

9/23/03 3.30

# Microsoft Enterprise Agreement – Amendment-1

Enterprise Agreement  
number  
Microsoft affiliate to complete

01E62044

This amends the Microsoft State and Local Government Enterprise Agreement identified above between the County of Riverside and MICROSOFT LICENSING, GP (the "agreement"). This amendment provides changes pursuant to the requests of the County of Riverside and allows for an 11 month open enrollment period. All terms used but not defined in this amendment will have the meanings assigned to such terms in the agreement.

**I. Amendment.**

- 1. A new Section 19, **special reference prices**, is hereby added to the Enterprise Agreement, as follows:

**Notwithstanding any contradictory terms contained in sections 1, 2, 3, 4 or 6 the following shall apply:**

**a. Additional definitions. The following additional definitions shall apply to this Section 19:**

"Aggregate CAL Desktop Count" means the aggregate number of qualified desktops under Enrollments associated herewith for which any combination of the following products has been chosen as an enterprise product as of the Offer Deadline: (i) Microsoft BackOffice Client Access License ("BackOffice CAL"); or (ii) Microsoft Core Client Access License ("Core CAL");

"Aggregate Desktop Count" means the Aggregate CAL Desktop Count, Aggregate Office Desktop Count, and/or Aggregate Windows Desktop Count, as applicable;

"Aggregate Office Desktop Count" means the aggregate number of qualified desktops under Enrollments associated herewith for which either (i) Microsoft Office Standard Edition ("Office Standard") or (ii) Microsoft Office Professional Edition ("Office Professional") has been chosen as an enterprise product as of the Offer Deadline;

"Aggregate Windows Desktop Count" means the aggregate number of qualified desktops under Enrollments associated herewith for which the Microsoft Windows Professional desktop operating system has been chosen as an enterprise product as of the Offer Deadline;

"CAL Family" means any of the following enterprise products: (i) BackOffice CAL; and/or (ii) Core CAL;

"Component Product" means any enterprise product listed on the table on Attachment A hereto;

"Initial Desktop" means, with respect to any Enrollment, the number of qualified desktops enrolled under such Enrollment as of its effective date;

*"Microsoft BackOffice Client Access License" and "BackOffice CAL" means each of the following Client Access Licenses, when purchased together as a suite: (i) Windows CAL; (ii) Exchange CAL; (iii) SQL CAL; and (iv) SMS CAL;*

*"Microsoft Core Client Access License" and "Core CAL" means each of the following Client Access Licenses, when purchased together as a suite: (i) Windows CAL; (ii) Exchange CAL; (iii) SharePoint CAL; and (iv) SMS CAL;*

*"Non-Platform Enrollment" means any Enrollment associated herewith which is not a Platform Enrollment;*

*"Offer Deadline" means August 1, 2004;*

*"Office Family" means either of the following enterprise products: (i) Office Professional; or (ii) Office Standard;*

*"Open Enrollment Period" means the period which begins on September 1, 2003, and which ends on the Offer Deadline;*

*"Participating Affiliate" means an eligible affiliate which executes an Enrollment during the Open Enrollment Period;*

*"Platform Enrollment" means any Enrollment associated herewith for which each of the following is a chosen enterprise product:*

- (I) either (i) Office Standard or (ii) Office Professional; and*
- (II) Microsoft Windows Professional desktop operating system;*
- and*
- (III) either (iii) BackOffice CAL or (iv) Core CAL*

*"Pre-Deadline Volume Level" means, with respect to a particular Product Family, the price level by which the reference prices for enterprise products in such Product Family, for Enrollments executed during the Open Enrollment Period, shall be determined as set forth in this Section 19; and*

*"Product Family" means any of the following collections of enterprise products, as defined in this Section 19: (i) Office Family; (ii) Windows Family; and/or (iii) CAL Family;*

*"Post-Deadline Volume Level" means, with respect to a particular Product Family, the price level by which the reference prices for enterprise products in such Product Family, for Enrollments executed after the Offer deadline, shall be determined as set forth in this Section 19; and*

*"Windows Family" means the following enterprise product: Microsoft Windows Professional desktop operating system.*

*"Renewal Term" shall have meaning as set forth in section 11e of the agreement.*

**b. Determination of Pre-Deadline and Post-Deadline Volume Level.**

*The Pre-Deadline Volume Level for the Office Family shall be determined based upon the Aggregate Office Desktop Count, according to the table in the following paragraph. The Pre-Deadline Volume Level for the Windows Family shall be determined by the Aggregate Windows Desktop Count, according to the table in the following paragraph.*

The Pre-Deadline Volume Level for the CAL Family shall be determined by the Aggregate CAL Desktop Count, according to the table in the following paragraph.

The following table shall be used to determine the Pre-Deadline Volume Levels for each of the Product Families:

<b>Pre-Deadline Volume Level</b>	<b>Aggregate Desktop Count</b>
Pre-Deadline Volume Level A	Between 250 and 2,399 qualified desktops
Pre-Deadline Volume Level B	Between 2,400 and 5,999 qualified desktops
Pre-Deadline Volume Level C	Between 6,000 and 14,999 qualified desktops
Pre-Deadline Volume Level D	Between 15,000 and 39,000 qualified desktops
Pre-Deadline Volume Level D-2%	Between 40,000 and 59,000 qualified desktops
Pre-Deadline Volume Level D-4%	Between 60,000 and 79,000 qualified desktops
Pre-Deadline Volume Level D-6%	Between 80,000 and 119,000 qualified desktops
Pre-Deadline Volume Level D-7.5%	Between 120,000 or more qualified desktops

The Post-Deadline Volume Level for the Office Family shall be determined based upon the Aggregate Office Desktop Count, according to the table in the following paragraph. The Post-Deadline Volume Level for the Windows Family shall be determined by the Aggregate Windows Desktop Count, according to the table in the following paragraph. And the Post-Deadline Volume Level for the CAL Family shall be determined by the Aggregate CAL Desktop Count, according to the table in the following paragraph.

The following table shall be used to determine the Post-Deadline Volume Levels for each of the Product Families:

<b>Post-Deadline Volume Level</b>	<b>Aggregate Desktop Count</b>	<b>Corresponding Enterprise Agreement Volume Level</b>
Post-Deadline Volume Level A	Between 250 and 2,399 qualified desktops	A
Post-Deadline Volume Level B	Between 2,400 and 5,999 qualified desktops	B
Post-Deadline Volume Level C	Between 6,000 and 14,999 qualified	C

	desktops	
Post-Deadline Volume Level D	Between 15,000 and 39,999 qualified desktops	D
Post-Deadline Volume Level D	Between 40,000 and 59,999 qualified desktops	D-2%
Post-Deadline Volume Level D	Between 60,000 and 79,999 qualified desktops	D-4%
Post-Deadline Volume Level D	Between 80,000 and 119,999 qualified desktops	D-6%
Post-Deadline Volume Level D	120,000 or more qualified desktops	D-7.5%

**c. Determination of reference prices.**

*For Non-Platform Enrollments signed During the Open Enrollment Period, the following shall apply:*

- *The Year 1 per-desktop reference price for each enterprise product covered by each such Non-Platform Enrollment, for each Initial Desktop irrespective of the number of qualified desktops under such Enrollment, shall be determined according to the Table at Part 1 of Attachment A;*
- *The Year 2 through Year 5 per-desktop reference prices, respectively, for each enterprise product covered by each such Non-Platform Enrollment, for each Initial Desktop, shall be determined based upon the Pre-Deadline Volume Level for the Product Family in which each such enterprise product is contained, according to the Table at Part 1 of Attachment A;*
- *The per-desktop true up reference price for each enterprise product covered by each such Non-Platform Enrollment, for each qualified desktop added to the Enrollment during the first, second and third years, respectively, of the term of such Enrollment, shall be determined based upon the Pre-Deadline Volume Level for the Product Family in which each such enterprise product is contained, according to the Tables at Parts 2, 3, and 4, respectively, of Attachment A.*

*For Platform Enrollments signed during the Open Enrollment Period, the following shall apply:*

- *The Year 1 per-desktop reference price for each enterprise product covered by each such Platform Enrollment, for each Initial Desktop irrespective of the number of qualified desktops under such Enrollment, shall be determined*

according to the Table at Part 1 of Attachment A, less a discount of fifteen percent (15%) or five percent (5%) for SA only orders. Such 15% (5% for SA only orders) discount shall be applied to the sum of the reference prices of the individual enterprise product components.

For example, if the sum of the annual per-desktop reference prices for the enterprise products covered by a Platform Enrollment, as shown on Attachment A, is \$307.00, then the discount applied shall be

$\{\$307.00 \times 15 = \}$  \$46.05,

and the resulting annual per-desktop reference price for such enterprise products, in aggregate, shall be:

$\{ \$307.00 - \$46.05 = \}$  \$260.95.;

- The Year 2 and Year 3 per-desktop reference prices, respectively, for each enterprise product covered by each such Platform Enrollment, for each Initial Desktop shall be determined based upon the Pre-Deadline Volume Level achieved by Participating Affiliates, pursuant to the terms and conditions of this Section 19, for the Product Family in which each such enterprise product is contained, according to the Table at Part 1 of Attachment A, less a discount of fifteen percent (15%) or five (5%) for SA only orders;
- The per-desktop true up reference price for each enterprise product covered by each such Platform Enrollment, for each qualified desktop added to the Enrollment during the first, second and third years, respectively, of the term of such Enrollment, shall be determined based upon the Pre-Deadline Volume Level for the Product Family in which each such enterprise product is contained, according to the Tables at Parts 2, 3, and 4, respectively, of Attachment A, less a discount of fifteen percent (15%) or five (5%) for SA only orders.

For Enrollments signed after the Offer Deadline, the following shall apply:

- The Year 1 through Year 5 per-desktop reference prices, respectively, for each enterprise product on each Initial Desktop shall be determined based upon the Post-Deadline Volume Level achieved by Participating Affiliates, pursuant to the terms and conditions of this Section 19, for the Product Family in which each such enterprise product is contained, according to the then-current published Microsoft reference prices for each such enterprise product which correspond to the applicable Post-Deadline Volume Level as set forth at that time. The Product Family per-desktop reference price for any enrollment signed August 1, 2004 through August 31, 2005 shall not increase by more than 10% above the published price for the appropriate Post-Deadline Volume Level as of the effective date of this agreement;
- The per-desktop true up reference price for each enterprise product for each qualified desktop added to the Enrollment during the first, second and third years, respectively, of the term of such Enrollment, shall be determined based upon the Post-Deadline Volume Level for the Product Family in which each such enterprise product is contained, according to the then-current published Microsoft reference prices for each such enterprise product which correspond to the applicable Post-Deadline Volume Level as set forth at that time. The Product Family per-desktop true-up reference price for any enrollment signed August 1, 2004 through August 31, 2005 shall not increase

by more than ten (10%) above the published price for the appropriate Post-Deadline Volume Level as of the effective date of this agreement.

**d. additional terms and conditions.**

*The parties acknowledge and agree that (i) the BackOffice CAL SA will not be offered in any Enrollment after August 1, 2004; (ii) the BackOffice CAL L/SA will not be offered in any Enrollments after September 30, 2003 and (iii) notwithstanding the date upon which this Enterprise Agreement expires or is otherwise terminated, the method listed above in this Section 19 by which reference prices shall be determined shall cease to apply on new enrollments entered into after August 31, 2005.*

*You acknowledge, on behalf of your enrolled affiliates, that the reference price (and therefore, presumably, the price the reseller, as such term "reseller" is defined in the agreement and remains effective herein) charges each such enrolled affiliate for both (i) the second and third annual payments, and (ii) true up payments at each anniversary, may increase pursuant to the terms of this Section 19. Such price increase for the payments stated above will result, with respect to an enrolled affiliate's Enrollment, in the event that less than 120,000 qualified desktops, in aggregate, are enrolled in Enrollments covering each of the Product Families (or the Product Family) covered by that enrolled affiliate's Enrollment, during the Open Enrollment Period. It is recommended that affiliates not enter into Enrollments hereunder unless (a) they are aware of such possibility that their price may increase as stated above; and (b) they anticipate that sufficient budget will be approved to cover such increased payment amount.*

*You acknowledge and agree that there may be certain instances in which certain Enrollments executed by your affiliates, whether under this Enterprise Agreement or otherwise under a separate Enterprise Agreement or Enterprise Subscription agreement, may have unit reference prices other than those shown on Attachment A or otherwise priced pursuant to the terms of this Section 19. Such instances include, but are not limited to those Enrollments: (i) that were executed prior to the Open Enrollment Period; (ii) that contain other enterprise products not shown on attachment A; (iii) for which we negotiate a special payment schedule or ramped installment payments upon the condition that the reference price of such Enrollment be uplifted to account for the time value of money; (iv) which renew previously expired Enrollments and therefore qualify for renewal pricing; and (v) for which a special price is negotiated to match the equivalent Microsoft Select estimated retail price for sufficient licenses, Upgrade Advantage and/or Software Assurance to otherwise provide the equivalent license and upgrade rights provided pursuant to an Enrollment.*

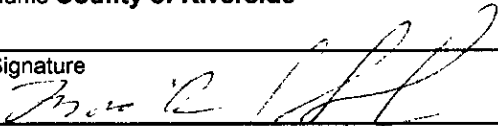

*Except as provided by the following paragraph, those terms of this Section 19 which were modified by this Amendment One to this Enterprise Agreement, and which such terms specifically apply to special reference prices and adjustments thereto for enrollments signed after September 1, 2003, shall not apply to any Enrollments which were executed prior to the execution of such this Amendment One.*

*Reference prices are provided only for the purpose of comparison. Actual pricing and payment terms will be determined by agreement between each enrolled affiliate and its chosen reseller. We will provide each reseller with a list of reseller prices which corresponds to the reference prices in Attachment A.*

**II. Effect of Amendment.**

Except as specifically amended by this amendment, all provisions of the agreement shall remain unchanged and in full force and effect. You must execute and return 2 copies of this amendment to the address below on or before September 1, 2003, in order for the terms and conditions of this amendment to be considered by MICROSOFT LICENSING, GP.

MICROSOFT LICENSING, GP  
 Attn: Dept. 551, Volume Licensing  
 6100 Neil Road, Suite 210  
 Reno, NV 89511-1137

<i>Customer</i>	<i>Contracting Microsoft Affiliate</i>
Name <b>County of Riverside</b>	MICROSOFT LICENSING, GP
Signature 	Signature 
Printed Name Michael S. Lee	Printed Name PAUL NELSON
Printed Title Procurement Contract Specialist	Printed Title CONTRACT ADMINISTRATOR
Signature Date 9/15/03      SEP 15 2003	Effective Date 10-1-03

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Prepared by: Forrest Silverman  
 Licensing Executive

FORM APPROVED  
 COUNTY COUNSEL

SEP 29 2003

