses.

Web Server— Eligible if used to provide content to users of the Internet but not eligible as a source for software applications, database functions, or storage of end-user files. One monitor per eligible server or other eligible component requiring a visual display is eligible for discount. However, special-purpose devices, such as large screen monitors, are not eligible.

A KVM switch (“keyboard-video-mouse” switch) is eligible if cost-effective in comparison to the individual components that would otherwise be necessary.

Software

Some types of computer software are eligible for discount.

Operating system software, such as network operating system software required to obtain operation of an eligible component, is eligible, including functionality provided with the core operating system at no cost. Additional software products available separately that provide optional operational features are not eligible for discount.

E-mail software that is a server-based, shared product is eligible. If such a software product provides substantial additional functionality that is not eligible, such as database, workflow, or groupware features, only the e-mail portion of the product is eligible and the cost of the ineligible portion must be cost allocated.

Internal Connections

E-mail software or other eligible components that include content filtering as an integral component part are eligible, but a separately priced content filtering module or product is not eligible.

Software for a server-based, shared voice mail system is eligible.

Client Access Licenses for eligible software products are eligible, but Client Access Licenses for ineligible software products are not eligible.

Storage Devices

Storage devices provide electronic data storage on magnetic or other media. Devices include hard disk drives, CD ROM drives, DVD drives, and floppy disk drives. Storage products may be used to store the operating system of an eligible product, such as a network server used for an eligible purpose. (See the entry for Servers for further information.) In addition, storage products may be used for eligible e-mail files. An eligible server or other eligible component that provides a storage product such as a DVD drive as an integral component part at no additional cost is eligible.

Internal Connections Components

Documentation in hard copy or electronic form is eligible for discount if it is basic and is provided as part of the purchase of eligible components.

Racks and cabinets are eligible only to the extent that the components they contain are eligible. A surge protector provided as an integral component of a rack or cabinet without separately identifiable cost can be included in the cost of the rack or cabinet, but a separately-priced surge protector is not eligible.

System improvements and upgrades to eligible components are eligible for discount. Memory upgrades, for example, to eligible servers are eligible, but memory upgrades would not be eligible in end-user workstations.

The Contractor shall make every effort to continue its involvement in this program and to add products as applicable.

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. GRACE GLOBAL CORPORATION

The Contractor certifies that the appropriate person(s)

By: *[Signature]*
Title: CEO
Date: 5/11/2009

By:
Title:
Date:

2. MATERIALS MANAGEMENT DIVISION

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

By: *[Signature]*
Title: Acquisitions Supervisor
Date: 5/14/09

3. COMMISSIONER OF ADMINISTRATION

Or delegated representative.

By: *[Signature]*
Date: **Original signed**

MAY 14 2009

By Brenda Willard

EXHIBIT A – ADDITIONAL WARRANTIES

GRACE GLOBAL CORPORATION

Information Technology Infrastructure Systems & Services

Consulting • Planning • Design • Procurement • Systems Integration • Management • Logistics Support

BY ACCEPTING THE SERVICES AND SUPPORT DESCRIBED ON YOUR INVOICE, YOU AGREE TO BE BOUND BY AND ACCEPT THE TERMS AND CONDITIONS HEREIN. PLEASE READ THIS AGREEMENT IN ITS ENTIRETY. THESE TERMS AND CONDITIONS (THE "CONTRACT") WILL SUPPLEMENT THE TERMS AND CONDITIONS OF ANY APPLICABLE OVERRIDING SIGNED AGREEMENT BETWEEN YOU AND GRACE (INCLUDING WITHOUT LIMITATION, GRACE STANDARD CUSTOMER PURCHASE AGREEMENT) OR, IN THE ABSENCE OF SUCH AN AGREEMENT, GRACE'S STANDARD INVOICE TERMS AND CONDITIONS OF SALE. THIS CONTRACT IS BETWEEN YOU AND GRACE GLOBAL INC. ("GRACE" OR "OUR") AS SPECIFIED IN THE AFOREMENTIONED SIGNED AGREEMENT OR GRACE'S STANDARD INVOICE TERMS AND CONDITIONS. ALL CAPITALIZED TERMS AND CONDITIONS NOT DEFINED HEREIN SHALL HAVE THE MEANING SPECIFIED IN THE AFOREMENTIONED SIGNED AGREEMENT OR GRACE'S STANDARD

What is Grace Extended Care Warranty (GECW) with Zero Response Time Service (ZRTS) and what does it mean to you?

Grace's industry leading warranty service program arises from our founding principle that (customer) service in collaboration with our customer/partners is our most valuable offering.

Two service elements assure the flawless function and reliable availability of all Grace computing systems.

Extended Care: All Grace brand systems come standard with a 3 Year Parts and Labor Hardware Warranty. In addition, accidental damage coverage for 1 year is included in the warranty – but only for notebook computers. What this means: during the 3-year warranty period, Grace technical support staff will work with customers IT staff to diagnose, repair or replace any component not operating within its specification.

Should a system not be returned to its optimal state (unable to boot) with a minimum of troubleshooting:

- Grace will replace the entire system (all hardware) at no cost to the customer at any point during the warranty period.
- Grace may replace the entire system with the next evolution of the platform (all hardware) if the unit is End-of-Life (EOL) and is unavailable.

Note: This does not require the customer to justify their request for service in any way.

Zero Response Time Service (ZRTS): Grace Global Zero Response Time Service, is the initiative created to provide our customers with unparalleled warranty support by supplying an onsite parts closet with all volume systems orders. (See below for system category specifics) Onsite replacement parts may include: Hard Drive, Optical Drive, Memory & Power Supply. This inventory of replacement parts allows customer staff technicians to remedy most common issues immediately. The Return Merchandise Authorization (RMA) process and replacing "parts closet" inventory happen after the system is restored to its previous 100% functioning condition minimizes valuable user down time.

Grace Extended Care - Zero Response Time Service Warranty Phone 800.670.6350 Ext 1001

Should a technician need to be dispatched to your site, a Grace Global Certified local service technician will be assigned for immediate service.

Grace Extended Care Warranty (GECW) with Zero Response Time Service (ZRTS), is included with all Grace branded computer systems. However, Zero Response Time Service (ZRTW) is only available for volume systems orders which meet the following minimum order requirements:

**Volume Unit qualifies for Grace Zero Response Time Service (ZRTS) program
FREE Parts Closet Provided**

- **Notebooks:** Insight, Discovery, Vision Series – **30 units:** complete system. 1 each
- **Desktop:** Prism & Dirí Series – **20 units:** Optical drive, Hard Drive, Memory, Power Supply, Keyboard, Mouse. 1 each
- **Professional Desktop:** J-Box Series – **20 units:** Optical drive, Hard Drive, Mem, Power supply, Kbd, Mouse. 1 each
- **Professional Workstation:** Explorer Series- - **50 units:** Optical drive, Hard Drive, Memory, Power supply. 1 each
- **Servers and Storage:** PowerFrame, K-Frame Series – **50 units:** Hard Drive, Memory, Power supply. 1 each
- **Telephony Servers:** TeleFrame – **50 units:** Hard Drive, Memory, Power supply. 1 each
- **Security Appliances:** Sentinel – **30 units:** Hard Drive, Memory, Power supply. 1 each

- **Modular Server Systems:** FlexFrame- 1 unit (w/2 Compute modules) Hard Drive, Memory, Power Cell. 1 each

This warranty does not cover peripheral devices, such as docking stations, external modems, external speakers, game devices, carrying cases, secondary monitors, and external mouse on notebooks, external keyboard on notebooks, and other computer components not internal to the Product. This warranty is for hardware only. Grace Extended Care Warranty (GECW) does not cover any defects in or damage (including without limitation virus-inflicted damage) to software preloaded on, purchased with or otherwise loaded on the Product, including without limitation Custom Factory Integration items. We will exercise reasonable efforts to, but this Agreement does not guarantee that we will, repair or replace Custom Factory Integration items that may otherwise be excluded components.

1. Your Scope of Services:

Repair and Replacement Service: During the warranty period and subject to the limitations in this Agreement, we will repair or replace the Product as necessary to correct any damage to or defects in the Product.

If we repair your Product, you understand and agree that we may replace original parts with new or used parts from the original manufacturer, or a different one. Replacement parts will be functionally equivalent to the original parts. In our discretion, we may designate an affiliated company or contract with a third party to complete repairs on the Product.

If we decide that it is necessary to replace the Product rather than repair it, you will receive a Product equivalent to or better than the Product you originally purchased from us, as determined by us in our sole and reasonable discretion.

Limitation of Liability: NEITHER GRACE NOR ITS AFFILIATES, PARTNERS, OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS ARE LIABLE TO YOU, OR ANY SUBSEQUENT OWNER OR OTHER USER OF THE PRODUCT, FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LIABILITY OR DAMAGES FOR THE PRODUCT NOT BEING AVAILABLE FOR USE, LOSS OR CORRUPTION OF DATA OR SOFTWARE, PERSONAL INJURY, DEATH, OTHER INDIRECT LOSS DUE TO PRODUCT FAILURE, OR ANY AND ALL INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THE USE OR PERFORMANCE OF THE PRODUCT, EVEN IF YOU HAVE ADVISED US OF THE POSSIBILITY OF SUCH DAMAGES. BY ENTERING INTO THIS AGREEMENT, YOU EXPRESSLY WAIVE ANY CLAIMS DESCRIBED IN THIS PARAGRAPH. YOU AGREE AND UNDERSTAND THAT WE WILL NOT BE RESPONSIBLE FOR ANY AMOUNT OF DAMAGES ABOVE THE AGGREGATE DOLLAR AMOUNT PAID BY YOU FOR THE PURCHASE OF THE PRODUCT COVERED BY THIS AGREEMENT. SOME STATES DO NOT ALLOW THE EXCLUSION OR LIMITATION OF INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO SOME OR ALL OF THE ABOVE LIMITATION OR EXCLUSION MAY NOT APPLY TO YOU

2. Your Responsibilities.

General: To receive the Grace Extended Care Warranty (GECW) and Grace Zero Response Time Service (ZRTS) service, you are responsible for complying with the following:

- Cooperate with Technician: You must cooperate with the technician to ensure that the Product is properly serviced. At our discretion, the technician will either send you a replacement part for you to install on the Product or give you directions to ship the Product to our repair facility. So long as you follow our directions, we will pay all shipping charges for return of the Product to our repair facility. In some cases, where we can determine over the telephone that a replacement Product will be necessary, we may, in our discretion, ship you a replacement Product immediately. However, if you fail to return the damaged Product to us, you agree that you are responsible for the retail price of the replacement Product.
- Payment: GECW and ZRTS Service is only available with the purchase of any Grace Brand system. Our invoice to you for the Product will indicate the start date of your Grace Extended Care Warranty (GECW) (ZRTS) Service, and will serve as your receipt. We will mail you a copy of the invoice and this Agreement within ten (10) days after your purchase of a Product with GECW and ZRTS Service. In addition, the Product will be tagged with a serial number that will indicate your purchase of GECW and ZRTS Service (the "Product Service Tag").
- How and When to Use: Grace support service is available during normal business hours on weekdays, excluding federal holidays. Grace is not liable for any failure or delay in performance due to any cause beyond its control.

Grace Global Inc., 1933 Redondo Ave SLC, UT 84108, and its authorized repair partners are the only party obligated to provide service under this Agreement. **To initiate a service request under this Agreement, you must call (801) 487-6350.** When you call, we will ask for the System Serial number located on your Product. Once the technician has verified your purchase of a Grace System, he or she will ask you a series of questions to assess the extent and cause of damage to the Product in order to resolve your issue immediately.

3. General Terms:

a. Term and Renewal: This Agreement begins on the date you receive the Product from us and expires concurrent with the expiration date of your warranty coverage. The term of this Agreement may not be extended or renewed.

b. Claims of Confidentiality or Proprietary Rights: You agree that any information or data disclosed or sent to Grace, over the telephone, electronically or otherwise, is not confidential or proprietary to you.

c. Transferability: You may transfer this Agreement to subsequent owners of the Product. We will provide GECW and ZRTS Service for the period of the warranty to all subsequent owners of the Product, but before we provide GECW and ZRTS Service to a subsequent owner, it is the responsibility of the subsequent Product owner to provide us with Product Service Tag and/or invoice information to verify the purchase of GECW and ZRTS Service by the Product's original owner.

Cancellation: This Agreement is dated as of the date you receive the Product from us. You may cancel this Agreement within the thirty (30) days of your receipt of this Agreement by sending written notice to us at:

Grace Global Corporation

1933 Redondo Ave

Salt Lake City, UT 84108

Attn: Service and Support Department

If you cancel this Agreement within thirty (30) days of your receipt of it, we will send you a full refund less the cost of claims, if any, made under this Agreement. You may not cancel this Agreement after thirty (30) days of your receipt of this Agreement, except as provided in paragraph 3(g) below for customers in certain states.

We may cancel this Agreement if you fail to pay us the Total Price for Advance Support Incentive Service in accordance with our invoice terms, make a misrepresentation to us or our agents, or otherwise breach your obligations under this Agreement. We will not cancel this Agreement for any other reason. If we cancel this Agreement, we will send you written notice of cancellation at the address indicated in our records. The notice will include the reason for cancellation and the effective date of cancellation, which will not be less than ten (10) days from the date we send notice of cancellation to you, except as provided in paragraph 13 for customers in certain states.

d. Entire Agreement: This Contract is the entire agreement between you and Grace with respect to its subject matter and none of Grace's employees or agents may orally vary the terms and conditions of this Contract.

e. Additional Remedies. This Agreement affords you specific legal rights. You may have additional legal rights that vary from state to state, including those listed below. The Product you purchase from us may also come with an extended warranty from Grace or third party manufacturers of Products we distribute. Please consult our extended warranty statements for your rights and remedies under those extended warranties.

g. State Specific Provisions. The terms stated in this paragraph are specific to certain states. If you are not a permanent resident of the state identified in each paragraph below at the time you purchase GECW and ZRTS Service, you are not eligible for these rights and/or remedies. We are not obligated to provide GECW and ZRTS Service under these terms except in the states specified below.

- Alabama, Georgia and Kentucky Customers. The obligations of Grace under this Agreement are backed by the full faith and credit of Grace
- California, Illinois and North Carolina Customers. You may cancel this Agreement at any time by following the procedures for cancellation in paragraph 3(d) of this Agreement. If you cancel this Agreement after thirty (30) days of your receipt of this Agreement, you are entitled to a pro-rata refund as follows: Refund = The Total Price minus (a) the number of days from the date you receive the Product until we receive notice of your cancellation divided by the term of this Agreement; (b) 0.1 multiplied by the Total Price; and (c) the cost of any repair or replacement provided to you before cancellation.
- Hawaii Customers. If you cancel this Agreement pursuant to paragraph 3(d) of this Agreement and we fail to refund the purchase price of this Agreement to you within forty-five (45) days after your cancellation, we are obligated to pay you a penalty of 10% per month of the amount of the refund due and owing to you. Your right to cancel this Agreement pursuant to paragraph 3(d) above only applies to the original owner of the Agreement and may not be transferred to subsequent owners of the Agreement. The obligations of Grace under this Agreement are backed by the full faith and credit of Grace.
- Nevada Customers. You may cancel this Agreement at any time by following the procedures for cancellation in paragraph 9 of this Agreement. If you cancel this Agreement any time after thirty (30) days after your receipt of this Agreement, you are entitled to a refund of the unearned premium calculated on a pro rata basis, minus a cancellation fee of 10% of the Total Price. We may cancel this Agreement for any reason within seventy (70) days after your receipt of this Agreement. We may cancel this Agreement thereafter only if:
 - You fail to pay an amount when due;
 - You are convicted of a crime that results in additional GECW and ZRTS Service;
 - It is discovered that you committed fraud or made a material misrepresentation in obtaining this Agreement or submitting a claim;

- It is discovered that you engaged in an act or omission, or violated a condition of this Agreement, after the date of this Agreement which substantially and materially increases the GECW and ZRTS Service; or
- A material change occurs to the nature or scope of the GECW and ZRTS Service that causes it to be substantially and materially increased beyond that contemplated as of the date of this Agreement.

If we cancel this Agreement as provided above, we will send you written notice at the address indicated in our records. The notice will include the effective date of the cancellation, which will not be less than fifteen (15) days after the date we send you the notice of cancellation. In addition, you will be entitled to a refund of the unearned premium calculated on a pro rata basis. If we fail to deliver to you within forty-five (45) days any unearned premium to which you are entitled as provided above, you will be entitled to an additional amount equal to 10% of the Total Price for every thirty (30) days such refund is delayed beyond the 45-day period. The obligations of Grace under this Agreement are backed by the full faith and credit of Grace.

- **New York Customers.** If you cancel this Agreement pursuant to paragraph 3(d) above and we fail to refund the purchase price of this Agreement to you within thirty (30) days after your cancellation, we are obligated to pay you a 10% penalty per month of the amount of the refund due and owing to you. The obligations of Grace under this Agreement are backed by the full faith and credit of Grace.
- **South Carolina Customers.** If you cancel this Agreement pursuant to paragraph 3(d) above and we fail to refund the purchase price of this Agreement to you within forty-five (45) days after your cancellation, we are obligated to pay you a 10% penalty per month of the amount of the refund due and owing to you. Your right to cancel this Agreement pursuant to paragraph 3(d) above only applies to the original owner of the Agreement and may not be transferred to subsequent owners of the Agreement. If we cancel this Agreement, we will send you written notice of the cancellation at least fifteen (15) days prior to the effective date of cancellation. The obligations of Grace under this Agreement are backed by the full faith and credit of Grace.
- **Texas Customers.** If you cancel this Agreement pursuant to paragraph 3(d) above and we fail to refund the purchase price of this Agreement to you within forty-five (45) days after your cancellation, we are liable to you for a penalty of no more than 10% per month of the amount of the refund due and owing to you. Your right to cancel this Agreement pursuant to paragraph 3(d) above only applies to the original owner of the Agreement and may not be transferred to subsequent owners of the Agreement. The obligations of Grace under this Agreement are backed by the full faith and credit of Grace.
- **Washington Customers.** If you cancel this Agreement pursuant to paragraph 3(d) above and we fail to refund the purchase price of this Agreement to you within thirty (30) days after your cancellation, we are obligated to pay you a penalty of 10% per month of the amount of the refund due and owing to you. Your right to cancel this Agreement pursuant to paragraph 3(d) above only applies to the original owner of the Agreement and may not be transferred to subsequent owners of the Agreement. The obligations of Grace under this Agreement are backed by the full faith and credit of Grace.
- **Wyoming Customers.** If you cancel this Agreement pursuant to paragraph 3(d) above and we fail to refund the purchase price of this Agreement to you within forty-five (45) days after your cancellation, we are obligated to pay you a penalty of 10% per month of the amount of the refund due and owing to you. Your right to cancel this Agreement pursuant to paragraph 3(d) above only applies to the original owner of the Agreement and may not be transferred to subsequent owners of the Agreement. The obligations of Grace under this Agreement are backed by the full faith and credit of Grace. The final determination in any arbitration proceeding pursuant to paragraph 3(i) below may be submitted to a court of competent jurisdiction in accordance with Section 1-36-101 of the Wyoming Statutes

h. Governing Law. THE PARTIES AGREE THAT THIS AGREEMENT, THE PURCHASE AND USE OF THE SERVICES AND PRODUCT, OR ANY CLAIM, DISPUTE OR CONTROVERSY (WHETHER IN CONTRACT, TORT, OR OTHERWISE, WHETHER PREEXISTING, PRESENT OR FUTURE, AND INCLUDING STATUTORY, CONSUMER PROTECTION, COMMON LAW, AND EQUITABLE CLAIMS) BETWEEN YOU AND GRACE arising from or relating to this Agreement, its interpretation, or the breach, termination or validity thereof, the relationships which result from this Agreement, your purchase or use of the services and or Product; Grace's advertising, or any related purchase SHALL BE GOVERNED BY THE LAWS OF THE STATE OF UTAH, WITHOUT REGARD TO CONFLICTS OF LAW.

i. Binding Arbitration. ANY CLAIM, DISPUTE, OR CONTROVERSY (WHETHER IN CONTRACT, TORT, OR OTHERWISE, WHETHER PREEXISTING, PRESENT OR FUTURE, AND INCLUDING STATUTORY, CONSUMER PROTECTION, COMMON LAW, INTENTIONAL TORT AND EQUITABLE CLAIMS) BETWEEN YOU AND GRACE, ITS AGENTS, EMPLOYEES, PRINCIPALS, SUCCESSORS, ASSIGNS, AFFILIATES (COLLECTIVELY FOR PURPOSES OF THIS PARAGRAPH, "GRACE GLOBAL") arising from or relating to this Agreement, its interpretation, or the breach, termination or validity thereof, the relationships which result from this Agreement (including, to the full extent permitted by applicable law, relationships with third parties who are not signatories to this Agreement), your purchase or use of the services and or Product, Grace Global's advertising, or any related purchase SHALL BE RESOLVED EXCLUSIVELY AND FINALLY BY BINDING ARBITRATION ADMINISTERED BY THE NATIONAL ARBITRATION FORUM (NAF) under its Code of Procedure then in effect (available via the Internet at <http://www.arb-forum.com>, or via telephone at 1-800-474-2371). In the event of any inconsistency or conflict between NAF Code of Procedure and this Agreement, this Agreement shall control. The arbitration will be extended solely to the dispute or controversy between you and Grace Global. NEITHER YOU NOR GRACE GLOBAL SHALL BE ENTITLED TO JOIN OR CONSOLIDATE CLAIMS BY OR AGAINST OTHER GRACE CLIENTS, OR ARBITRATE ANY CLAIM AS

A REPRESENTATIVE OR CLASS ACTION OR IN A PRIVATE ATTORNEY GENERAL CAPACITY. The individual (non-class) nature of this dispute provision goes to the essence of the parties' arbitration agreement, and if found unenforceable, the entire arbitration provision shall not be enforced. This transaction involves interstate commerce, and this provision shall be governed by the Federal Arbitration Act 9 U.S.C. sec. 1-16 (FAA). Any award of the arbitrator(s) shall be final and binding on each of the parties, and may be entered as a judgment in any court of competent jurisdiction. Grace Global will not be responsible for paying for your arbitration fees. If you prevail on any claim that affords the prevailing party attorneys' fees, or if there is a written agreement providing for fees, the arbitrator may award reasonable fees to you as the prevailing party, under the standards for fee shifting provided by law. Otherwise, each party shall pay for its own costs and attorneys' fees, if any. Information may be obtained and claims may be filed with the NAF at P.O. Box 50191, Minneapolis, MN 55405.

What kind of damage is covered by the 1 yr warranty for accidental damage to notebook computers only?

Some examples of non-intentional damage to notebook computers that are covered during the 1 Year warranty are:

Cause of Failure	Resolution Description
Liquid spilled on or in unit	Repaired and /or unit replaced
Drops, falls, and other collisions	Repaired and /or unit replaced
Electrical surge	Repaired and / or unit replaced
Damaged or broken LCD due to a drop or fall	Repaired and /or unit replaced
Accidental breakage (multiple pieces)	Repaired and /or unit replaced

What kind of Hardware damage is NOT covered?

Unauthorized System Hardware or Bios Modification

e.g. Removal and/or installation of ANY components not original to the system. Or "Over clocking" of CPU, video adapter or system memory frequency.

Damage caused by intentional acts, fire, earthquake, explosion, flooding, theft or similar loss, is not covered under GECW and ZRTS Service. Some examples of damage that would NOT be covered are:

Cause of Failure	Resolution Description
Damaged in a fire or flood	Not covered - user responsible
Intentional damage (hammer marks etc.)	Not covered - user responsible
Stolen unit	Not covered - user responsible
Normal wear (does not affect system performance)	Not covered - user responsible

Limits of GCCW and GZRTS Services:

This Agreement does not cover and we are not obligated to repair or replace: Any Product located outside of the United States (the fifty (50) states and the District of Columbia).

- Any damage to or defect in the Product that is cosmetic only or otherwise does not affect Product functionality. Under this Agreement, we are not obligated to repair reasonable wear and tear on the Product and other superficial items, such as scratches and dents that do not materially impair your use of the Product.
- Any Product that anyone other than Grace or a person we designate has tried to repair. Any repair or attempted repair on the Product covered by this Agreement by any party other than us or someone we designate will void and cancel this Agreement. We will not reimburse you for any repairs that you or another person make or attempt to make to the Product.
- Any Product that is lost or stolen. To receive repair or replacement of a Product, you must return the damaged Product to us in its entirety.
- Any Product that is damaged by fire from an external source or that is intentionally damaged. If we find evidence of intentional damage, we are not obligated to repair or replace the Product.
- Any recovery or transfer of data stored on the Product. You are solely responsible for all data stored on the Product. We do not provide you any data recovery services under this Agreement. However, if hard drive replacement is necessary, we will reload, at no charge to you, the then-current version of major application and operating system software you originally purchased from us, including any installed Custom Factory Integration applications. We do not, however, represent or warrant and this Agreement does not obligate us to ensure that any installed Custom Factory Integration applications will be compatible with the replacement product.

- Preventive maintenance. It is not necessary that you perform any preventive maintenance on the Product to obtain repair or replacement of a Product covered by this Agreement.

Important: This warranty does not cover user generated malfunctions.

Examples of additional issues not covered under the warranty include:

- **All Grace notebook or mobile computer system batteries, carry a one (1) year limited manufacturer warranty.**
- Any unauthorized modification of hardware (including hardware independently purchased & not original to the Grace system and or installed without consulting Grace Technicians or Bios settings modifications.
- Hardware and/or software malfunctions as a result of installation of "unsigned" software applications. ("Unsigned" refers to lack of Microsoft Operating System certification of compatibility.)
- All P2P (Peer to Peer) file transfer applications.
- All malfunctions of software or hardware that result from Computer Viruses, Trojans, Down-loaders, Worms, Spyware and email-delivered spam etc **are not** covered by the warranty.
- Any removal or modification of core Operating System components or modules. It remains the responsibility of the purchaser of the Grace system to ensure that it has adequate firewall, anti-virus and anti-spyware protection installed and kept up to date. This includes installing current "Windows Updates" provided free of charge by Microsoft Corporation, found at URL: <http://www.update.microsoft.com/microsoftupdate/v6/default.aspx?ln=en-us>
- For example, under this Agreement, we will not repair or replace the Product if it is damaged because you spill liquid on the keyboard, unless the Product is a notebook computer and the 1 year accidental damage coverage is still in force.
- You accidentally drop the Product
- An electrical surge damages the Product's internal circuitry
- The LCD/monitor cracks or shatters in extreme temperatures or other conditions

How is the repair/replacement handled? If an incident occurs, you can call Grace's technical support line to report the problem. Grace's technicians will ask you a series of questions designed to determine the extent and cause of the damage or failure. Depending on your system type, the cause and extent of damage, and, Grace will initiate appropriate repair or replacement services. The services may include shipment of customer replaceable parts if they are not already onsite, or requests for shipment of damaged product to a Grace's repair facility, or initiation of whole unit exchange procedures.

Notice of Restrictions: Grace Extended Care Warranty (GECW) and Zero Response Time Service (ZRTS) are available in all states but are not available for Employee Purchase Program customers (Government, Healthcare, Faculty, Staff and Students).

Regular Extended Warranty

Grace Diri, Prism, J-Box and the Explorer Series Computers have a three (3) year extended warranty. Because of the excellent quality of our systems and components, service calls are rare. The initial thirty (30) days are covered by an immediate replacement policy that allows the defective unit to be returned to the place it was originally purchased for a brand new unit. Service is provided through the dealer or reseller where the unit was purchased. Extended or on-site service arrangements are available at the time of purchase.

Grace Insight, Journey, Discovery and Vision Series Laptop Computers have a three (3) year extended warranty. Because of the excellent quality of our systems and components, service calls are rare. The initial thirty (30) days are covered by an immediate replacement policy that allows the defective unit to be returned to the place it was originally purchased for a brand new unit. Service is provided through the dealer or reseller where the unit was purchased. Extended or on-site service arrangements are available at the time of purchase.

Grace PowerFrame, TeleFrame and Sentinel Series Server Computers have a three (3) year extended warranty. Because of the excellent quality of our systems and components, service calls are rare. The initial thirty (30) days are covered by an immediate replacement policy that allows the defective unit to be returned to the place it was originally purchased for a brand new unit. Service is provided through the dealer or reseller where the unit was purchased. Extended or on-site service arrangements are available at the time of purchase.

Grace Global: Peripheral Items – LCD Monitors, Scanners, and Printers etc. are covered by a three (3) year manufacturers extended warranty. The initial thirty (30) days are covered by an immediate replacement policy that allows the defective unit to be returned to the place it was originally purchased for a brand new unit.

Grace Global LCD Monitors have a one (1) year manufacturer's extended warranty. The initial thirty (30) days are covered by an immediate replacement policy that allows the defective unit to be returned to the place it was originally purchased for a brand new unit.

IMPORTANT: Prior to shipping computers for repair, the client must ensure any important data and programs on the hard disk drive (HDD) are backed up. Grace Global Inc. is not responsible for any lost data.

System Category	Grace Extended Care Warranty: Hardware & Operating System 3 Years Parts & Labor	Add to Extended Warranty Only - \$ Per Year
NOTEBOOK SYSTEM:		
Discovery Series		NOTE: First Year Included (Value \$119.00)
4th Year	\$99.00	
4th and 5th Year	\$199.00	
ALL NOTEBOOK SYSTEMS:		
Insight, Journey, Vision Series		NOTE: First Year Included (Value \$119.00)
4th Year	\$109.00	
4th and 5th Year	\$229.00	
DESKTOP SYSTEMS:		
Prism, Dirli Series		\$89.00
4th Year	\$89.00	
4th and 5th Year	\$199.00	
PROFESSIONAL DESKTOP SYSTEMS:		
JBox Series		\$99.00
4th Year	\$99.99	
4th and 5th Year	\$209.00	
SCIENTIFIC WORKSTATIONS:		
Explorer Series		\$119.99
4th Year	\$109.00	
4th and 5th Year	\$229.00	
GRACE SERVER SYSTEMS:		
PowerFrame, K-Frame Series		\$149.00
4th Year	\$229.00	
4th and 5th Year	\$399.00	
GRACE SERVER SYSTEMS:		
FileFrame 25 & 35 Series		\$399.00
4th Year	\$399.00	
4th and 5th Year	\$699.00	
GRACE G-TRACK DISASTER RECOVERY SOLUTION:		
DataVault Level 1, 2, 3, 4, 5 Series		
Perpetual License	Always Covered	Always Covered

TECHNICAL SUPPORT

Grace Global Technical Support Contact Information
 Phone: (801) 487-6350 Ext 1005
 Email: gsupport@graceglobalinc.com

Customers calling for 24/7 telephone support, extended or on-site warranty service on computers that offer that option should call the toll free telephone number on the back of the unit. Service technicians will ask for the serial number affixed to the system.

RETURN MERCHANDISE AUTHORIZATION (RMA) PROCEDURE

The consumer should call the Grace Global Technical Support Team telephone number listed above. The technicians will walk callers through a troubleshooting process and initiate the repair or replacement process.

STANDARD SERVICE (For Resellers and Dealers)

Grace Global will provide direct RMA support to the resellers and dealers on all Grace Global systems and peripherals. To request an RMA for these items, the reseller or dealer should call the telephone number above. In addition to the information about the defective item (like model, serial number, description of problem, etc.), the technicians will request the name of the distributor that the product was purchased from, date of purchase and distributor invoice number. Prior to shipping:

1. The RMA number must be clearly printed on the outside of each box. The RMA number and serial number(s) must appear on the return shipping documents.
2. All products returned must be shipped with freight and shipping charges prepaid.

**The Product(s) must be sent to:
Grace Global Corporation (RMA)
1933 East Redondo Avenue
Salt Lake City Utah, 84108**

Units that have proven to be defective will be replaced with new or re-certified units of equal or greater value. If we're unable to repair the system, Grace will ship a replacement unit within two (2) business days of receipt.

UNAUTHORIZED PRODUCT RETURNS: IN THE EVENT THAT ANY PRODUCT IS RETURNED WITHOUT AUTHORIZATION, THE SENDER WILL BE NOTIFIED IN WRITING AND INSTRUCTED TO ISSUE A CALL TAG. THE PRODUCT WILL BE HELD FOR 30 DAYS. IF AT THE END OF THE PERIOD, THE PRODUCT HAS NOT BEEN RETRIEVED IT WILL BE ASSUMED IT IS ABANDONED AND WILL BE DISPOSED OF ACCORDINGLY.

Extended Warranty Policy

A defective unit or part may be returned for a repair/replacement. However, this extended warranty does not cover the repair of cracked, scratched, broken or modified plastics; other cosmetic damage, or parts that have been altered, defaced or removed. The warranty also doesn't apply to accidents, misuse, abuse, negligence, improper shipping, acts of God, or any failure caused by an alteration or repair performed by someone other than an authorized Grace agent. This extended coverage constitutes the sole and exclusive remedy for any buyer of Grace systems and components. It is in lieu of all other warranties, expressed, implied or statutory; including, but not extended to, any implied warranty of merchantability of fitness.

OUT-OF-WARRANTY SERVICE is available from Grace. For more information on this option, contact the Grace Global Technical Support Team. 1-801-487-6350

EXHIBIT B – COMPLAINT RESOLUTION

Grace utilizes the following communication protocols to interact with its clients in the event of a complaint:

- Telephone (free dedicated 800 number)
- Direct face to face (account directors assigned to the state or education entity)
- Facsimile
- E-mail

Working directly with all levels of management and internal departments, Account Directors for WSCA not only uses these manner of communication to promptly review and address critical contractual, billing, customer service, sales, systems and component questions and problems, but also are the single point of contact for all issues associated to the account.

What Are The Reasons To Escalate?

Grace Global provides the following criteria's to escalate critical issues requiring immediate escalation and expeditious response and resolution.

Emergency: Classified as inability to perform standard user or network related tasks (PROMPTED BY)

- Impact to business process
- Recurring problem
- Impact to the users
- Incorrect system configuration
- Incorrect resolution
- System upgrade
- Server malfunction or "Down"
- Shipped unit arrived damaged during transportation
- Incorrect system configuration

Grace Escalation Process

GRACE GLOBAL CERTIFYING CLIENTS TECHNICIANS:

Q: Does Grace Global make training materials and testing available online to certify Client Technicians?

A: No. Becoming a Grace Certified Technician to perform Grace Warranty service is conducted via a phone interview. The interview is conducted by our Senior Systems Engineers and anticipated to last approximately one hour. Grace Engineers will interview the technicians to determine and qualify **Experience, Education, Certifications** and the **Level of System Component knowledge, Competency with handling Computer components, System Diagnostics /Repair Capabilities**, and verification of the information the technician provided.

Those technicians approved through our interview process will go on our records as qualified to interact with Grace's initiate **Tier 1, Tier 2 and Tier 3 Service Calls** and to complete Grace Warranty diagnostic/repair/replacement.

Q: Is there a yearly self-maintainer program for all technicians?

There is no yearly self-maintainer program. Although Grace Global must be kept informed of any change in staff and any new technicians must go through the same interview process described above.

Q: How is a repair call initiated or complaint resolved?

A: The process begins with a phone call to us from one of your assigned Grace Certified Technicians (see details below) to troubleshoot the problem. Once the problem is identified and determined (i e. bad optical drive.) we will issue a **Service Call Tag**, and instruct the technician to use:

- An already provided "On-Site Parts Closet Components"
- An already provided "On-Site Extended System Replacement (SWAP)"
- Or we will overnight the replacement part.
- Or we will dispatch the replacement part from the parts closet we have provided at your local, centralized depot

Grace Global uses the following methodology (below) to identify critical client issues that require immediate expeditious response and resolution:

1. Support Request is Received
2. Trouble Ticket is Created
3. Issue is Identified and documented in Grace Global Help Desk System
4. Issue is qualified to determine if it can be resolved through Tier 1 Support

If issue can be resolved through Tier 1 Support:

5. Level 1 Resolution - issue is worked to successful resolution
6. Quality Control –Issue is verified to be resolved to Client's satisfaction
7. Trouble Ticket is closed, after complete problem resolution details have been updated in Grace Global Help Desk System

If issue cannot be resolved through Tier 1 Support:

6. Issue is escalated to Tier 2 Support
7. Issue is qualified to determine if it can be resolved by Tier 2 Support

If issue can be resolved through Tier 2 Support:

8. Level 2 Resolution - issue is worked to successful resolution
9. Quality Control –Issue is verified to be resolved to Client's satisfaction
10. Trouble Ticket is closed, after complete problem resolution details have been updated in Grace Global Help Desk System

If issue cannot be resolved through Tier 2 Support:

9. Issue is escalated to Tier 3 Support
10. Issue is qualified to determine if it can be resolved through Tier 3 Support

If issue can be resolved through Tier 3 Support:

11. Level 3 Resolution - issue is worked to successful resolution
12. Quality Control –Issue is verified to be resolved to Client's satisfaction
13. Trouble Ticket is closed, after complete problem resolution details have been updated in Grace Global Help Desk System

If issue cannot be resolved through Tier 3 Support:

12. Issue is escalated to complete system replacement Support
13. Issue is qualified to determine replacement Support

If issue can be resolved through Replacement Support:

14. System Repair or Replacement Resolution - issue is worked to successful resolution
15. Quality Control –Issue is verified to be resolved to Client's satisfaction after receipt of new system
16. Trouble Ticket is closed, after complete system replacement resolution details have been updated in Grace Global Help Desk System

After issue is resolved through complete System Replacement Support:

17. Grace Global System Engineer Decision Point – request is updated with complete details of all activity performed in Grace Global Help Desk System

Q: Does equipment in need of warranty repair/replacement be shipped to Grace Global?

A: Warranty repair work is conducted on-site either at the location of the client-owned equipment or at Grace Global Repair Facility. If the issue with a system cannot be resolved in a timely fashion at the clients facility,, **(See Service Request Escalation Procedure Above)**, we will ship a replacement system within 24hours. Once the technician has received the system, you may use the packaging provided with the new system to return the inoperable system. Call us when this package is ready; and we will order a FedEx Call Tag to pick it up.

Contractual Issues

Account Directors for the WSAC / NASPO are the single point of contact and accountability for all contractual issues. They are responsible for:

- Are encouraged to take ownership to all issues and resolutions
- Ensure contract compliance
- Listen to client concerns to assure all issues are brought to a mutual satisfaction (routing all concerns to the appropriate customer service, billing and technical resolution processes)
- Follow-up to ensure issues are resolved to client satisfaction.
- Ensure all procurement, delivery and support departments understands Grace Global's obligation to the WSAC / NASPO Contract
- Answers all clients questions about the WSAC / NASPO Contract
- Ensuring that all decisions of the WSAC / NASPO Administrators are implemented on all contracted projects

Billing Issues

Grace Global CFO and Senior Accountant are the single point of contact and accountability for all billing issues. They are responsible for:

- Account receivable
- All billing issues
- All collection issues

EXHIBIT C – VALUE ADDED SERVICES

INTEGRATION SERVICES

Knowing that every client is unique, Grace Global engineers will not only perform our standard custom build-to order system integration:

- Industry standard hardware components operating system
- Industry standard software operation system

But also:

- Custom client's software installation
- Asset Tag
- Third party software installation
- Third party hardware installation and configuration

INSTALLATION SERVICES

Grace Global has custom installation packages that are available upon request by Purchasing Entities. Purchasing Entities working in close collaboration with their Grace Global Account Manager may incorporate some of the following elements into their installation package:

- On-site Desktop/ Workstation/Laptop system installation
- On-site Desktop/Workstation/Laptop system installation with Data Transfer
- On-site Basic Server Set up and installation
- On-site Server and Storage Set up and installation

SELF-MAINTAINER PROGRAM

Grace Global offers a self-maintainer program to allow an organization's in-house IT staff to initiate Tier 1 Service Calls and to complete Grace Warranty diagnostic/repair/replacement. Grace Engineers will interview the technicians to determine experience, certifications and the level of system component knowledge, competency with handling computer components, system diagnostics /repair capabilities, and verification of the information the technician provided. Technicians approved through our interview process will go on our records as qualified to initiate Tier 1 Service Calls and to complete Grace Warranty diagnostic/repair/replacement.

Access to Grace Global advanced services, knowledge and technical diagnostic tools are essential part of an efficient Self Maintainer Program, designed to provide a high level of support and care to all Grace Global Desktops, Notebooks, Servers, Storage Server Systems.

SPARE "PARTS CLOSET" KITS

In Addition to our Self Maintainer Program, Grace Global provides FREE Spare "parts Closet" Kit to qualified entity purchases. To be eligible for the FREE Spare "Parts Closet" Kit Program, the Qualified Entity must purchase the following number of systems to qualify, with a purchase order of:

Desktop and Workstation:

- 20 systems ordered = 1 FREE Spare "Parts Closet" Kit
- 100 systems ordered = 2 FREE Spare "Parts Closet" Kits
- 300 systems ordered = 4 FREE Spare "Parts Closet" Kits
- 500 systems ordered = 5 FREE Spare "Parts Closet" Kits
- 700 systems ordered = 6 FREE Spare "Parts Closet" Kits
- 1000 systems ordered = 7 FREE Spare "Parts Closet" Kits
- 2000+ systems ordered = 8 FREE Spare "Parts Closet" Kits

Servers and Server Storage:

- 50 systems ordered = 1 FREE Spare "Parts Closet" Kit
- 200 systems ordered = 2 FREE Spare "Parts Closet" Kits
- 400+ systems ordered = 3 FREE Spare "Parts Closet" Kits

ZERO RESPONSE TIME PROGRAM (ZRTP) Ready-to-Use Systems

In Addition to our Self Maintainer Program, Grace Global provides Ready to Use Systems to qualified entity purchases. To be eligible for the FREE Spare Ready to Use Systems, the Qualified Entity must purchase the following number of systems to qualify, with a purchase order of:

Desktop and Workstation:

- 20 systems ordered = 1 FREE Ready-to-Use System

100 systems ordered = 2 FREE Ready-to-Use Systems
300 systems ordered = 4 FREE Ready-to-Use Systems
500 systems ordered = 5 FREE Ready-to-Use Systems
700 systems ordered = 6 FREE Ready-to-Use Systems
1000 systems ordered = 7 FREE Ready-to-Use Systems
2000+ systems ordered = 8 FREE Ready-to-Use Systems

Notebooks:

30 systems ordered = 1 FREE Ready-to-Use System
100 systems ordered = 2 FREE Ready-to-Use Systems
400 systems ordered = 3 FREE Ready-to-Use Systems
600 systems ordered = 4 FREE Ready-to-Use Systems
800 systems ordered = 5 FREE Ready-to-Use Systems
1000+ systems ordered = 6 FREE Ready-to-Use Systems

IMAGING

Extending our unique build-to-order model, Grace Global offers a **FREE** imaging service that applies the images you create and provide to your systems during the manufacturing process. This **FREE** service ultimately saves your organization time and money by freeing IT resources to spend less time on image management and allowing them to focus on other tasks.

STANDARD SUPPORT SERVICES

24/7 Technical Support
On-Site Next Business Day Service

SAME DAY EMERGENCY SUPPORT SERVICES

2 – 4 Hour Response Time
4 – 8 Hour response Time

TELEPHONE SUPPORT

7 x 24 Telephone Support
Government Procurement Services (800) 926-6350
Education Procurement Services (800) 507-6350

Addendum to Master Price Agreement
Between
Grace Global Corporation
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 #: B27163 Executed on: May 14, 2009

July 17, 2009

Page 1 of 1

This Master Price Agreement Addendum governs Grace Global Corporation (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.
- B. 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:

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

Title

Date

[Handwritten Signature]

CEO
July 17th 2009

LEAD STATE:

In accordance with state statutes or rules.

Signature

Title

Date

[Handwritten Signature]

Acq. Supvr.
7/20/09