



May 6, 2015

University of North Carolina
910 Old Raleigh Road
Chapel Hill, NC

Attn.: Mr. Bill Sprowls

RE: Strategic Relationship Agreement

Dear Mr. Sprowls:

Cisco Systems, Inc. ("Cisco") is excited to continue our business partnership with the University of North Carolina ("UNC") by forming this Strategic Relationship Agreement ("SRA" or "Agreement"), which consists of this Letter Agreement, the Master Purchase Agreement and all addendum, exhibits and attachments thereto. Continuing our business partnership through this Agreement will increase Cisco's ability to help you meet your strategic business objectives. This Agreement will lay a foundation for us to grow our business together for years to come. Cisco seeks to support UNC in its goals and to establish UNC as a model site for the effective deployment of Cisco technology in a higher education environment. In order to facilitate these mutual goals, UNC and Cisco are entering into this Strategic Relationship Agreement, which includes the terms and conditions set forth in the Master Purchase Agreement and its Exhibits incorporated as Attachment 1 to this SRA.

- 1. Purpose.** UNC and Cisco are establishing a Strategic Relationship Agreement to formalize the ongoing joint effort to enhance the relationship in the areas of *Grants and Donations, Cisco Technology and Innovation, Internships, Acquisitions of New Technology, and Maintenance and Support*.

Over the past several years, UNC has built out its network infrastructure and addressed issues such as teaching and learning with technology, professional development, connectivity, security, and bandwidth management. The foundation for this infrastructure has been built on Cisco components, and as UNC seeks to utilize the advantages in hardware and software costs, security, service, and on-going support costs that occur with a consistent network infrastructure. For example, UNC is enhancing its use of network-based content within the curriculum and integrating faculty expertise with its IT operations, while utilizing its IT infrastructure for both academic and administrative service delivery.

Cisco seeks to support UNC in its goals and to establish UNC as a model site for the effective deployment of Cisco technology in a higher education environment. In order to facilitate these mutual goals, UNC and Cisco are entering into this Strategic Relationship Agreement.

- 2. Term.** The term of this Agreement is from the date of last signature below (the "Effective Date") through April 30, 2018. The parties may renew the SRA for two (2) additional one (1) year terms upon written mutual agreement. In the event that either Party desires to renew

this Agreement (including the attached Exhibits), such Party will contact the other Party within sixty (60) days prior to the termination of the initial period or within sixty (60) days of the termination date of each renewal period.

3. This SRA will be reviewed each year by UNC and Cisco. This review will include all aspects of the SRA and each Party will have the option to request changes to this SRA. Upon expiration or non-renewal of this Agreement, Cisco shall be able to continue to complete the delivery of its products and services for purchase orders accepted before the termination date and UNC and its Constituent Institutions shall continue to pay for all orders (both products and services) received and amounts owed under the Agreement, including any payments owed under the Master Purchase Agreement or the Master Services Agreement as set forth in Attachment 1 of this SRA.

4. Relationship Team.

UNC	Cisco
Executive Sponsor Associate CIO for Infrastructure and Administration	Executive Leaders/Sales
Project Sponsor – Grants and Donations VP for Advancement	Sales and Corporate Affairs
Project Sponsor - Technology and Innovation CIO for Infrastructure and Administration	CTO/CDO - Sales
Project Sponsor – Internships VP for Advancement	Human Resources – University Relations
Project Sponsor – Acquisition of Products IT Business Officer	Sales (Account Manager)
Project Sponsor - Maintenance and Support IT Business Officer	Sales

The Parties may jointly complete an annual performance report card to be mutually reviewed with the relevant stakeholders. If any rating lower than "Satisfactory" is assigned, Cisco will use commercially reasonable efforts to develop a performance improvement plan for presentation as mutually agreed.

5. **Grants and Donations.** UNC can apply for grants, donations and sponsored research opportunities pursuant to Cisco's normal process.

Cisco will continue its long-standing practice of assisting various UNC Constituent Institutions with equipment donations for projects that meet Cisco's strategic business and outreach goals. Equipment lists and needs for worthy projects will be evaluated on a case by case basis. Upon written request by UNC on an annual basis, Cisco will cooperate with the Cisco Channel Partners acting as subcontractors on this SRA to collect and provide UNC information regarding the types and amounts of donations or additional outreach that such partners have offered to UNC during the prior twelve (12) months.

Cisco will provide the following two (2) guest lectures for Constituent Institutions to attend on an annual basis during of the SRA (virtual attendance will be at no charge to UNC): 1) Spring – Cisco Live, which is an annual live event for Cisco's broad base of customers, and 2) Fall – a lecture from one of our Cisco's Architectural Series, which covers such topics such as how to use technology to improve classroom experience and work productivity. The speaker for each event should be a Cisco senior manager or above level employee. UNC will provide facilities for the meetings. In the event that there are changes in the aforementioned lectures, Cisco will work with UNC to provide other alternative guest lectures that may include class instruction, colloquy, and/or presentations that are related to Cisco's technology expertise.

Cisco and UNC may produce a case study based on the use of a Cisco technology or solution in an academic setting or another a mutually agreeable topic. Cisco may publish the final version of such case study for public distribution to Cisco customers and potential customers. Costs associated with this partnership will be borne equally by both parties.

Cisco's Public Relations Office and UNC's Public Relations Office will work together to develop news releases and stories about the collaborative activities described in this SRA. These releases will be distributed from UNC's Public Relations Office. Cisco will make appropriate spokespeople available from Cisco's Research Triangle Park facility to respond to inquiries, if any, related to these releases.

6. Cisco Technology and Innovation

If possible, Cisco will include UNC in attendance to customer round table discussions in order to provide UNC viability into Cisco's corporate visions, and goals. Attendees from UNC could include at a minimum two UNC staff members to be mutually agreed upon.

Cisco's UNC account team will use commercially reasonable efforts to provide UNC with an update on products and technology directions on at least on a semi-annual basis.

UNC will assist Cisco with field or prototype testing of new product and/or service offerings that Cisco may have in development. At Cisco's request, UNC will also provide Cisco with feedback and suggested improvements.

Cisco's and UNC's Executive Management teams will attend Executive Briefings from time to time at the parties mutual agreement at a Cisco Executive Briefing Center location at the Cisco campus in Research Triangle Park.

In exchange for the incentives offered by Cisco to UNC in this Agreement, UNC will participate in at least two Customer Business Reviews ("CBR") with Cisco during the Term. A CBR is a quarterly meeting to discuss Cisco's understanding of the customer's business initiatives and review potential solutions to help drive the customer's success. CBRs

improve customer intimacy and satisfaction as the customer becomes more engaged in a partnering relationship with Cisco.

7. Cisco Internships.

Cisco will continue its long-standing practice of employing UNC Constituent Institution students as paid interns pursuant to our existing corporate internship program. The work of these students will take place at a facility designated by Cisco and such students will be supervised by Cisco personnel. Upon request on an annual basis, Cisco will provide UNC information regarding the number of internships that have been offered to UNC students during the prior twelve (12) months.

Historical Schools Targeted for Recruitment by Cisco:

- NCSU
- NC A&T
- NC Central
- UNC-Chapel Hill
- UNC-Charlotte
- Appalachian State University

Recruiting activities generally have been limited to posting jobs at career centers, and either interviewing at career center offices, or conducting phone screens prior to inviting to Cisco campus.

Historically, internships have been available in the following areas:

- Software Engineering - Full time and Internship/Co-op (majority of positions in San Jose)
- Development Testing - Full time and Internship/Co-op (majority of positions in San Jose)
- Sales Associate, Sales Representative and Associate - Full time (Training program based in RTP)
- Technical Assistance Center (TAC) Engineers - Full time and Internship/Co-op (San Jose and RTP)
- Financial Analysts (MBA) - Full time and Internship/Co-op (San Jose)
- Manufacturing Engineers - Full time and Internship/Co-op (San Jose)
- I/T - Full time and Internship/Co-op (San Jose and RTP)

The majority of positions have been filled in San Jose, however RTP, NC; Boxborough, MA; and Richardson, TX are also active in college recruiting.

Internship/Co-op Guidelines: Cisco's co-op and internship program is designed to be a short-term work assignment that provides students with real world work experience to complement their formal education. Candidates for internship and co-op positions must qualify with all Cisco program rules and guidelines.

Internship and Co-op assignments are approved for a specific time period and can be part time or full time. Once the end date is reached, the following options exist: a) end the assignment; b) extend the assignment if permitted and approved pursuant to program rules; or c) hire the intern into a regular full time position (requires headcount approval).

8. **Cisco Network Academy.** Networking Academy delivers a comprehensive, 21st century learning experience to help students develop the foundational ICT skills needed to design, build, and manage networks, along with career skills such as problem solving, collaboration, and critical thinking. Students complete hands-on learning activities and network simulations to develop practical skills that will help them fill a growing need for networking professionals around the world. As of February 2015, North Carolina Agricultural and Technical State University, UNC at Wilmington, North Carolina State University and North Carolina Central University have held a Network Academy at their campus in the past. See the Network Academy Locator (at <https://www.netacad.com/web/about-us/academy-locator>) for an updated list of schools with a Network Academy on their campus. Upon request and on an annual basis, Cisco will provide UNC with details regarding such learning activities and experiences at the Constituent Institutions during the prior twelve (12) months, subject to the information that is tracked and available by Cisco Network Academy.
9. **UNC Obligations.** UNC must place purchase orders through qualified Cisco Channel Partners acting as Cisco's authorized subcontractors under the Agreement and fulfilled directly by them consistent with the terms and conditions of the Agreement. Cisco will verify the channel partner meets minimum qualification standards to respond to UNC Response for Pricing (RFP) proposals. UNC will require proof of compliance before bid is awarded. (see list of partners via www.cisco.com).
10. **Special Pricing.** In light of the strong relationship between Cisco and UNC, Cisco will make available to UNC Constituent Institutions, through certain certified Cisco Channel Partners who Cisco has authorized to act as subcontractors under this Agreement ("Reseller"), a Product pricing discount of thirty-seven percent (37%) off of Cisco's then current Global Price List ("GPL"). The thirty seven percent (37%) discount includes a one percent (1%) discount due to the security initiatives undertaken by UNC. Cisco SmartNet maintenance services will be chargeable at thirty percent (30%) discount, which is the current educational discount as of the Effective Date. Free SmartNet maintenance services for the first year with purchase of the Product may be available upon request for certain product families on a transactional basis. Upon the payment of the SmartNet maintenance fees, if any, Cisco will provide SmartNet maintenance services in accordance with the terms and conditions of the Master Services Terms and Conditions attached hereto as Exhibit C to Attachment 1 of this SRA. All Purchase Orders for Product and Services under this Agreement will be submitted by a Constituent Institution. The Special Pricing will apply only to purchases for internal use in the United States under this SRA.

The UNC Constituent Institutions may place orders directly only through Cisco's approved Resellers as set forth on Exhibit E or through Cisco for products or services as authorized under this Agreement. The approved Resellers as of the Effective Date are set forth in Exhibit E for convenience, which may be updated by Cisco from time to time at its sole discretion. Resellers will not offer less favorable pricing discounts than the contract discounts established by Cisco under this Section 10 of the Agreement. However, the Reseller may offer any additional incremental discounts to a UNC Constituent Institution, and such additional discounts if offered, may be provided in the discretion and as the sole legal obligation of the approved Reseller to such customer. UNC understands that no employee or representative of Cisco or anyone else has any authority to determine the final resale price of Cisco's products and services to UNC and/or Constituent Institutions

11. Exclusions.

- a. The terms of this Letter Agreement, including Section 10 (Special Pricing) will not apply to the following:
 - i. Products or services not orderable from the Cisco Global Price List ("GPL"), including by way of example those products or services of entities acquired by Cisco which are not yet reflected on the GPL or products or services that are not listed on the GPL as of the Effective Date unless otherwise agreed in writing by the Parties;
 - ii. Non-Cisco branded, third party products;
- b. The following are available for purchase under this Agreement, but are priced separately and are not subject to Section 10 (Special Pricing):
 - i. Products or services added to the Cisco GPL after the Effective Date of this Agreement;
 - ii. Unified Computing System (UCS) products;
 - iii. Any of the following specific product technologies if orderable from the GPL: Cisco DMS, IPICS, Media Experience and Analytics products, Small Business Technology Group products and Physical Security products and related software; and
 - iv. Products and services offered under a Cisco enterprise license arrangement.

12. Strategic Supplier. As additional consideration for the incentives extended by Cisco in this Agreement, UNC will treat Cisco as its "Strategic Supplier" for its purchases of the following product technology categories: (i) LAN and WAN Switches and Routers; (ii) Wireless Access Points and Controllers; (iii) Security & VPN; (iv) Data Center Switches, and (v) Unified Computing Systems. Strategic Supplier means that UNC will purchase applicable Cisco products only where Cisco has a technical solution that is both compatible with Customer's existing systems and consistent with Customer's technology, competitive and price needs. UNC will review competitive solutions, as determined by UNC in its sole discretion. This Strategic Supplier section is not intended to prohibit UNC from reviewing competitive solutions to assess technical feasibility and competitive pricing.

13. Master Lease and Financing Agreement. Cisco's financing organization, Cisco Capital and its third party financing partners, offer world class leasing and financing solutions to eligible customers at competitive rates, providing financing flexibility and comprehensive asset management tools. Leasing and financing are available for purchases under this

Agreement subject to a Master Lease and Financing Agreement separately executed between UNC and its selected financing institution.

14. **References.** UNC will be a reference account for Cisco for other Cisco prospective customers, bids and procurements, but neither Cisco nor UNC will issue references, media, or press releases without first obtaining written consent from the other. UNC will make available its executive leaders as Cisco references for successful projects with Cisco. The parties agree that nothing in this section or the materials produced as a result of this Section shall be portrayed, construed or deemed as an official endorsement of Cisco by UNC.
15. **Business Value Partnership.** Cisco's Business Value Approach ("BVA") is a model for engaging with customers to research and collaboratively create a strategic plan to address customer business needs. The Executive Sponsors of each Party may participate in a bi-annual discussion to evaluate BVA model output and devise solutions to address UNC's business related challenges.
16. **Trade-Ins.** In exchange for the discounts and credits in this Agreement, whenever UNC purchases Cisco products to replace competitive equipment or Cisco equipment currently installed in its network, UNC can trade in such competitive equipment or existing Cisco equipment when placing the orders for the new Cisco products in accordance with Cisco's then-current Technology Migration Program, which can be accessed at <http://www.cisco.com/web/partners/pr11/incentive/tmp/index.html>. Notwithstanding anything to the contrary, no additional trade-in allowances will be provided under any Cisco trade-in program.
17. **Confidentiality.** To the extent permitted by applicable law, discussions relating to this Agreement are strictly confidential and neither Cisco nor UNC will disclose to any third party the existence, intent or terms of this Agreement, or other information disclosed by either party during discussions of this Agreement, without the prior written consent of the other. However, either Cisco or UNC may disclose the terms of this Agreement to a Reseller to facilitate UNC purchases under this Agreement.
18. **List Price Changes.** Cisco reserves the right to introduce future product families at different discounts to reflect common market pricing practices. If Cisco revises the GPL by reducing list prices or altering its standard channel pricing model on a product category-wide basis and the change impacts any category of Cisco product that UNC has purchased under this Agreement, Cisco may modify the Special Pricing for that category of products, on a prospective basis only, to the extent necessary to maintain the same net price to UNC as of the Effective Date. Cisco will provide advance notice to UNC of the modified Special Pricing.
19. **Miscellaneous.** Cisco agrees that it will not enter into any agreement with a third party that might abridge any rights of the UNC under this Agreement. Names of any third party vendors or subcontractors of Cisco may appear for purposes of convenience in Agreement documents; and shall not limit Cisco's obligations hereunder. Third party subcontractors may serve as subcontractors to Cisco. All purchase orders submitted by UNC will be completed by one or more of the certified Cisco Channel Partners acting as Cisco's authorized subcontractors under the Agreement, and fulfilled directly by them consistent with the terms and conditions of the Agreement.

20. **Complete Agreement.** This Agreement, together with the incorporated Master Purchase Agreement and attached Exhibits, is the complete and final understanding of the Parties regarding its subject matter. There are no conditions, understandings, agreements, representations, or warranties, expressed or implied, that are intended to be, but are not included in this Agreement. The Agreement will be governed by the laws of the State of North Carolina.

By signing below, Cisco and UNC agree to the terms in this Agreement and represent that they are authorized to execute this Agreement on behalf of their respective companies.

Cisco Systems, Inc.Signature: Name (Printed): Phil LozanoTitle: Director, FinanceDate: May 8, 2015**University of North Carolina**Signature: Name (Printed): Charles E. Perusse
Chief Operating Officer

Title: _____

Date: 5/13/15**APPROVED BY LEGAL****REVIEWED AS TO FORM:**
UNC-GA LEGAL AFFAIRS

ATTACHMENT 1 TO UNC CISCO SRA
MASTER PURCHASE AGREEMENT

This Master Purchase Agreement (the "Agreement") is incorporated into the Strategic Relationship Agreement, and is entered into between Cisco Systems, Inc., a California corporation, having its principal place of business at 170 West Tasman Drive, San Jose, California 95134 ("Cisco"), and University of North Carolina ("UNC"), an educational entity formed under the laws of United States, having its principal place of business at 910 Old Raleigh Road, Hill, North Carolina 27515-2688, United States or any of UNC's Constituent Institutions (as defined in Exhibit D hereto), ("Customer") and is entered into as of the date of last signature below (the "Effective Date").

The following exhibits are incorporated into this Agreement:


1. Exhibit A: Addendum 1
2. Exhibit B: Master Purchase Terms and Conditions
3. Exhibit C: Master Services Terms and Conditions
 - C-1 – Glossary of Terms
 - C-2 – Severity and Escalation Guidelines
 - C-3 – Services not covered
4. Exhibit D: Constituent Institution List
5. Exhibit E: Authorized Resellers
6. Exhibit F: End User License Agreement ("EULA")
7. Exhibit G: Constituent Institution Letter Agreement (Sample)

Where there was a prior Master Purchase Agreement (or equivalent purchase agreement) between Cisco and Customer, any Purchase Orders accepted or Products delivered by Cisco after the date of expiration of such prior agreement but before the Effective Date shall, until the Effective Date, be deemed covered by the terms and conditions of the said prior agreement.

The parties have caused this Agreement to be duly executed. Each party warrants and represents that its respective signatories whose signatures appear below are on the date of signature authorized to execute this Agreement.

University of North Carolina

("Customer")


 Authorized Signature

Charles E. Perusse
 Print Name Chief Operating Officer

Title

Date

5/13/15

Cisco Systems, Inc.

("Cisco")


 Authorized Signature

Phil Lozano
 Print Name Director, Finance

Title

Date

May 8, 2015

APPROVED BY LEGAL

REVIEWED AS TO FORM:

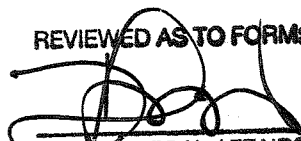

 UNC GA LEGAL AFFAIRS

Exhibit A
Addendum 1 to Cisco Systems, Inc. Master Purchase Agreement
To Comply with State of North Carolina and University Requirements

Notwithstanding anything to the contrary in the Agreement and its Exhibits, the Parties understand and agree that:

1. The University of North Carolina (UNC) will be responsible for the conduct of its officers and employees arising out of the performance of this Agreement only to the extent permitted and limited by the laws of North Carolina, including the North Carolina Tort Claims Act, the Defense of State Employees Act, and the Excess Liability Policy administered through the North Carolina Department of Insurance, subject to the availability of appropriations and in proportion to and to the extent that such liability for damages is caused by or results from the acts of UNC, its officers, or employees.
2. The protection and disclosure of information is governed by the requirements of the North Carolina Public Records Act and the North Carolina Trade Secrets Protection Act, and the parties will comply with those requirements to protect their confidential information. See, NCGS §132-1.2 and NCGS §66-152.
3. This Agreement and related agreements are subject to the availability, appropriation, or grant of State, Federal, or other funds to pay amounts due, or to perform under this Agreement.
4. Nothing shall act to limit the statutory rights, responsibilities, or obligations of the Governor or the Attorney General of the State of North Carolina, including exclusive rights regarding representation and settlement of claims, and nothing shall act to impose obligations on UNC for jurisdiction or venue outside North Carolina, waiver of jury trial, acceptance of injunctive relief provisions, or obligations for costs and attorney fees unless ordered by a court of competent jurisdiction.
5. If, in the course of providing the Services, Cisco Information Security group has a reasonable basis to believe a security breach may have occurred, Cisco will conduct appropriate due diligence into the potential breach to determine if any Personal Data has been compromised. "Personal Data" shall mean any information about an individual that, when used alone or in combination with other information, can be used to specifically identify, locate or contact such individual. If, after such diligence, Cisco determines that a "Security Incident" (defined as unauthorized destruction, loss or alteration of or unauthorized access to Personal Data maintained, accessed or stored by Cisco), has occurred, Cisco will as soon as reasonably practicable: (a) provide prompt written notice as specified in the Notices section of the Agreement of such Security Incident but in no case later than twenty (20) business days after completion of Cisco's due diligence; and (b) if the applicable Personal Data was in the possession of Cisco at the time of such Security Incident, Cisco, with Customer's consent, shall: (i) start an investigation of the Security Incident and take all reasonably appropriate actions to assist Customer in Customer's efforts to remediate the effects of the Security Incident and mitigate any risks that may arise from the Security Incident, (ii) provide Customer, upon request, with a written summary on the outcome of its investigation including any risk to Personal Data, the corrective action Cisco will take, or has taken, to respond to the Security Incident and such other information as Customer may reasonably request, (iii) undertake such actions as reasonably necessary to prevent the recurrence of such Security Incident, (iv) preserve all records and other evidence relating to the Security Incident, and (v) provide Customer with reasonable assurances that appropriate measures have been taken to protect against such Security Incident recurring. No independent action to correct a Security Incident shall be taken unless failure to immediately respond will result in irreparable harm to Customer or Cisco. If required by law, Customer may disclose the occurrence of a Security Incident involving Personal Data to governmental authorities and law enforcement agencies, or any other notice required by law, including, as applicable

- any substitute notice required by law ("Notifications"). Cisco shall reasonably cooperate in good faith with Customer in Customer's handling of any Security Incident, including without limitation any investigation, reporting, the timing and manner of any Notifications, or other obligations required by applicable law or regulation, or as otherwise reasonably required by Customer to respond to and mitigate any damages caused by the Security Incident.
6. With respect to damages incurred by Customer due to a Security Incident, Cisco will reimburse Customer's reasonable foreseeable direct out-of-pocket costs incurred by Customer for notification to impacted individuals to the extent such costs were the direct result of Cisco's negligence or willful misconduct. To the extent a) a Security Incident was not the result of Cisco's negligence or willful misconduct as described above, or b) a Security Incident is the result of Customer's or a third party's negligence or willful misconduct (including, without limitation, Customer's failure to implement industry standard security processes and procedures such as password protection or encryption of sensitive personal information, or resulted from actions of disgruntled employees, hackers and other criminal or malicious third parties, or state instrumentalities), the damages and expenses subject to a claim of reimbursement under this Section 6 (including, without limitation, reasonable attorneys' fees) shall be allocated or reallocated, as the case may be, between the Customer, Cisco and any other party bearing responsibility in such proportion as appropriately reflects the relative fault of such parties, or their subcontractors, or the officers, directors, employees, agents, successors and assigns of any of them, and the liability of Cisco for reimbursement shall be proportionately reduced. Notwithstanding Section 19 (Limitation of Liability) of the Master Purchase Agreement, Cisco's liability under this Section 6 shall not exceed one hundred thousand dollars (\$100,000). This Section 6 states Cisco's entire obligation and Customer's sole and exclusive remedy for damages and expenses related to a Security Incident.
 7. Insurance requirements are subject to North Carolina statutory and administrative self-insurance provisions and procedures, and restricted to coverage provided by or through the North Carolina Department of Insurance. UNC is a self-insured agency of the State of North Carolina, for both property and tort liability. Property is insured through a fund with the State of North Carolina Department of Insurance. The North Carolina Tort Claims Act, The Defense of State Employees Act, and the Excess Liability Policy, which is administered through the North Carolina Department of Insurance, determine tort liability for its employees and agents. See Article 31A of Chapter 143, §143-300.2 through §143-300.8, and Article 31 of Chapter 143, §143-291 through §143-300.2.
 8. Nothing in this Agreement is intended to prohibit the exercise of rights expressly permitted by the statutes and common law applicable to copyrights, patents, and trademarks.
 9. Use of the term "Partner" in this Agreement is in no way intended to create, or bind the parties to, a legally recognized partnership entity, but is used solely for its commonly-accepted designation of close cooperation and collaboration between and among the independent legal entities which are the parties to this Agreement.
 10. UNC is a tax-exempt State entity, and nothing in this Agreement imposes any UNC liability for taxes, regardless of provisions for imposing tax liability on UNC or for passing liability for tax payments on to UNC separate from the agreed-to price for products or services.
 11. Cisco may not use this contract or any marks or names of UNC for advertising purposes without the prior written approval of UNC.

To the extent that any terms and conditions of the Agreement(s) [and/or Schedule(s)] conflict with or are inconsistent with this Addendum 1, the terms and conditions of Addendum 1 shall prevail.

[ADDENDUM 1 SIGNATURE PAGE TO FOLLOW]

ADDENDUM 1 SIGNATURE PAGE

University of North Carolina

("Customer")

Charles E. Perusse

Authorized Signature

Charles E. Perusse

Print Name Chief Operating Officer

Title

5/13/15

Date

Cisco Systems, Inc.

("Cisco")

Authorized Signature

Phil Lozano
Phil Lozano

Print Name

Director, Finance

Title

May 8, 2015

Date

APPROVED BY LEGAL

REVIEWED AS TO FORM:

[Signature]
UNC-GA LEGAL AFFAIRS

EXHIBIT B

MASTER PURCHASE TERMS AND CONDITIONS

1.0 DEFINITIONS

- 1.1 **Affiliate** with respect to Cisco is any corporation, firm, partnership or other entity that directly or indirectly controls, or is controlled by, or is under common control with Cisco.
- 1.2 **Cisco.com** is Cisco's suite of on-line services and information at <http://www.cisco.com>.
- 1.3 **Cisco Branded** means a Product or a Service bearing a trademark or service mark of Cisco Systems, Inc. or any Cisco affiliate.
- 1.4 **Constituent Institutions** means the educational centers listed on Exhibit D of this Agreement who may purchase Products from Cisco pursuant to the terms and conditions of this Agreement upon submission of a Constituent Institution Letter Agreement, as set forth in Exhibit G of this Agreement.
- 1.5 **Documentation** is user manuals, training materials, Product descriptions and specifications, technical manuals, license agreements, supporting materials and other information relating to Products or Services offered by Cisco, whether distributed in print, electronic, CD-ROM or video format.
- 1.6 **Hardware** is the tangible Cisco product acquired by Customer from Cisco and listed on the Price List. Hardware does not include any tangible product listed on the Price List in the name of a third party.
- 1.7 **Price List** is the price list(s) published at Cisco.com applicable to the relevant Cisco entity to which each Purchase Order is issued by Customer.
- 1.8 **Products** are, individually or collectively as appropriate, Hardware, Software and Documentation listed on the then-current Price List.
- 1.9 **Purchase Order** is a written or electronic order issued by Customer to Cisco for Products or Services to be purchased, licensed or provided under this Agreement.
- 1.10 **RMA** is a Return Material Authorization.
- 1.11 **Services** are any maintenance or technical support and any other services purchased under this Agreement and performed or to be performed by Cisco.
- 1.12 **Software** is the machine readable (object code) version of the computer programs listed from time to time on the Price List or provided with the Hardware and made available by Cisco for license to Customer including firmware, and any copies made, bug fixes for, updates to, or upgrades thereof. Software does not include any computer programs listed on the Price List in the name of a third party.
- 1.13 **SOW** is a Statement of Work which describes the Services to be performed by Cisco, if any.
- 1.14 **Territory** is United States.

2.0 SCOPE

- 2.1 This Agreement sets forth the terms and conditions for Customer's purchase of Products and Services in the United States solely for 1) Customer's internal business use; and, 2) if Customer is in the business of providing network services to end users, which may include the following: access to the Internet, data and voice transmission and value-added telecommunication services related to such transmission, including managed network services whereby Customer manages network elements belonging to or located at the premises of end users in conjunction with telecommunications services to end users by Customer (collectively, "Network Services"), Cisco grants Customer a non-exclusive, non-transferable right to purchase the Products for use in the United States only (the "Territory"), in creating and providing such Network Services to end users. Customer hereby certifies that it is acquiring and intends to use the Products solely for the purposes set forth in this Section 2.0. Customer shall not resell or otherwise transfer title to any Product nor transfer any Software license to any third party, including resellers.
- 2.2 The terms of this Master Purchase Agreement shall also apply to purchase of Services to the extent not in conflict with the services-specific terms and conditions set forth in Exhibit C attached.

3.0 PRICES

- 3.1 Prices for Products and Services shall be those specified in Cisco's then current Price List, less any applicable discount granted by Cisco in a separate addendum in effect at the time of acceptance of the Purchase Order by Cisco, or in accordance with an applicable, valid written price quotation, if any, submitted by Cisco to Customer for such Products or Services.
- 3.2 All prices are exclusive of any freight, handling and shipping insurance charges, taxes, fees and duties or other similar amounts, however designated, including without limitation value added, sales and withholding taxes which are levied or based upon the prices, charges or upon this Agreement. Customer shall pay any taxes related to Products and Services provided pursuant to this Agreement (except for taxes based on Cisco's revenue income) or shall present an exemption certificate acceptable to all relevant taxing authorities. Applicable taxes shall, to the extent practical, be billed as a separate item on the invoice.

4.0 ORDERS

- 4.1 Customer shall purchase or license Products or Services by issuing a Purchase Order, signed, if requested by Cisco, or (in the case of electronic transmission) sent by its authorized representative, indicating specific Products and Services, Cisco Product numbers, quantity, unit price, total purchase price, shipping instructions, requested shipping dates, bill-to and ship-to addresses, tax exempt certifications, if applicable, contract reference, and identity of the End User for each Product and Service. No contingency contained on any Purchase Order shall be binding upon Cisco. The terms of this Agreement shall apply, regardless of any additional or conflicting terms on any Purchase Order or other correspondence or documentation submitted by Customer to Cisco, and any such additional or conflicting terms are deemed rejected by Cisco.
- 4.2 Cisco shall use commercially reasonable efforts to provide order acknowledgement information within three (3) business days for all Purchase Orders placed on Cisco.com or within ten (10) business days of receipt for Purchase Orders placed by any other method. Upon and subject to credit approval by Cisco following

Cisco's receipt of any Purchase Order, Cisco Customer Service will review and accept or decline any or all Purchase Orders for the Cisco entity that will supply the Products or Services, and no other person is authorized to accept Purchase Orders on behalf of Cisco. Cisco Customer Service may accept a Purchase Order even if some of the information required by Section 4.1 above is missing or incomplete.

- 4.3 Customer may defer Product shipment for up to thirty (30) days from the original shipping date scheduled by Cisco, provided written or electronic notice (issued, in either case, by an authorized representative of Customer) is received by Cisco at least ten (10) days before the originally scheduled shipping date. Cancelled Purchase Orders, rescheduled shipments or Product configuration changes requested by Customer less than ten (10) days before the original scheduled shipping date shall be subject to (a) acceptance by Cisco, and (b) a charge of five percent (5%) of the total invoice amount relating to the affected Products. Cisco reserves the right to reschedule shipment in cases of configuration changes requested by Customer within ten (10) days of scheduled shipment. No cancellation shall be accepted by Cisco where Products are purchased with implementation services, including design, customization or installation services, except as may be set forth in the agreement or statement of work under which the services are to be rendered.

5.0 SHIPPING AND DELIVERY

- 5.1 Scheduled shipping dates will be assigned by Cisco as close as practicable to Customer's requested date based on Cisco's then-current lead times for the Products. Cisco will communicate scheduled shipping dates in the order acknowledgement or on Cisco.com. Unless given written instruction by Customer, Cisco shall select the carrier.
- 5.2 Transportation of Products shall be FOB Destination unless otherwise specified in the solicitation document or purchase order. Freight, handling, hazardous material charges, and distribution and installation charges are separately chargeable items which will be shown as separate line items on an invoice. Title and risk of loss shall pass upon delivery by Cisco to the Customer per the applicable shipping term. Any additional charges shall not be honored for payment unless authorized in writing by the Customer. In cases where parties (other than Cisco) ship materials against this order, the shipper must be instructed to show the Purchase Order number on all packages and shipping manifests to ensure proper identification and payment of invoices. A complete packing list must accompany each shipment. Customer shall be responsible for all freight, handling and insurance charges subsequent to delivery. In the event that Cisco offers additional delivery terms, including CIP (Carriage and insurance paid) to Customer's designated site, Customer may elect to utilize such delivery terms in lieu of the above, in consideration of the payment of Cisco's then-current charges for such delivery services.
- 5.3 Customer shall assume responsibility for compliance with applicable export laws and regulations, including the preparation and filing of shipping documentation necessary for export clearance. This also applies in cases where Customer requests in its Purchase Order delivery of Products to Customer's forwarding agent or another representative in the country of shipment. Customer agrees not to use any export licenses owned by Cisco or any of its Affiliates. Customer accepts any additional delays caused by the export licensing process as well as delays to comply with conditions of the individual export license.
- 5.4 CISCO SHALL NOT BE LIABLE FOR ANY LOSS, DAMAGE OR PENALTY FOR DELAY IN DELIVERY OR FOR FAILURE TO GIVE NOTICE OF ANY DELAY. EXCEPT IN ACCORDANCE WITH THE APPLICABLE SHIPPING TERMS SET

FORTH IN THIS AGREEMENT, CISCO SHALL NOT HAVE ANY LIABILITY IN CONNECTION WITH SHIPMENT, NOR SHALL THE CARRIER BE DEEMED TO BE AN AGENT OF CISCO.

- 5.5 All sales are final. Except as provided in Cisco's warranty statements, Cisco does not accept returns unless (i) Cisco shipped a product other than as specified in the Purchase Order, (ii) such Product is unopened, and (iii) the Product is returned in accordance with Cisco's then current RMA policy and procedures.

6.0 PAYMENT

- 6.1 Upon and subject to credit approval by Cisco, any sum due to Cisco pursuant to this Agreement, except Disputed Amounts, shall be payable within thirty (30) days after shipping date. "Disputed Amounts" shall mean invoice amounts that are subject to a bona fide dispute raised by Customer in writing and received by Cisco within twenty (20) days of the date of an invoice therefore, and with respect to which Customer is making reasonable, diligent and good faith efforts to resolve. In the event Customer disputes any portion of an invoice, it shall pay all undisputed sums immediately and any disputed amounts shall be subject to the dispute resolution remedies set forth in Paragraph 20.14 herein. Payment is due immediately upon resolution of dispute. All payments shall be made in U.S. currency. If at any time Customer is delinquent in the payment of any invoice, or is otherwise in breach of this Agreement, Cisco may, in its discretion, and without prejudice to its other rights, withhold shipment (including partial shipments) of any order until complete payment has been received. Any sum not paid by Customer when due shall bear interest from the due date until paid at a rate of (i) ten per cent per annum or (ii) the maximum rate permitted by law, whichever is less. Customer grants Cisco a security interest in Products purchased under this Agreement to secure payment for such Products. If requested by Cisco, Customer agrees to execute financing statements to perfect this security interest.

7.0 CONSTITUENT INSTITUTIONS

- 7.1 Constituent Institutions listed on Exhibit D may purchase Products and Services from Cisco under this Agreement once such Constituent Institution binds itself to the terms of this Agreement by executing and delivering to Cisco a letter in the form attached hereto as Exhibit G of this Agreement (the "Constituent Institution Letter Agreement").
- 7.2 Any breach by a Constituent Institution of this Agreement shall entitle Cisco to terminate this Agreement as it applies to that particular Constituent Institution in accordance with Section 13.0 (Term and Termination).

8.0 PROPRIETARY RIGHTS AND SOFTWARE LICENSING

- 8.1 Subject to 8.2 below, Customer's use of Software is governed by the terms contained in Exhibit F, Cisco's End User License Agreement ("EULA"). For purposes of this Agreement, all references to "Customer" or "You" therein shall refer to Customer.
- 8.2 For non-Cisco Branded Software and Documentation delivered in connection with this Agreement which is separately licensed by a third party, Customer's rights and responsibilities with respect to such Software or Documentation shall be governed in accordance with the third party's applicable software license. Customer shall, on request, enter into one or more separate license agreements or third party license agreements as part of the installation and/or download process which shall supersede this Agreement with respect to the non-Cisco Branded Software or

Documentation covered by such license. Cisco will provide a copy of any applicable third party license terms upon request of Customer in advance of a purchase. If the Customer executes an applicable third party software license agreement, such executed agreement will supersede any click accept license terms.

- 8.3 Customer shall notify Cisco promptly of any breach or suspected breach of the Cisco EULA or third party license and further agrees that it will, at Cisco's request, assist Cisco in efforts to preserve Cisco's or its supplier's intellectual property rights.

9.0 LIMITED WARRANTY

- 9.1 Products. The warranties for Cisco Branded Products may be found at the following URL: <http://www.cisco.com/go/warranty>.
- 9.2 Notwithstanding any other term of this Agreement, Cisco's sole and exclusive warranty and obligations are set forth in Cisco's Limited Warranty Statement delivered with the Cisco Branded Product and this Section 9.0.
- 9.3 Services. All Services provided hereunder shall be performed in a workmanlike manner. Customer shall notify Cisco promptly of any claimed breach of this Services warranty. Customer's sole and exclusive remedy for any breach of warranty shall be, at Cisco's option, re-performance of the Services or termination of the applicable Equipment List or SOW, and return of the portion of the fees paid to Cisco by Customer for such non-conforming Services.
- 9.4 Restrictions. The limited warranties referenced in this Section 9.0 do not apply if the Cisco Branded Product (a) has been altered, except by Cisco, (b) has not been installed, operated, repaired, used or maintained in accordance with instructions made available by Cisco, (c) has been subjected to abnormal or unusual physical or electrical stress or environmental conditions, misused, or negligently handled or operated; (d) is acquired by Customer for beta, evaluation, testing, demonstration purposes or other circumstances for which Cisco does not receive a payment of a purchase price or license fee.
- 9.5 Unless otherwise specified in writing by Cisco, the limited warranties referenced in this Section 9.0 do not apply to any non-Cisco Branded Software or Hardware that may be offered for sale on the Price List in the name of a third party. Non-Cisco Branded Hardware and Software are warranted solely by the applicable manufacturer or licensor. Cisco will pass through, to the extent permitted, the manufacturer's and/or licensor's warranties and Customer shall look solely to such manufacturer and/or licensor for warranty claims.
- 9.6 DISCLAIMER OF WARRANTY. EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION 9.0, CISCO HEREBY DISCLAIMS AND CUSTOMER WAIVES ALL REPRESENTATIONS, CONDITIONS AND WARRANTIES (WHETHER EXPRESS, IMPLIED, OR STATUTORY), INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OR CONDITION (A) OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NONINFRINGEMENT, TITLE, SATISFACTORY QUALITY, QUIET ENJOYMENT, ACCURACY, OR SYSTEM INTEGRATION, OR (B) ARISING FROM ANY COURSE OF DEALING, COURSE OF PERFORMANCE, OR USAGE IN THE INDUSTRY. TO THE EXTENT AN IMPLIED WARRANTY OR CONDITION CANNOT BE DISCLAIMED, SUCH WARRANTY OR CONDITION IS LIMITED IN DURATION TO THE APPLICABLE EXPRESS WARRANTY PERIOD.

10.0 TRADEMARK USAGE

Customer may request Cisco's written consent to use the name, logo, trademarks, and other marks of Cisco (collectively, the "Marks") for any proper purpose. If such consent is granted, Customer's use of such Marks shall be in accordance with Cisco's then-current policies as updated from time to time at http://www.cisco.com/en/US/about/ac50/ac47/about_cisco_policies_list.html. Customer shall not attach to any Cisco Branded Product any trademark, trade name, logo, or label other than an aesthetically proper label identifying the Customer, its location and its relationship to Cisco. Customer shall not affix any Mark to any product or device other than a Cisco Branded Product.

11.0 CONFIDENTIAL INFORMATION

This Section 11 is subject to the provisions of the North Carolina Public Records Act.

- 11.1 "Confidential Information" to be disclosed by Customer under this Agreement is information regarding Customer's network operations and technical plans and marketing and financial data, and "Confidential Information" to be disclosed by Cisco under this Agreement is information regarding Cisco's Products and Services, technical, financial, and marketing data, information relating to future product and service development, and information posted on Cisco.com. Cisco understands and agrees that protection and disclosure of information is governed by the requirements of the North Carolina Public Records Act and Trade Secrets Act, and Cisco will comply with those requirements to protect its confidential information.
- 11.2 The receiving party ("Receiving Party") may use the Confidential Information solely for the purpose of furtherance of the business relationship between the parties, as provided in this Agreement and shall not disclose the Confidential Information to any third party, other than to employees of the Receiving Party who have a need to have access to and knowledge of the Confidential Information, solely for the purpose authorized above. Each party shall take appropriate measures by instruction and agreement prior to disclosure to such employees to assure against unauthorized use or disclosure. Information (other than that on Cisco.com) disclosed by the disclosing party ("Disclosing Party") in written or other tangible form will be considered Confidential Information only if such information is conspicuously designated as "Confidential," "Proprietary" or bears a similar legend. Information disclosed orally shall be considered Confidential Information only if: (i) identified as confidential, proprietary or the like at the time of disclosure, and (ii) confirmed as confidential, proprietary or the like in writing within thirty (30) days of disclosure. Confidential Information disclosed to the Receiving Party by any Affiliate or agent of the Disclosing Party is subject to this Agreement.
- 11.3 The Receiving Party shall have no obligation with respect to information that (i) was rightfully in possession of the Receiving Party without any obligation of confidentiality prior to receiving it from the Disclosing Party; (ii) is, or subsequently becomes, legally and publicly available without breach of this Agreement; (iii) is rightfully obtained by the Receiving Party from a source other than the Disclosing Party without any obligation of confidentiality; (iv) is developed by or for the Receiving Party without use of the Confidential Information and such independent development can be shown by documentary evidence; or (v) is disclosed by the Receiving Party pursuant to and in accordance with a valid order issued by a court or government agency, provided that the Receiving Party provides (a) prior written notice to the Disclosing Party of such order and (b) the Disclosing Party prior opportunity to oppose or restrict such disclosure. Upon written demand by the Disclosing Party, the Receiving Party shall: (i) cease using the Confidential

Information, (ii) return the Confidential Information and all copies, notes or extracts thereof to the Disclosing Party within seven (7) days of receipt of demand, and (iii) upon request of the Disclosing Party, certify in writing that the Receiving Party has complied with the obligations set forth in this paragraph.

- 11.4 Each party shall retain all right, title and interest to such party's Confidential Information. No license to any intellectual property (or application for intellectual property protection) is either granted or implied by the conveying of Confidential Information. The Receiving Party shall not reverse-engineer, decompile, or disassemble any software disclosed to it and shall not remove, overprint or deface any notice of copyright or confidentiality, trademark, logo, legend, or other notices of ownership from any originals or copies of Confidential Information it obtains from the Disclosing Party or from any copies the Disclosing Party is authorized to make.
- 11.5 Neither party shall disclose, advertise, or publish either the existence, the subject matter, any discussions relating to, or any of the terms and conditions, of this Agreement (or any summary of any of the forgoing) to any third party without the prior written consent of the other party. Any press release, publication, advertisement or public disclosure regarding this Agreement is subject to both the prior review and the written approval of both parties.

12.0 PATENT, COPYRIGHT AND TRADEMARK INFRINGEMENT INDEMNIFICATION

- 12.1 Claims. Cisco will defend any claim, suit or proceeding against Customer that a Cisco-Branded Product provided under this Agreement or any Update supplied directly by Cisco in connection with the Services rendered hereunder infringes third party patents, copyrights or registered trademarks (the "Claim") and will indemnify Customer against the final judgment entered by a court of competent jurisdiction or any settlements arising out of a Claim.

- 12.2 Customer shall:

- (a) promptly notify Cisco in writing of the Claim (or threat thereof), and any subsequent litigation updates; and
- (b) cooperate with Cisco in the defense of the Claim (including any statements to third parties regarding the Claim), and grant Cisco full and exclusive control of the defense and settlement of the Claim and any subsequent appeal to the same extent agreed to in Section 13.2 below.

If Customer fails to notify Cisco promptly of the Claim, and that failure prejudices Cisco's ability to defend, settle or respond to the Claim, then Cisco's obligation to defend or indemnify Customer with respect to that Claim will be reduced to the extent Cisco has been prejudiced. In addition, such failure to provide prompt notification shall relieve Cisco of any obligation to reimburse for Customer attorneys' fees incurred prior to notification.

- 12.3 Additional Remedies. If a Claim is made or appears likely, Customer agrees to permit Cisco to procure for Customer the right to continue using the Cisco-Branded Product or Update, as applicable, or to replace or modify the Cisco-Branded Product or Update with one that is at least functionally equivalent. If Cisco determines that none of those alternatives is reasonably available, then Customer will return the Cisco-Branded Product or Update and Cisco will refund Customer's remaining net book value of the Cisco-Branded Product or Update calculated according to generally accepted accounting principles.

12.4 Exclusions. Cisco has no obligation for any Claim based on:

- (a) compliance with any designs, specifications, requirements or instructions provided by Customer or a third party on Customer's behalf;
- (b) modification of a Cisco-Branded Product or Update by Customer or a third party;
- (c) the amount or duration of use made of the Cisco-Branded Product or Update, revenue earned by Customer or services offered by Customer to external or internal customers; or
- (d) combination, operation or use of a Cisco-Branded Product or Update with non-Cisco products, software or business processes.

12.5 Sole and Exclusive Remedy. This Section 12.0 (Patent, Copyright and Trademark Infringement Indemnification) states Cisco's entire obligation and Customer's exclusive remedy regarding any claims for intellectual property infringement.

13.0 GENERAL INDEMNITY

13.1 Cisco shall defend, indemnify and hold harmless UNC, its Constituent Institutions and their respective officers, directors, employees, and agents and their respective successors and assigns from and against any and all claims, losses, liabilities, damages, and expenses (including, without limitation, reasonable attorneys' fees), including without limitation, those based on contract or tort, arising out of or in connection with a claim, suit or proceeding brought by a third party based upon bodily injury (including death) or damage to tangible personal property (not including lost or damaged data) arising from the negligent or intentional acts or omissions of Cisco or its subcontractors, or the officers, directors, employees, agents, successors and assigns of any of them. In the event that UNC's, a Constituent Institution's or a third party's negligent or intentional acts or omissions contributed to cause the injury or damage for which a claim of indemnity is being asserted against Cisco hereunder, the damages and expenses (including, without limitation, reasonable attorneys' fees) shall be allocated or reallocated, as the case may be, between UNC, the Constituent Institution, Cisco and any other party bearing responsibility in such proportion as appropriately reflects the relative fault of such parties, or their subcontractors, or the officers, directors, employees, agents, successors and assigns of any of them, and the liability of Cisco shall be proportionately reduced.

13.2 The foregoing indemnification obligations in this Section 13 are conditioned upon UNC and/or the Constituent Institution promptly notifying Cisco in writing of the claim, suit or proceeding for which Cisco is obligated under this Section 13, cooperating with, assisting and providing information to, Cisco as reasonably required, and granting Cisco the exclusive right to defend or settle such claim, suit or proceeding. Notwithstanding the above, nothing contained herein shall act to limit the statutory rights, responsibilities, or obligations of the Office of the Governor or the Office of the Attorney General of North Carolina.

14.0 TERMINATION

14.1 Either party may terminate this Agreement at any time for any reason by providing the other party with at least ninety (90) days' prior written notice of termination.

14.2 A party may terminate this Agreement immediately by written notice if (i) the other party ceases or threatens to cease to carry on business as a going concern; or (ii)

the other party becomes or is reasonably likely to become subject to voluntary or involuntary proceedings in bankruptcy or liquidation; or (iii) a receiver or similar officer is appointed with respect to the whole or a substantial part of the other party's assets; or (iv) in the event sufficient funds are not appropriated and budgeted by Customer's governing body or are not otherwise available to continue for any fiscal period or Customer beyond the fiscal period first in effect on the Effective Date of this Agreement; or (v) an event similar to any of the foregoing occurs under any applicable law.

- 14.3 If a party breaches any of the provisions of this Agreement, the non-breaching party may terminate this Agreement as follows: (a) immediately upon providing written notice to the breaching party if the breach is not capable of being cured, and (b) thirty (30) days after providing written notice to the breaching party if the breaching party fails to cure such breach within such thirty (30) day period.
- 14.4 Cisco may terminate this Agreement upon twenty (20) days' written notice in the event it becomes known that (i) Customer or an Affiliate or Customer's direct or indirect parent has acquired or intends to acquire a controlling interest in a third party, or (ii) Customer or its direct or indirect parent is to be acquired by a third party, or (iii) a controlling interest in Customer or its direct or indirect parent is to be transferred to a third party.
- 14.5 Cisco may terminate this Agreement immediately upon written notice in the event that Customer is in breach of Sections 8.0 (Proprietary Rights and Software Licensing), Section 11.0 (Confidential Information), or Section 17.0 (Export, Re-Export, Transfer & Use Controls), or Section 18.0 (Compliance with Laws) .
- 14.6 Upon termination or expiration of this Agreement, (a) Cisco reserves the right to cease all further delivery of Product or Services, (b) all outstanding invoices immediately become due and payable by certified or cashier's check, and (c) all rights and licenses of Customer under this Agreement shall terminate, subject to the terms of the last sentence of this paragraph. If Cisco agrees to complete delivery of any further Products or Services due against any existing Purchase Orders then Customer shall pay for such Products or Services in advance by certified or cashier's check. Except for a termination of this Agreement resulting from Customer's breach of Section 8.0 (Proprietary Rights and Software Licensing), Section 11.0 (Confidential Information), or Section 17.0 (Export, Re-Export, Transfer & Use Controls), upon termination or expiration of this Agreement, Customer may continue to use, in accordance with the terms and conditions of this Agreement, Products provided to it by Cisco prior to the date of termination or expiration.
- 14.7 Upon termination or expiration of this Agreement, Customer shall immediately return to Cisco all Confidential Information (including all copies thereof) then in Customer's possession, custody or control; provided, that except for a termination resulting from Customer's breach of Section 8.0 (Proprietary Rights and Software Licensing), or Section 17.0 (Export, Re-Export, Transfer & Use Controls), Customer may retain a sufficient amount of such Confidential Information and material to operate its installed base of Products.

15.0 SERVICES AND DOCUMENTATION

- 15.1 **Services.** Customer may place Purchase Orders for the Services described in Exhibit C.
- 15.2 **Documentation.** Cisco hereby grants Customer a fully paid, non-exclusive license to reproduce in its entirety or incorporate sections of Documentation that is

delivered with Cisco Branded Products purchased by Customer. All such reproductions will include the following copyright notice at the title page or section page of the Cisco material: "These materials have been reproduced for internal use only with the permission of Cisco Systems, Inc. COPYRIGHT © 2014 CISCO SYSTEMS, INC. ALL RIGHTS RESERVED." This license is granted only for the purposes of operating and maintaining the Cisco Branded Products for internal use and does not allow distribution to third parties or resale. Customer shall be solely responsible for the accuracy of all of its modifications and any resultant damages from modified Documentation.

16.0 RECORDS

- 16.1 Customer shall keep full, true, and accurate records and accounts, in accordance with generally-accepted accounting principles, of each Product, Service and Software license purchased, resold, and/or deployed, including information regarding Software usage and export or transfer. Customer shall make such records available for review by or on behalf of Cisco upon fifteen (15) days' prior written notice, during regular business hours, at Customer's principal place of business and shall provide Cisco with reasonable assistance in order to review and secure copies of such records. In the event such review discloses non-compliance with this Agreement, Customer shall promptly pay to Cisco the appropriate license fees, plus the reasonable cost of conducting the review.
- 16.2 Inventory Review. From time-to-time Cisco may perform an inventory review of Customer's installed base of Products and review serial numbers and other records (upon reasonable advance notice) to validate Service entitlement. Cisco will charge a Service fee if it finds that Services are being provided beyond that for which Customer has paid Cisco. This Service fee includes amounts which should have been paid, interest, attorneys' fees, if any, and audit fees. Cisco requires that Customer take all necessary action (for example, disabling passwords) to ensure that any former employees or contractors do not access or use the Services.

17.0 EXPORT, RE-EXPORT, TRANSFER & USE CONTROLS

Cisco Products, Technology and Services are subject to U.S. and local export control laws and regulations. The parties shall comply with such laws and regulations governing use, export, re-export and transfer of Products and Technology and will obtain all required U.S. and local authorizations, permits or licenses. The export obligations under this clause shall survive the expiration or termination of this Agreement.

18.0 COMPLIANCE WITH LAWS

Customer shall obtain all licenses, permits and approvals required by any government or regulatory authority and shall comply with all applicable laws, rules, policies and procedures applicable to Customer's use of the Products. Cisco will not be liable for any violation or alleged violation of any applicable laws by Customer. Customer warrants that it shall not take any action or permit or authorize any action that will render Cisco liable for a violation of the U.S. Foreign Corrupt Practices Act, which prohibits the offering, giving or promising to offer or give, directly or indirectly, money or anything of value to any official of a government, political party or instrumentality thereof in order to assist it or Cisco in obtaining or retaining business. Cisco strives to maintain the highest standards of business integrity. If Customer has any cause for concern regarding any business practices these should be reported to Cisco at ethics@cisco.com.

Cisco shall comply with all Federal and State requirements concerning fair employment and employment of the disabled, and concerning the treatment of all employees without regard to discrimination by reason of race, color, religion, sex, national origin or physical disability.

19.0 LIMITATION AND EXCLUSION OF LIABILITY

19.1 NOTHING IN THIS AGREEMENT LIMITS OR EXCLUDES THE LIABILITY OF:

(A) EITHER PARTY TO THE OTHER FOR:

- (I) BODILY INJURY OR DEATH RESULTING DIRECTLY FROM THE NEGLIGENCE OR WILFUL MISCONDUCT OF THE OTHER PARTY;
- (II) DAMAGE TO TANGIBLE PERSONAL PROPERTY (NOT INCLUDING LOST DATA WHICH MAY BE RECORDED ON TANGIBLE MEDIA) RESULTING DIRECTLY FROM THE WILFUL MISCONDUCT OR GROSS NEGLIGENCE OF THE OTHER PARTY;
- (III) FRAUD OR FRAUDULENT MISREPRESENTATION;
- (IV) A BREACH OF SECTION 11.0 (CONFIDENTIAL INFORMATION), SECTION 12.0 (INFRINGEMENT INDEMNIFICATION); OR;
- (V) ANY LIABILITY THAT CANNOT BE LIMITED OR EXCLUDED UNDER APPLICABLE LAW.

(B) CUSTOMER TO CISCO ARISING OUT OF:

- (I) CUSTOMER'S BREACH OF SECTION 8.0 (PROPRIETARY RIGHTS AND SOFTWARE LICENSING);
- (II) CUSTOMER'S BREACH OF THE END USER LICENSE AGREEMENT IN EXHIBIT F (EULA); OR
- (III) ANY AMOUNTS DUE TO CISCO UNDER THIS AGREEMENT.

19.2 SUBJECT TO SECTION 19.1 ABOVE AND SECTION 19.3 BELOW, EACH PARTY'S TOTAL AGGREGATE LIABILITY IS LIMITED TO THE GREATER OF:

(A) ONE HUNDRED THOUSAND DOLLARS (US\$100,000); OR

(B) THE MONEY PAID TO CISCO UNDER THIS AGREEMENT DURING THE TWELVE (12) MONTH PERIOD PRIOR TO THE EVENT OR CIRCUMSTANCES THAT FIRST GAVE RISE TO SUCH LIABILITY.

19.3 TO THE EXTENT PERMITTED BY APPLICABLE LAW, SUBJECT TO SECTION 19.1 ABOVE, AND NOTWITHSTANDING ANYTHING ELSE IN THIS AGREEMENT TO THE CONTRARY, NEITHER PARTY WILL BE LIABLE FOR ANY:

- (A) SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES;
- (B) LOSS OF ANY OF THE FOLLOWING: PROFITS, REVENUE, BUSINESS, ANTICIPATED SAVINGS, USE OF ANY PRODUCT OR SERVICE, OPPORTUNITY, GOODWILL OR REPUTATION; OR
- (C) LOST OR DAMAGED DATA.

19.4 THE LIMITATION OF LIABILITY OF CISCO AND ITS SUPPLIERS UNDER EACH PURCHASE ORDER SHALL BE CUMULATIVE AND NOT PER INCIDENT.

19.5 THE LIMITATION OF LIABILITY SET FORTH IN THIS AGREEMENT SHALL BE DEEMED AN AGGREGATE LIMIT OF LIABILITY, NOT PER CONSTITUENT INSTITUTION REGARDLESS OF WHETHER THE CONSTITUENT INSTITUTION HAS EXECUTED A SEPARATE AGREEMENT WITH CISCO PERMITTING SUCH

CONSTITUENT INSTITUTION TO PURCHASE UNDER THE TERMS OF THIS AGREEMENT.

- 19.6 REFERENCES IN THIS SECTION 19.0 TO (A) A "**PARTY**" INCLUDES A PARTY'S AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND SUPPLIERS AND (B) "**LIABILITY**" INCLUDES LIABILITY ARISING FROM CONTRACT, TORT (INCLUDING NEGLIGENCE), UNDER ANY INDEMNITY, STRICT LIABILITY OR OTHERWISE, IN EACH CASE EVEN IF A PARTY HAS BEEN INFORMED OF THE POSSIBILITY OF THAT LIABILITY. IN SECTION 19.3, REFERENCES TO "**LOSS**" REFERS TO ANY AND ALL KINDS OF LOSS OR DAMAGE INCLUDING, WITHOUT LIMITATION, ANY DAMAGES, FINES, COSTS, CHARGES, FEES OR OTHER LIABILITY.

20.0 GENERAL

- 20.1 Choice of Law. The validity, interpretation, and performance of this Agreement shall be controlled by and construed under the laws of the State of North Carolina, United States of America, as if performed wholly within the state and without giving effect to the principles of conflicts of law, and the state and federal courts of North Carolina shall have exclusive jurisdiction over any claim arising under this Agreement. The parties specifically disclaim the application of the UN Convention on Contracts for the International Sale of Goods. Notwithstanding the foregoing, either party may seek interim injunctive relief in any court of appropriate jurisdiction with respect to any alleged breach of such party's intellectual property or proprietary rights.
- 20.2 Force Majeure. Except for the obligation to pay monies due and owing, neither party shall be liable for any delay or failure in performance due to events outside the defaulting party's reasonable control, including, without limitation, acts of God, earthquakes, labor disputes, industry-wide shortages of supplies, actions of governmental entities, riots, war, terrorism, fire, epidemics, or delays of common carriers or other circumstances beyond its reasonable control. The obligations and rights of the defaulting party shall be extended for a period equal to the period during which such event prevented such party's performance.
- 20.3 No Waiver. The waiver by either party of any right provided under this Agreement shall not constitute a subsequent or continuing waiver of such right or of any other right under this Agreement.
- 20.4 Assignment. Neither this Agreement nor any rights or obligations under this Agreement shall be assigned by a party without the other's prior written consent, which will not be unreasonably withheld or delayed. Any attempted assignment shall be void and of no effect.
- 20.5 Severability. In the event that part of or one or more terms of this Agreement becomes or is declared to be illegal or otherwise unenforceable by any court of competent jurisdiction, each such part or term shall be null and void and shall be deemed deleted from this Agreement. All remaining terms of this Agreement shall remain in full force and effect. Notwithstanding the foregoing, if this paragraph is invoked and, as a result, the value of this Agreement is materially impaired for either party, as determined by such party in its sole discretion, then the affected party may terminate this Agreement by written notice with immediate effect to the other.
- 20.6 Attorneys' Fees. In any suit or proceeding relating to this Agreement the prevailing party will have the right to seek to recover from the other its costs and reasonable fees and expenses of attorneys, accountants, and other professionals incurred in

connection with the suit or proceeding, including costs, fees and expenses upon appeal, separately from and in addition to any other amount included in such judgment. This provision is intended to be severable from the other provisions of this Agreement, and shall survive expiration or termination and shall not be merged into any such judgment.

- 20.7 No Agency. This Agreement does not create any agency, partnership, joint venture, or franchise relationship. No employee of either party shall be or become, or shall be deemed to be or become, an employee of the other party by virtue of the existence or implementation of this Agreement. Each party hereto is an independent contractor. Neither party shall assume or create any obligation of any nature whatsoever on behalf of the other party or bind the other party in any respect whatsoever.
- 20.8 Entire Agreement. This Agreement constitutes the entire agreement between the parties concerning the subject matter of this Agreement and replaces any prior oral or written communications between the parties, all of which are excluded. There are no conditions, understandings, agreements, representations or warranties, expressed or implied, that are not specified herein. This Agreement may be modified only by a written document executed by the parties hereto.
- 20.9 Notices. All notices required or permitted under this Agreement will be in writing and will be deemed given one (1) day after deposit with a commercial express courier specifying next day delivery (or two (2) days for international courier packages specifying 2-day delivery), with written verification of receipt. All communications will be sent to the addresses set forth on the cover sheet of this Agreement (and notices to Cisco shall be further addressed to the Office of the General Counsel, Attn: Contract Notice) or such other address as may be designated by a party by giving written notice to the other party pursuant to this paragraph, or, in the absence of such an address from Customer, to the address to which the last invoice under this Agreement was sent before notice is served. Notwithstanding the foregoing, notices regarding changes in pricing, Software license terms, policies or programs may be by posting on Cisco.com or by e-mail or fax.
- 20.10 Prohibition Against Contingent Fees and Gratuities. Cisco warrants that it has not paid, and agrees not to pay, any bonus, commission, fee, or gratuity to any employee or official of the Customer for the purpose of obtaining any agreement or award issued by the Customer. Cisco further warrants that no commission or other payment has been or will be received from or paid to any third party contingent on the award of any agreement by the Customer, except as shall have been expressly communicated to the Customer in writing prior to acceptance of the agreement or award in question. Each individual signing the Agreement warrants that he or she is duly authorized by their respective party to sign this Agreement and bind the party to the terms and conditions of this Agreement. Cisco and their authorized signatory further warrant that no officer or employee of the Customer has any direct or indirect financial or personal beneficial interest, in the subject matter of this Agreement; obligation or Agreement for future award of compensation as an inducement or consideration for making this Agreement. Subsequent discovery by the Customer of non-compliance with these provisions shall constitute sufficient cause for immediate termination of all outstanding agreements.
- 20.11 Availability of Funds. Any and all payments to Cisco are expressly contingent upon and subject to the appropriation, allocation and availability of funds to the Customer for the purposes set forth in this Agreement. If this Agreement or any Purchase Order issued hereunder is funded in whole or in part by federal funds, the Customer's performance and payment shall be subject to and contingent upon the

continuing availability of said federal funds for the purposes of the Agreement or Purchase Order. If the term of this Agreement extends into fiscal years subsequent to that in which it is approved, such continuation of the Agreement is expressly contingent upon the appropriation, allocation and availability of funds by the governing boards of the local government for the purposes set forth in the Agreement. If funds to effect payment are not available, the Customer will provide written notification to Cisco. If the Agreement is terminated under this paragraph, Cisco agrees to take back any affected Products not yet delivered under this Agreement, and relieve the Customer of any further obligation thereof. The Customer shall remit payment for Products accepted prior to the date of the aforesaid notice in conformance with the payment terms.

- 20.12 Access to Persons and Records. Pursuant to N.C. General Statute 147-64.7, the Customer, the Customer's Auditor, appropriate federal officials, and their respective authorized employees or agents are authorized to examine all non-confidential and non-proprietary books, records, and accounts of Cisco insofar as they relate to transactions with any department, board, officer, commission, or institution pursuant to the performance of this Agreement or to costs charged to this Agreement. Cisco shall retain any such books, records and accounts for a minimum of three (3) years after the completion of this Agreement. Additional audit or reporting requirements may be required by the Customer, if in the Customer's opinion, such requirement is imposed by federal or state law or regulation.
- 20.13 Insurance Coverage. During the term of the Agreement, Cisco at its sole cost and expense shall provide commercial insurance of such type and with such terms and limits as may be reasonably associated with the Agreement with insurance companies with an A.M. Best's Rating of A-VIII or better, provided, however, that nothing contained herein shall prohibit Cisco from maintaining any of the insurance on a self-insured basis.
 - 20.13.1 Worker's Compensation. Cisco shall provide and maintain Worker's Compensation Insurance, as required by the laws of the state having jurisdiction over Cisco's employees, as well as employer's liability coverage with minimum limits of \$1,000,000. Cisco shall require its authorized resellers under this Agreement to provide the same coverage for any of the resellers' employees engaged in any work under the Agreement; and,
 - 20.13.2 Commercial General Liability. Commercial General Liability Insurance with bodily injury and property damage with minimum limits of \$2,000,000 per occurrence and \$4,000,000 aggregate, provided such insurance can be provided by a Commercial General Liability policy only, or by a combination of a Commercial General Liability policy and an Umbrella Liability and/or Excess Liability policy; and,
 - 20.13.3 Automobile. Automobile Liability Insurance, to include liability coverage, covering all Cisco's owned, hired and non-owned vehicles used in connection with the Agreement. The minimum combined single limit shall be \$1,000,000 bodily injury and property damage.
 - 20.13.4 The limits of coverage under each insurance policy maintained by Cisco shall not be interpreted as limiting Cisco's liability and obligations under the Agreement.
- 20.14 Dispute Resolution. The parties agree that it is in their mutual interest to resolve disputes informally. A claim by Cisco shall be submitted in writing to the Customer for decision. A claim by the Customer shall be submitted in writing to Cisco's

Operations Director covering the North Carolina area for decision. The parties shall negotiate in good faith and use all reasonable efforts to resolve such dispute(s). During the time the Parties are attempting to resolve any dispute, each shall proceed diligently to perform their respective duties and responsibilities under this Agreement. If a dispute cannot be resolved between the parties within thirty (30) days after delivery of notice, either party may elect to exercise any other remedies available under this Agreement, or at law. This term shall not constitute an agreement by either party to mediate or arbitrate any dispute.

- 20.15 Federal Intellectual Property Bankruptcy Protection Act. The Parties agree that the Customer shall be entitled to all rights and benefits of the Federal Intellectual Property Bankruptcy Protection Act, Public Law 100-506, codified at 11 U.S.C. 365(n), and any amendments thereto.

- 20.16 Waiver of Default. Waiver by either party of any default or breach by the other Party shall not be deemed a waiver or any subsequent default or breach and shall not be construed to be a modification or novation of the terms of this Agreement, unless so stated in writing and signed by authorized representatives of the Customer and Cisco, and made as an amendment to this Agreement.

- 20.17 Equal Employment Opportunity. Cisco shall comply with all Federal and Customer requirements concerning fair employment and the employment of the disabled, and concerning the treatment of all employees without regard to discrimination by reason of race, color, religion, sex, national origin or physical disability.

- 20.18 Survival. The following sections shall survive the expiration or earlier termination of this Agreement: Sections 2.0 (Scope), 6.0 (Payment), 8.0, (Proprietary Rights and Software Licensing), 9.0 (Limited Warranty), 10.0 (Trademark Usage), 11.0 (Confidential Information), 12.0 (Patent, Copyright and Trademark Infringement Indemnification), 13.0 (Term and Termination), 16.0 (Records), 17.0 (Export, Re-Export, Transfer and Use Controls), 19.0 (Limitation and Exclusion of Liability), 20.0 (General), and the license to use the Software set out in Exhibit F (End User License Agreement) (subject to the termination provisions set forth therein).

- 20.19 Counterparts. This Agreement may be executed in two counterparts, each of which shall be deemed an original and together which shall constitute one and the same instrument. A validly executed counterpart that is delivered by one party to the other via electronic transmission (a "Counterpart Image") shall be valid and binding to the same extent as one delivered physically, provided that the valid signature is clearly visible in the Counterpart Image. In the event that a party delivers a Counterpart Image in place of an originally-executed counterpart, such party shall retain the originally-executed counterpart in its files for at least the duration of the Term hereof.

- 20.20 Headings. Headings of sections have been added solely for convenience of reference and shall not be deemed part of this Agreement.

EXHIBIT C
MASTER SERVICES TERMS AND CONDITIONS

1. **Definitions.** Terms not defined in the body of the Agreement are those set out in the Glossary of Terms at the end of this Exhibit.
2. **Scope.** This Exhibit describes the terms and conditions for Customer's purchase and entitlement of Services during the term of this Agreement. Customer will be entitled to receive Services for which (i) the applicable Services fees have been paid, (ii) a valid Software license has been granted and (iii) Customer provides information requested by Cisco such as valid serial numbers, site location, contract number, and Product type.
3. **Pricing.** Prices for Services shall be those specified in the Prices section of the Agreement.

In the event that Customer is unable to provide valid and applicable serial number(s) for Product and Cisco agrees to provide Services, then Service fees payable by Customer shall be at Cisco's then-current time and materials or non-contract service rates.

4. **Invoicing.** Fees for Services, other than those for which a SOW is required, shall be invoiced in advance of delivery of Services. The timing of invoices for Services provided pursuant to a SOW shall be set forth in the respective SOW.
5. **Term and Termination.**
 - (a) The term of an Equipment List shall commence on the date set forth on such Equipment List, which may be up to sixty (60) days following the date of Purchase Order acceptance by Cisco. The term of an Equipment List shall be for a period of one year and shall be renewed for successive one year period upon mutual written agreement of the parties.
 - (b) The term of each SOW shall be stated in the SOW.

Any Equipment List or SOW may be terminated if Services fees are not paid when due and payment has not been received within thirty (30) days after notice from Cisco of such past due payment, or otherwise in accordance with the termination provisions set out in the Agreement.

Cisco reserves the right to make changes to the scope and content of the Services or part thereof, including terminating the availability of a given Service, at any time upon ninety (90) days' prior notice. Such changes will become effective upon renewal of the affected Equipment Lists and SOWs. If Customer does not agree to a change of scope or content, Customer may terminate any affected Equipment List or SOW by notifying Cisco at least sixty (60) days prior to the expiration of the then current one year term of the Equipment List or SOW. In such case, Cisco shall continue to provide Services until the next expiration date of the affected Equipment List or SOW.

Each Equipment List and SOW hereunder shall terminate immediately upon termination of the Agreement, unless otherwise agreed by Cisco.

This Agreement, and Equipment List and/or any SOW may be terminated by Customer in the event sufficient funds are not appropriated and budgeted by Customer's governing body or are not otherwise available to continue for any Fiscal Period of Customer beyond the Fiscal period first in effect on the Effective Date of this Agreement.

Upon termination of the Agreement, any Equipment List or SOWs, Customer shall pay Cisco for all work performed under the affected Equipment Lists or SOWs up to the effective date of termination at the agreed upon prices, fees and expense reimbursement rates.

6. **Warranty.** NOTHING IN THIS AGREEMENT SHALL AFFECT THE WARRANTIES PROVIDED WITH ANY HARDWARE PURCHASED OR SOFTWARE LICENSED BY CUSTOMER. ANY AND ALL SERVICES AND DELIVERABLES PROVIDED HEREUNDER SHALL BE PERFORMED IN A WORKMANLIKE MANNER, EXCEPT AS SPECIFIED IN THIS SECTION, ALL EXPRESS OR IMPLIED CONDITIONS, REPRESENTATIONS, AND WARRANTIES INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OR CONDITIONS OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SATISFACTORY QUALITY, AGAINST INFRINGEMENT OR ARISING FROM A COURSE OF DEALING, USAGE, OR TRADE PRACTICE, ARE HEREBY EXCLUDED TO THE EXTENT ALLOWED BY APPLICABLE LAW. CUSTOMER MUST NOTIFY CISCO PROMPTLY OF ANY CLAIMED BREACH OF ANY WARRANTIES. CUSTOMER'S SOLE AND EXCLUSIVE REMEDY FOR BREACH OF WARRANTY SHALL BE, AT CISCO'S OPTION, REPERFORMANCE OF THE SERVICES; OR TERMINATION OF THE APPLICABLE EQUIPMENT LIST OR SOW AND RETURN OF THE PORTION OF THE FEES PAID TO CISCO BY CUSTOMER FOR SUCH NON-CONFORMING SERVICES OR DELIVERABLES. THIS DISCLAIMER AND EXCLUSION SHALL APPLY EVEN IF THE EXPRESS WARRANTY AND LIMITED REMEDY SET FORTH ABOVE FAILS OF ITS ESSENTIAL PURPOSE. THE WARRANTY PROVIDED IS SUBJECT TO THE LIMITATION OF LIABILITY SET FORTH IN SECTION 7 HEREOF.

7. **Limitation of Liability.** IN THE CASE OF TRANSACTIONAL ADVANCED SERVICES PERFORMED UNDER A SOW, THE LIABILITY OF CISCO SHALL BE LIMITED TO THE AMOUNT PAID BY CUSTOMER TO CISCO PURSUANT TO THE RELEVANT SOW DURING THE SIX (6) MONTHS PRECEDING THE EVENT OR CIRCUMSTANCES GIVING RISE TO SUCH LIABILITY.

8. **Licenses.** Subject to Customer's compliance with the terms of this Agreement, any applicable AS Service Description or SOW, and the End User License Agreement, Cisco grants to Customer a worldwide, non-exclusive and non-transferable license to use for Customer's internal business use only: (i) Software provided as a result of Services, if any, solely in object code form; (ii) other Deliverables specified in an applicable AS Service Description or SOW, if any, and (iii) Data Collection Tools, if any (collectively and individually, the "Licensed Materials"). In addition, Cisco grants to Customer a right to modify and create derivative works of any Scripts provided by Cisco to Customer pursuant to this Agreement, solely for Customer's internal business use. These license grants do not include the right to sublicense; provided that Customer may permit its suppliers, subcontractors and other related third parties to use the Licensed Materials solely on Customer's behalf for Customer's benefit, provided that Customer ensures that any such use is subject to license restrictions and confidentiality obligations at least as protective of Cisco's rights in such Licensed Materials as are specified in this Agreement.

Nothing in this Agreement, any AS Service Description or any SOW shall alter or affect the Intellectual Property rights and/or licenses provided with any Cisco Products. The terms and conditions provided with the Software, or in the absence of such terms, the End User License Agreement, as incorporated into this Agreement at Exhibit C. To the extent there is a conflict between the terms of the End User License Agreement and the other portions of this Agreement, the terms of the End User License Agreement shall apply, unless explicitly stated otherwise in this Agreement. The provisions in this Section apply only to those Services and Deliverables and other Intellectual Property provided by Cisco to Customer.

Customer will use Software solely on Cisco Hardware, except as otherwise permitted herein; provided that Customer may also use Application Software on third party hardware or as otherwise expressly authorized in the Software Documentation. In the case of Data Collection Tools that include Hardware, Customer will use any Software included with such Data Collection Tools solely only on the Hardware provided with such Data Collection Tools. In the case of Data Collection Tools that consist of Software only, Customer may use such Data

Collection Tools on Hardware or third party hardware, unless otherwise set forth in an applicable AS Service Description or SOW.

The license rights granted in this Section are perpetual, provided Customer is not in breach of this Agreement. Notwithstanding the above, the license for Data Collection Tools will terminate upon the earlier of: (i) the expiration or termination of the Services pursuant to which the Data Collection Tools were provided; or (ii) Cisco's request to Customer that the Data Collection Tool(s) be returned to Cisco.

Except as otherwise expressly set forth in this Agreement or an applicable SOW, Customer shall not (and shall not permit a third party to): download more than one copy of the Software; copy, in whole or in part, any Software, Deliverable or Data Collection Tool; make error corrections or derivative works of, or otherwise modify, decompile, decrypt, reverse engineer, disassemble or otherwise reduce all or any portion of any Software, Deliverable or Data Collection Tool to human-readable form; or transfer, sublicense, rent, lease, distribute, or sell, any Software, Deliverables or Data Collection Tools. Customer agrees that it receives no implied licenses under this Agreement, and all rights not expressly granted herein are reserved to Cisco.

When Customer updates or upgrades a copy of Software to a new release, Customer shall not use the new Software release and the corresponding copy of the previous Software release concurrently (except for a limited period of parallel testing). Under no circumstances shall the previous release be re-used or transferred to any other device(s), or otherwise hosted for potential later reuse.

Customer hereby grants to Cisco a perpetual, irrevocable, royalty free, worldwide right and license to all Intellectual Property in the Customer Feedback (as defined below) to use and incorporate Customer Feedback into any Services, Products, Deliverables, Data Collection Tools, Reports, Scripts or Cisco Pre-Existing Technology, and to use, make, have made, offer to sell, sell, copy, distribute and create derivative works of such Customer Feedback for any and all purposes whatsoever, and Customer acknowledges and agrees that it will obtain no rights in or to any Services, Products, Deliverables, Data Collection Tools, Reports, Scripts or Cisco Pre-Existing Technology as a result of Cisco's use of any such Customer Feedback. For purposes of this Agreement, "Customer Feedback" means all oral or written communications regarding improvements or changes to any Services, Products, Deliverables, Data Collection Tools, Reports, Scripts or Cisco Pre-Existing Technology that Customer provides to Cisco.

9. **Ownership.** Each party will retain the exclusive ownership of all its pre-existing Intellectual Property, Confidential Information and materials, including, without limitation, proprietary ideas, sketches, diagrams, text, know-how, concepts, proofs of concepts, artwork, software, algorithms, methods, processes, identifier codes or other technology that are owned by a party prior to commencement of any Services hereunder, or that are otherwise developed by or for such party outside the scope of this Agreement ("Pre-Existing Technology").

Except as otherwise expressly set forth in this Agreement or an applicable SOW, Cisco owns and will continue to own all right, title and interest in and to the Services, Products, Deliverables, Data Collection Tools, Reports, Scripts, sketches, diagrams, text, know-how, concepts, proofs of concepts, artwork, software, algorithms, methods, processes, identifier codes or other technology provided or developed by Cisco (or a third party acting on Cisco's behalf) pursuant to this Agreement, including modifications, enhancements, improvements or derivative works of any of the foregoing, regardless of who first conceives or reduces to practice, and all Intellectual Property in any of the foregoing (collectively, "Cisco Intellectual Property").

As between Customer and Cisco, Customer shall at all times retain all right, title and interest in and to all of Customer's Pre-Existing Technology and all Intellectual Property that is developed by Customer or by a third party on Customer's behalf thereafter, other than Cisco Intellectual

Property. Third Party Products shall at all times be owned by the applicable third party, and will be subject to any applicable third party license terms.

10. **Subcontracting.** Cisco reserves the right to subcontract Services to a third party organization to provide Services to Customer. Any such subcontract shall not relieve Cisco of any of its obligations under this Agreement.

EXHIBIT C-1

GLOSSARY OF TERMS

Additional Services means installation of new Hardware, system additions, Hardware upgrades, dispatch of a field engineer, or non-mandatory engineering changes.

Advance Replacement means shipment of replacement Field-Replaceable Unit (FRU) before receiving failed or defective FRU.

Advanced Services means the Services set forth in the AS Service Description(s) found at <http://www.cisco.com/go/servicedescriptions> and/or SOW(s) selected by the Customer. Advanced Services does not include Cisco's core maintenance services, such as Smartnet or Software Application Services, nor does it apply to the purchase, support or maintenance of any Products.

Advanced Services Engineer means the Cisco engineer appointed to be the main point of contact for a Customer purchasing Advanced Services.

Application Software means non-resident or standalone Software Products listed on the Price List that include but are not limited to Cisco Systems® Network management Software, security Software, IP telephony Software, Internet appliance Software, Cisco® Intelligent Contact Management Software, IP Contact Center Software, and Cisco Customer Interaction Suite Software.

AS Service Descriptions mean the description of the Advanced Services available from Cisco, which are available at <http://www.cisco.com/go/servicedescriptions> and which are incorporated in this Agreement by reference.

Authorized Channel means a system integrator, distributor or reseller authorized by Cisco to sell Services.

Business Days means the generally accepted days of operation per week within the relevant region where the Services shall be performed, excluding local holidays as observed by Cisco.

Data Collection Tools means Hardware and/or Software tools that support Cisco's ability to provide troubleshooting on cases, data analysis, and report generation capabilities as part of the Advanced Services.

Depot Time or Local Time means Central European Time for Services provided in Europe-Middle-East and Africa, Australia's Eastern Standard Time for Services provided in Australia, Japan's Standard Time for Services provided in Japan, and Pacific Standard Time for Services provided in all other locations.

Deliverable(s) means, with respect to each AS Service Description and/or SOW, the items to be delivered by Cisco to Customer as set forth in an applicable AS Service Description and/or SOW, including, without limitation, any Software, Reports, Data Collection Tools, and/or Scripts.

Device Type means a Cisco supported Hardware Product (for example, Cisco Catalyst® 6509 Switch, GSR 12000 and Cisco 7200 Series Router).

Direct Purchases means purchases of Services by Customer directly from Cisco.

Equipment List means the list of Hardware and/or Software for which Cisco provides services.

Event means notification by Customer of its performance of a planned Network Hardware, Software, or configuration change.

Feature Set Upgrade means a separately licensed and priced Software release that contains an enhanced configuration or feature set.

Field-Replaceable Unit (FRU) means any component or subassembly of an item or unit of Hardware that reasonably can be replaced at Customer's location. FRUs also may be subject to size and weight limitations.

Four-hour Response means:

- (i) For Advance Replacement Service, the four-hour time period commences upon the Cisco problem diagnosis and determination that a FRU is required and ends when the FRU is delivered onsite.
- (ii) For onsite service, the four-hour time period commences upon the Cisco problem diagnosis and determination that remedial onsite service is required and ends when Cisco personnel arrive onsite.

Indirect Purchases means purchases of Services by Customer through an Authorized Channel.

Intellectual Property means any and all tangible and intangible: (i) rights associated with works of authorship throughout the world, including but not limited to copyrights, neighboring rights, moral rights, and mask works, and all derivative works thereof, (ii) trademark and trade name rights and similar rights, (iii) trade secret rights, (iv) patents, designs, algorithms and other industrial property rights, (v) all other intellectual and industrial property rights (of every kind and nature throughout the world and however designated) whether arising by operation of law, contract, license, or otherwise, and (vi) all registrations, initial applications, renewals, extensions, continuations, divisions or reissues thereof now or hereafter in force (including any rights in any of the foregoing).

Level 1 means support that is defined as having the necessary technical staff (Cisco or Cisco-authorized Reseller) with appropriate skill, perform installations, Remedial Hardware Maintenance, and basic Hardware and Software configuration on Cisco Products.

Level 2 means support that is defined as having the necessary technical staff with the appropriate skills to perform isolation, replication and diagnosis of internet-based problems on Cisco Product(s). Customer shall not report Software bugs to Cisco prior to attempting to identify the source of such bugs and testing in Customer's Network where appropriate. If the Customer cannot duplicate the bug in Customer's Network, Customer and Cisco shall cooperate in attempting to replicate and resolve related Software bugs in either Customer's or Cisco's test facility as mutually agreed. In all cases Customer will address Software bugs on a best effort basis to replicate same in Customer's Network and document activity to Cisco before seeking further resolution with Cisco's participation.

Local Time means local time on Business Days.

Maintenance Release means an incremental Software release that provides maintenance fixes and may provide additional Software functions. Cisco designates Maintenance Releases as a change in the digits to the right of the tenths digit or of the hundredths digit of the Software version number [x.x.(x) or x.x.x.(x)].

Major Release means a release of Software that provides additional software functions. Cisco designates Major Releases as a change in the ones digit of the Software version number [(x).x.x].

Minor Release means an incremental release of Software that provides maintenance fixes and additional Software functions. Cisco designates Minor releases as a change in the tenths digit of the Software version number [x.(x).x].

Network means a set of interconnected and interworking Cisco supported Hardware and Software that is implemented, operated, and supported by Customer from a single network operations center (NOC).

Network Infrastructure means your core transport and aggregation Network technology (for example, metro optical, ATM/Frame Relay, IP core and Cisco security devices including, but not limited to, Firewall, IDS and VPN3000).

Network Infrastructure Size means the total value of Products in Customer's Network based on the global list price of the Products that Customer has purchased.

Remedial Hardware Maintenance means diagnosis and onsite replacement of Hardware components with FRUs.

Reports means reports, recommendations, network configuration diagrams, and related non-Software Deliverables provided by Cisco to Customer pursuant to this Agreement.

Scripts means software scripts, macros and batch files provided by Cisco to Customer pursuant to this Agreement.

Services means one or more of the services options selected by the Customer in its Purchase Order and described at:

<http://www.cisco.com/go/servicedescriptions>

Services Descriptions mean the detailed descriptions of the Services purchased by Customer which are incorporated in the MSA by reference.

Standard Business Hours means (i) 8:00 AM to 5:00 PM, Depot time, on Business Days for replacement of failed Products and (ii) 8:00 AM to 5:00 PM, Local Time at location of the respective Cisco TAC, on Business Days for case handling of TAC calls.

TAC means the Cisco Technical Assistance Center.

Technical Support Services means Services that provide both essential proactive and reactive operation and maintenance support Services identified as Technical Support Services at <http://www.cisco.com/go/servicedescriptions>.

Technology Application means specific technologies including, but not limited to, content networking, broadband, and IP telephony that do not operate at the Network Infrastructure level.

Third Party Products means third party hardware and/or software, and all upgrades/updates thereto, that are designated by Cisco as required for:

- (i) The operation of Application Software in conformance with Cisco applicable Application Software Documentation; and
- (ii) Cisco support of the Application Software.

Transactional Advanced Services means the project related or consultancy Services sold under a Statement of Work.

Two-hour Response means:

- (i) For Advance Replacement, the two-hour time period commencing with Cisco's problem diagnosis and determination that a FRU is required and ending when the FRU is delivered onsite.
- (ii) For onsite service, the two-hour time period commencing with our problem diagnosis and determination that remedial onsite service is required and ending when Cisco personnel arrive onsite.

Update means Cisco Software Maintenance Releases, Minor Releases and Major Releases containing the same configuration or feature set as originally acquired, unless the Customer has upgraded the applicable Hardware or Software to a configuration or feature set other than what was originally acquired, and the applicable license fee for that upgrade has been paid. Updates do not include Feature Set Upgrades.

EXHIBIT C-2

CISCO SEVERITY AND ESCALATION GUIDELINES

Customer shall assign a severity to all problems submitted to Cisco.

Severity 1 means an existing Network is down or there is a critical impact to Customer's business operation. Customer and Cisco both will commit full-time resources to resolve the situation.

Severity 2 means operation of an existing Network is severely degraded or significant aspects of Customer's business operation are negatively impacted by unacceptable Network performance. Customer and Cisco both will commit full-time resources during Standard Business Hours to resolve the situation.

Severity 3 means operational performance of the Network is impaired, although most business operations remain functional. Customer and Cisco both are willing to commit resources during Standard Business Hours to restore service to satisfactory levels.

Severity 4 means information is required on Application Software capabilities, installation, or configuration. There is little or no impact to Customer's business operation. Customer and Cisco both are willing to provide resources during Standard Business Hours to provide information or assistance as requested.

If you do not believe that adequate progress is being made or that the quality of Cisco service is satisfactory, we encourage you to escalate the problem to the appropriate level of management by asking for the TAC duty manager.

Cisco Escalation Guideline

Elapsed Time*	Severity 1	Severity 2	Severity 3	Severity 4
1 hour	Customer Engineering Manager			
4 hours	Technical Support Director	Customer Engineering Manager		
24 hours	Vice President, Customer Advocacy	Technical Support Director		
48 hours	President/CEO	Vice President, Customer Advocacy		
72 hours			Customer Engineering Manager	
96 hours		President/CEO	Technical Support Director	Customer Engineering Manager

* Severity 1 escalation times are measured in calendar hours—24 hours per day, 7 days per week. Severity 2, 3, and 4 escalation times correspond with Standard Business Hours.

EXHIBIT C-3**SERVICES NOT COVERED**

Services that are not expressly set forth in the applicable Service Description or Statement of Work document are not covered under such Service Description or Statement of Work, including, without limitation, the following:

1. Services are only provided for generally available Products and Software releases/versions, unless agreed otherwise.
2. Any customization of, or labor to install, Software and Hardware (including installation of Updates).
3. Furnishing of supplies, accessories or the replacement of expendable parts (e.g., cables, blower assemblies, power cords, and rack mounting kits).
4. Electrical or site work external to the Products.
5. Any expenses incurred to visit End User's location, except as required during escalation of problems by Cisco.
6. Service for Hardware that is installed outdoors or that is installed indoors but requires special equipment to perform such Service.
7. Hardware replacement in quantities greater than three (3) FRUs, including those replacements due to pervasive issues documented in an engineering change notice or field alert unless End User has troubleshoot failed Hardware down to the FRU level.
8. Services performed at domestic residences.
9. Support or replacement of Product that is altered, modified, mishandled, destroyed or damaged by one or more of the following: (a) natural causes; (b) environmental failures; (c) your failure to take any required actions; (d) a negligent or wilful act or omission by you or use by you other than as specified in the applicable Cisco-supplied documentation; or (e) an act or omission of a third party.
10. Services or software to resolve Software or Hardware problems resulting from third party product or causes beyond Cisco's control or failure to perform your responsibilities set out in this document.
11. Services for non-Cisco Software installed on any Cisco Product.
12. Any Hardware or third party product upgrade required to run new or updated Software.
13. Erasure or other removal of any customer or third party data on Products (or parts thereof) returned, repaired or otherwise handled by Cisco.
14. Additional Services are provided at the then-current time and materials rates.
15. Except as otherwise agreed, Software entitlement, including media, documentation, binary code, source code or access in electronic or other form is not provided. In addition, except as otherwise provided, no right, use or license to our Software is granted and you acknowledge and agree that you obtain no such rights.

16. Application Software is not supported as part of the SMARTnet support services provided by Cisco and is only supported under the Software Application Services (SAS/U) service description.

The non-entitlement policies posted at <http://www.cisco.com/go/warranty> are hereby incorporated into this Agreement by this reference.

Capitalized terms are defined in the Glossary of Terms, or may be as set forth in the applicable Service Description or Statement of Work.

**EXHIBIT D
CONSTITUENT INSTITUTIONS**

Subject to the terms of the Agreement, an entity listed here may purchase Products and Services if such entity executes the Constituent Institutions Letter Agreement.

Seventeen Autonomous Universities:

Appalachian State University
East Carolina University
Elizabeth City State University
Fayetteville State University
North Carolina Agricultural and Technical State University
North Carolina Central University
North Carolina School of the Arts
North Carolina School of Science and Math
North Carolina State University
University of North Carolina at Asheville
University of North Carolina at Chapel Hill
University of North Carolina at Charlotte
University of North Carolina at Greensboro
University of North Carolina at Pembroke
University of North Carolina at Wilmington
Western Carolina University
Winston-Salem State University

Four Affiliated Educational Centers:

The North Carolina Arboretum
University of North Carolina Center for Public Television
University of North Carolina Health Care System
University of North Carolina Press

EXHIBIT E

AUTHORIZED RESELLERS

(as of the Effective Date)

Audio Fidelity Communications Corporation dba Whitlock Group
CDW Government LLC
CenturyLink, Inc.
Dimension Data North America, Inc.
ePlus Technology, Inc.
IBM Corporation
Internetwork Services Incorporated dba Internetwork Engineering
INX, Inc.
NWN Corporation
Onepath Systems LLC
Presidio Networked Solutions, Inc.
Quest Media & Supplies, Inc.
SKC Communications Product LLC
Sungard AS
Varrow, Inc.

Full contact information for these Resellers may be included online at
<http://www.cisco.com/web/strategy/government/unc/index.html> or upon request from Cisco.

**EXHIBIT F
END USER LICENSE AGREEMENT**

IMPORTANT: PLEASE READ THIS END USER LICENSE AGREEMENT CAREFULLY. IT IS VERY IMPORTANT THAT YOU CHECK THAT YOU ARE PURCHASING CISCO SOFTWARE OR EQUIPMENT FROM AN APPROVED SOURCE AND THAT YOU, OR THE ENTITY YOU REPRESENT (COLLECTIVELY, THE "CUSTOMER") HAVE BEEN REGISTERED AS THE END USER FOR THE PURPOSES OF THIS CISCO END USER LICENSE AGREEMENT. IF YOU ARE NOT REGISTERED AS THE END USER, YOU HAVE NO LICENSE TO USE THE SOFTWARE AND THE LIMITED WARRANTY IN THIS END USER LICENSE AGREEMENT DOES NOT APPLY.

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Exhibit G

Constituent Institution Letter Agreement

(Sample)

Sample Letter for Constituent Institutions of the University of North Carolina, General Administration that Binds Themselves (Not Guaranteed by Parent)

[Constituent Institution's Letterhead]

Date

Cisco Systems, Inc.
170 West Tasman Drive
San Jose, CA 95134
Attn: General Counsel

Subject: Master Purchase Agreement for Constituent Institutions of the University of North Carolina, General Administration

To Whom It May Concern:

Please be advised that the undersigned (Customer Name), a Constituent Institution of the University of North Carolina, General Administration (the "Constituent Institution"), wishes to use the Master Purchase Agreement between Cisco Systems, Inc. ("Cisco") and the University of North Carolina, General Administration ("Customer") dated as of [date] (the "Agreement"), to purchase Products and Services directly from Cisco or from a Cisco-authorized Reseller (as defined in the Agreement) for its Internal Use.

The undersigned Constituent Institution represents that it has reviewed the Agreement, and agrees to the following:

1. Constituent Institution will abide by all of the terms and conditions of the Agreement, including any amendments thereto as of the date of any purchase order submitted by Constituent Institution.
2. Constituent Institution shall be responsible for obtaining and adhering to the terms of any amendments to the Agreement executed by the parties to the Agreement.
3. The undersigned Constituent Institution represents that the terms and conditions of the Agreement including any subsequent amendments, which are binding and fully enforceable against such Constituent Institution as if it were an original party to the Agreement.

The undersigned represents that he/she is a duly authorized representative of Constituent Institution.

Very truly yours,

Agreed and Accepted:

[Constituent Institution]

Cisco Systems, Inc.

Signature: _____
Title: _____
Date: _____

Signature: _____
Title: _____
Date: _____