

**SECOND AMENDMENT
TO
CONTRACT FOR PUBLIC RELATIONS AND TRADE RELATIONS
REPRESENTATION SERVICES - JAPAN AND REPUBLIC OF KOREA MARKETS
REGION
BETWEEN
CMGRP JAPAN INC.
AND THE
OFFICE OF THE GOVERNOR, ECONOMIC DEVELOPMENT AND TOURISM**

THIS SECOND AMENDMENT to the Contract for Public Relations and Trade Relations Representation Services ("Second Amendment") is made and entered into by and between the Office of the Governor, Economic Development and Tourism Office, hereinafter referred to as "OOG," and CMGRP Japan Inc., hereinafter referred to as "Contractor." OOG and Contractor are hereinafter referred to collectively as the "Parties."

INDUCEMENTS

WHEREAS, the OOG and Contractor agreed to and executed a Contract for Public Relations and Trade Relations Representation Services, hereinafter referred to as the "Original Contract," for the initial contract period of October 1, 2014 through August 31, 2015; and

WHEREAS, the Original Contract was previously amended on January 15, 2015 to reflect the Contractor's change of legal name; and

WHEREAS, the OOG intends that the Original Contract be renewed for an additional 12 months in accordance with Section A.1.3 of the Original Contract to cover the period from September 1, 2015 through August 31, 2016 with a corresponding increase in the contract total; and

WHEREAS, the Parties intend to create a new contract consisting of the provisions of this Second Amendment to the Contract for Public Relations and Trade Relations Representation Services and the remaining unchanged provisions of the Original Contract as previously amended.

NOW THEREFORE, in consideration of the mutual the inducements, mutual covenants and conditions herein, the Parties agree as follows:

SECTION 1. CHANGE OF CONTRACT TERM

1.1 Contract Term. Contract Term. The Parties agree to amend the Original Contract, Section A.1.2, Term of the Contract, to read as follows:

Section A.1.2. Term of the Contract.

The term of the contract shall be October 1, 2014 through August 31, 2016, with the First Performance Period being October 1, 2014 through August 31, 2015,

and the Second Performance Period being September 1, 2015 through August 31, 2016, subject to the renewal and extension provisions below.

SECTION 2. CHANGE OF CONTRACT TOTAL

2.1 Contract Total. The Parties agree to amend the Original Contract, Section A.3.1, Contract Total, to read as follows:

Section A.3.1. Contract Total.

- a. The total payment during the First Performance Period of this Contract (October 1, 2014 through August 31, 2015) shall not exceed the sum of Two Hundred Seventy-Nine Thousand Five Hundred Dollars (\$279,500).
- b. The total payment during the Second Performance Period of this Contract (September 1, 2015 through August 31, 2016) shall not exceed the sum of Two Hundred Seventy-Nine Thousand Five Hundred Dollars (\$279,500). The Monthly Service Fee during the Second Performance Period shall not exceed Fifteen Thousand Five-Hundred Dollars (\$15,500) per month.
- c. Any increase(s) in the contract amount for any given performance period as a result of increases in funding shall require an amendment to the Contract pursuant to Section A.1.5, which will specify the new line item amount and contract total.

SECTION 3. ENTIRE AGREEMENT

The entire agreement between the OOG and Contractor consists of the provisions of this Second Amendment and the remaining unchanged provisions of the Original Contract as previously amended. No prior agreement or understanding, oral or otherwise, of the Parties or their agents will be valid or enforceable unless embodied in this contract. To the extent of any conflict between this Second Amendment and the Original Contract, the terms of this Second Amendment control and supersede over any prior or contemporaneous understandings, agreements, promises, representations, terms and conditions, both oral and written.

OFFICE OF THE GOVERNOR



Chief of Staff or Designee

CMGRP JAPAN INC.



Hitoshi Shioya
Country Representative, Japan

Date: 8-28-15

Date: 20/8/2015

**FIRST AMENDMENT TO
CONTRACT FOR PUBLIC RELATIONS AND TRADE RELATIONS REPRESENTATION SERVICES
JAPAN AND REPUBLIC OF KOREA MARKETS REGION
BETWEEN THE
OFFICE OF THE GOVERNOR, ECONOMIC DEVELOPMENT AND TOURISM DIVISION
AND
CMGRP JAPAN INC.**

THIS FIRST AMENDMENT TO CONTRACT FOR PUBLIC RELATIONS AND TRADE RELATIONS REPRESENTATION SERVICES (“Amendment”) is made and entered into by and between the Office of the Governor of Texas, Economic Development Division, hereinafter referred to as “the Agency,” and CMGRP Japan Inc. (formerly Weber Shandwick Worldwide, Inc.), hereinafter referred to as “Contractor.” The Agency and Contractor are hereinafter referred to collectively as the “Parties.” The Parties severally and collectively have agreed, and by the execution hereof, are bound to the mutual performance of the obligations described.

INDUCEMENTS

WHEREAS, the Agency and Contractor agreed to and executed a Contract for Public Relations and Trade Relations Representation Services on or about October 1, 2014, hereinafter referred to as the “Original Contract”; and

WHEREAS, Contractor changed its corporate name to CMGRP Japan Inc. effective January 1, 2015; and

WHEREAS, Contractor’s change of name has no impact on the Original Contract and CMGRP Japan Inc. has performed, and will continue to perform, all of its obligations under the Original Contract; and

WHEREAS, the Parties intend to create a new contract consisting of the new amended and or modified, altered, excised or added terms, conditions and/or mutual covenants of this FIRST AMENDMENT TO CONTRACT FOR PUBLIC RELATIONS AND TRADE RELATIONS REPRESENTATION SERVICES and the remaining unchanged provisions of the Original Contract.

NOW THEREFORE, in consideration of the mutual the inducements, mutual covenants and conditions herein, the Parties agree as follows:

SECTION 1. CHANGE OF LEGAL NAME

- 1.1 The Contract is amended by substituting Contractor’s former name, Weber Shandwick Worldwide, Inc., and/or any abbreviations or derivations thereof, with Contractor’s new legal name, CMGRP Japan Inc., wherever it appears in the Contract.
- 1.2 CMGRP Japan Inc. by its execution of this FIRST AMENDMENT TO CONTRACT FOR PUBLIC RELATIONS AND TRADE RELATIONS REPRESENTATION SERVICES, hereby ratifies the Contract and all transactions with Agency effected prior to the date of this Amendment, and agrees that the rights and obligations of Parties in respect thereto are unaffected by the change of legal name, and shall be governed by the terms of the Contract as amended.

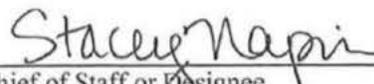
1.3 This Amendment accomplishes a legal change of name only. In accordance with Section A.4.11 of the Original Contract (Change of Name), no rights or obligations of the Parties are affected and no other terms or conditions of the Contract are hereby changed.

SECTION 2. ENTIRE AGREEMENT

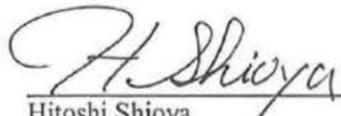
The entire agreement between the Agency and Contractor consists of the new amended and/or modified, altered, excised or added terms, conditions and/or mutual covenants of this FIRST AMENDMENT TO CONTRACT FOR PUBLIC RELATIONS AND TRADE RELATIONS REPRESENTATION SERVICES and the remaining unchanged provisions of the Original Contract. No other amendment, agreement or understanding, oral or otherwise, of the Parties or their agents as to the subject matter of the Contract will be valid or enforceable unless embodied in the Agreement.

AGENCY

CONTRACTOR



Chief of Staff or Designee
Office of the Governor



Hitoshi Shioya
Country Representative, Japan
CMGRP Japan Inc.

Date: 6/1/15

Date: 14/05/2015

**CONTRACT FOR PUBLIC RELATIONS AND TRADE RELATIONS REPRESENTATION SERVICES
JAPAN AND REPUBLIC OF KOREA MARKETS REGION
BETWEEN
WEBER SHANDWICK
AND THE
OFFICE OF THE GOVERNOR
ECONOMIC DEVELOPMENT AND TOURISM DIVISION**

State of Texas

County of Travis

A.1 DESCRIPTION AND REQUIREMENTS

A.1.1 Description of Services Required

The Office of the Governor, Economic Development and Tourism Division (OOG) and Weber Shandwick (Contractor) hereby contract and agree that Contractor shall conduct a comprehensive and strategic Travel and Tourism public relations and marketing campaign that fully integrates consumer, media, travel trade, and meetings market activities in the primary and secondary target markets of the Japan and Republic of Korea Markets Service Region. The campaign shall create a responsible, accurate, and positive image of Texas, while effectively marketing and promoting the state as a premier travel destination in the primary target markets and secondary markets in the Japan and Republic of Korea Markets Service Region, as designated by OOG. The Contractor shall implement, oversee, and measure all activities within the primary and secondary target markets of the Japan and Republic of Korea Markets Service Region.

A.1.2 Term of the Contract

The term of the contract shall be October 1, 2014, through August 31, 2015, subject to the renewal and extension provisions below.

A.1.3 Renewal and Extension Options

- a. **Contract Renewals** – The Contract may be renewed for two (2) additional twelve (12) month periods, provided both parties agree in writing to do so, prior to the expiration date.
 1. Subject to the availability of funds, OOG and the Contractor may mutually agree to renew the performance period of the contract by extending the expiration date for a maximum renewal of two (2) additional twelve (12) month periods. OOG will exercise its option to renew the performance period by providing the Contractor with a written advance notice of intent to renew the performance period of the contract. In the written advance notice of intent, OOG will state the proposed total performance period of the contract. OOG will follow the written advance notice of intent with a written contract amendment which, when agreed upon in writing by both parties, will extend the expiration date of the performance period. The

1. Upon receipt of written notice to terminate, the Contractor shall promptly discontinue all services affected (unless the notice directs otherwise) and shall deliver or otherwise make available to OOG, all data, drawings, specifications, reports, estimates, summaries, and such other information and materials as may have been accumulated by the Contractor in performing this Contract, whether completed or in process.
 2. Upon termination, OOG may take over the work and pursue the same to completion by contract with another party or otherwise.
 3. The Contractor will be required to reimburse OOG for any additional costs incurred as a result of the default.
- c. **No Liability Upon Termination.** If the Contract is terminated for any reason, the OOG and the State of Texas shall not be liable to Contractor for any damages, claims, losses, or any other amounts arising from or related to any such termination. However, Contractor may be entitled to the remedies provided in Government Code, Chapter 2260.

A.1.5 Amendments and Changes

Any amendment or change to the contract performance requirements whether by modification or supplement, must be accomplished by a formal contract amendment signed and approved by and between the duly authorized representatives of the Contractor and OOG. Neither party to this Contract will be bound by any oral statements, contracts, or representations contrary to the written contract requirements and terms and conditions.

A.1.6 Definitions

- A. **Acceptable Quality Level:** The level of performance of requested services below which the contract will not be paid or damages may be assessed.
- B. **Advertising Equivalency Value:** Cost to the Contractor to make paid media placements of key messages on actual per-line cost for the publicity generated or other method per medium as agreed upon by the OOG.
- C. **Buyer FAM (Familiarization) Tour:** A complimentary or reduced rate travel program for qualified travel trade representatives (e.g. tour operators, travel agents, receptive tour operators, meetings and incentive planners, or other buyers) that includes some or all of the following: complimentary or reduced rate transportations, accommodation, attractions, admissions, and meals. A buyer tour is designed to acquaint participants with specific Texas travel destinations or suppliers to increase the participants' knowledge of the Texas tourism product and to encourage them to develop and/or expand travel packages to Texas. Buyer FAM Tours usually last between four (4) and seven (7) calendar days and usually include multiple Texas cities. Buyer FAM Tours may be individual or group tours.
- D. **Convention and Visitors Bureau (CVB):** A local organization supported by hotel/motel occupancy taxes, government budget allocations, private memberships or a combination of any

travel industry partners with key representatives of targeted media for the purpose of generating positive media coverage about Texas and travel to Texas. A media mission may include other promotional or special events and is usually conducted within a specific geographic market during a brief period of time and can include multiple destinations.

- O. **Monthly Service Fee:** The firm, fixed monthly fee OOG will pay the Contractor to fully compensate the Contractor for the costs of all of the Contractor's in-house services and expenses required to complete work under this Contract. Such expenses include: all labor (e.g., all agency account service time; project and account management, direction, supervision, and coordination; writing and editing of newsletters, speeches, news releases feature briefs, print and electronic clippings services, press kits, social media, etc.; strategic counsel; crisis management; accounting and billing; administrative support; legal services and fees, etc.; plans and reports; facilities; equipment, etc., as required to meet the contract performance requirements). The monthly service fee also includes all incidental and normal business operating expenses, such as local and long distance phone (landline and mobile) calls; facsimile; local travel; postage; local courier service; internal copying; supplies; materials, parking and other ongoing services performed. The monthly service fee does not include Reimbursables (A.1.6(W)).
- P. **Motor Coach:** An over-the-road passenger coach or mini-bus with driver that transports buyer and media group FAM tour participants and their luggage within the state.
- Q. **News Releases:** A one or two page printed or electronic document (with or without photographs and captions) or a video describing an aspect(s) of the Texas travel product sent to the media and designed to generate a hard news story placement. News releases may be distributed via a variety of means including, but not limited to: mail, fax, Internet (World Wide Web), satellite broadcast, etc. News releases may also be referred to as press releases.
- R. **Print, Digital, and Broadcast Publicity:** Publicity generated in a printed publication, online, digital, social media or broadcast (TV or radio) format.
- S. **Pro-Active Contact:** Contacts (telephone call, email or personal meeting) with key representatives of targeted media and/or travel trade pro-actively conducted by the Contractor to encourage media coverage (media contact) and/or development of travel packages featuring Texas travel product (trade contact).
- T. **Product Educational Seminar:** An independent destination marketing seminar for pre-qualified travel trade in target markets that is designed to inform and educate travel trade sales staff about Texas tourism products and services. A product educational seminar may be held in conjunction with other special events such as a trade show, sales mission, product launch, marketing or promotional event, meal function, reception, etc. Product educational seminars may be conducted in conjunction with Texas tourism partners or in-market travel industry partners.
- U. **Product Launch:** An event or series of events designed to present Texas suppliers' new and/or expanded tourism products to retail travel agents, tour operators, group leaders, meeting planners, media, etc. in target markets. A product launch may include special events, such as a trade show, product seminar, press event, promotional function, meal function, reception, etc.

FF. **Wholesalers:** Individuals or companies that accumulate tour packages for sale to the travel industry (i.e. tour guides, and travel agents).

A.1.7 Overview

- a. **Economic Impact of Tourism.** Tourism benefits Texans. Total direct travel spending in Texas in 2013 was \$67 billion. Travel expenditures generated \$4.7 billion in state and local taxes. Travel and tourism continues to be one of the largest industries in the state. Travel and tourism directly supported 599,000 Texan jobs in 2013.
- b. **Mission.** It is the mission of the OOG Texas Tourism program to enhance and extend local economic development efforts by marketing Texas as a premier travel destination in domestic, out-of-state, and international markets, generating non-Texan travel to the state creating revenues and jobs.
- c. **Program Organization.** The OOG Texas Tourism is organized into three interrelated functional areas: Travel Research, Advertising, and Public Relations. Each area plays a critical role in the overall mission to market Texas as a premier travel destination. Collectively, these areas provide an integrated and synergistic marketing effort that supports the mission to generate non-Texan travel to the state.

1. Travel Research provides data and information that identifies key consumer travel patterns and trends that drive OOG's tourism marketing activities, determining overall marketing strategies and key messages, advertising content and placement, selection of markets, and the development and evaluation of advertising and marketing programs. The Travel Research section also directs important tourism development outreach services, providing Texas communities with information and tools needed to develop tourist attractions and to effectively use tourism as an economic development tool.
2. Advertising is the OOG's primary tourism marketing tool. Advertising efforts are outsourced using a full-service, contracted advertising agency. Most advertising is conducted outside the state. Advertising efforts include, but are not limited to: national and international advertising in consumer print publications; national cable television; direct mail; interactive media; domestic regional print and broadcast; and travel trade publications. In the domestic market, OOG uses the highly successful, nationally recognized, and award winning *Texas. It's Like a Whole Other Country* campaign. OOG also uses the Texas "patch" logo trademark in both the domestic and international markets (outside of Mexico) to effectively market Texas and all of its travel experiences throughout the world under the umbrella of a single, readily recognizable "Texas" travel product.

The Advertising section also manages OOG's brand and use of its Texas "patch" logo in ancillary marketing programs as well as coordinating with an in-market contractor to provide translation and other services as needed.

3. The Public Relations and Marketing area conducts tourism public relations activities, both domestically and internationally, to increase travel to the state by marketing and promoting Texas as a premier travel destination to consumers, the media, and the travel trade (including

- e. **Current Marketing Plan.** A copy of OOG's current tourism marketing plan can be obtained at www.travel.state.tx.us. The plan includes briefings on each of the primary target markets and identifies key target audiences.
- f. **Travel Research Information.** OOG's travel research reports and information can also be obtained at www.travel.state.tx.us.

A.2 STATEMENT OF WORK – SERVICE REQUIREMENTS

A.2.1 Marketing and Public Relations Requirements

OOG strives to use the most innovative and cost-effective marketing programs to raise awareness of Texas as a premier travel destination. This is accomplished by aggressively marketing and promoting the state to consumers, the media, and the travel trade industry (including the meetings market). With this in mind, the Contractor shall have the following goals while providing public relations and trade relations services for OOG to raise awareness on a state, national, and international level of Texas as a premier travel destination:

- a. Generate maximum positive press coverage;
- b. Manage all Texas Tourism marketing efforts as directed;
- c. Manage Texas Tourism social media promotion in Target Markets as needed and directed;
- d. Conduct high profile consumer, media, and travel trade promotions;
- e. Promote and market Texas as a travel destination to generate qualified travel trade and media leads for Texas travel industry partners, generate Texas travel packages, and ultimately travel to Texas;
- f. Create effective cooperative marketing programs that provide for maximum partner participation.
- g. Generate measurable results from public relations and marketing efforts including: advertising equivalency value of positive media coverage generated, exposure of the Texas travel product to targeted consumers, and tour product development.

Contractor shall propose target measures to use in evaluating work in reaching the goals. Measures will include, but are not limited to:

- a. Dollar value in advertising equivalency of positive media generated by the Contractor;
- b. Number of Consumers reached through promotional activities generated by the Contractor;
- c. Number of leads generated by the Contractor;
- d. Number of Texas Travel packages generated, as appropriate per market, by the Contractor.

A.2.2 Creative Services

The Contractor shall be responsible for coordinating the production of presentation, promotional and collateral materials, including but not limited to: press releases, collateral, print and digital invitations, photographs, mats, filming, editing, equipment rentals, display materials, brochures, as required to meet the contract performance requirements.

- b. Travel trade activities may include, but are not necessarily limited to: proactive trade contacts to market the Texas travel product; respond to and fulfill leads; production, storage, and fulfillment of collateral and promotional materials; marketing DVDs; presentations; brochures; promotional items; newsletters; photographs; slides; translation of materials; FAM tours; sales missions; trade shows; educational seminars; product launches; promotions; events; etc.

A.2.6 Response Tracking

The Contractor shall track and maintain records of all publicity of all Contractor-assisted placements promoting Texas tourism within each market. The Contractor shall use a standard method, approved by OOG, to calculate and report the Advertising Equivalency Value for all publicity generated. The Contractor shall report on the types and amount of media placements generated as specified in A.2.4.

A.2.7 Plan of Action

On or before June 1st of each year, the Contractor shall be responsible for development and submission of an annual Plan of Action for the services the Contractor proposes to undertake in all markets during the upcoming fiscal year. The Plan of Action shall include the Contractor's evaluations and recommendations for all proposed activities and projects, to be undertaken in each market, that will most effectively position Texas as a premier travel destination and create market awareness of and stimulate interest in travel to Texas among consumers, the media, and the domestic and international travel trade. Appropriate market research and planning should be conducted and provided in order to determine the most effective and cost efficient public relations effort. The Plan of Action must include a detailed budget for all proposed projects, activities, services to be performed as well as recommendations of specific goals and measurements which demonstrate the success of the Plan of Action in meeting the objectives outlined in Section A.2.1. The Plan of Action must be approved by OOG prior to implementation. Any changes made to the Plan of Action throughout the year must be approved by OOG in writing.

A.2.8 Marketing Plan

Upon OOG approval, the Plan of Action will be adopted and serve as the Public Relations and Marketing Plan. Contractor shall operate in accordance with an approved, detailed, written marketing plan, including budget allocation for using public relations and marketing activities (consumer, media and trade relations) to market and promote Texas as a premier travel destination in primary target markets and, when necessary, activities in secondary target markets. The Marketing Plan must meet or exceed the goals and objectives identified in A.2.1.

A.2.9 Measurement

OOG holds the following expectations for execution of work and how it will be performed:

- a. **Research and Planning.** Appropriate market research and planning should be conducted in order to determine the most effective and cost-efficient public relations effort. Activities should reinforce creative messages and appeal to the targeted audiences. The Contractor shall instigate

inquiries received and fulfilled during the prior quarter, including the nature of the inquiries and all other pertinent information, and an inventory report of OOG materials on hand to fulfill inquiries;

- d. **Response Tracking Report** - includes a log sheet which records all quarterly and annual media placements generated during the prior quarter, including all required media clips;
- e. **Subcontracting Report** - a quarterly report of all subcontracts awarded during the month, including a listing of each subcontract made with HUBs (including certification number) and non-HUBs, the amount of each subcontract, subcontractor names and addresses, and the total dollar value of all subcontracts issued to HUBs and the total dollar value of all subcontracts issued to non-HUBs;
- f. **Media List** - an electronic copy, in a Microsoft Office compatible format of the media data base the Contractor has used for media relations activities under this contract;
- g. **Travel Trade List** - an electronic copy, in a Microsoft Office compatible format of the travel trade data base the Contractor has used for travel trade relations activities under this contract;
- h. **Performance Update** - a report, including all relevant figures, on the Contractor's progress during the previous quarter toward meeting key contract performance standards and Contractor's evaluations and recommendations for meeting the annual performance standards targets. The report shall include quarterly totals for:
 - 1. progress toward achieving tour product development goal, including the number of packages to Texas destinations maintained and developed by travel trade businesses;
 - 2. amount of media value generated;
 - 3. number of consumers reached via Contractor generated promotions;
 - 4. number of pro-active media contacts; and
 - 5. number of pro-active trade contacts.
- i. **Texas State Library Filings Report** - a report and listing of all work product (e.g., brochures, films, recordings, reports, documents, etc.) produced under the contract that are subject to filing with the Texas State Library;
- j. **Crisis Management** - a report on all crisis management situations that occurred during the previous quarter, including an assessment of the actions taken to address the situations and speed recovery, the Contractor's evaluations and recommendations for any necessary actions or changes to the public relations and marketing plan; and
- k. **Contractor's Evaluations and Recommendations** - Contractor's evaluation on all services (including all work projects and work products) performed under the Contractor's Plan of Action during the previous quarter and any recommendations for improvements, including plan revisions and additional services proposed for future implementation.

A.2.10 Annual Report

On or before September 15th of each year of the contract, the Contractor shall submit to the Director of Tourism a written annual report that provides a comprehensive overview of the performance of the Contractor's representation services, including, but not limited to, a review of all campaign activities, major accomplishments, performance summaries (including all performance measures), and industry awards received.

- b. Upon OOG approval, the Contractor shall complete the project as stated and agreed upon in accordance with the approved cost estimate. No purchases or expenses incurred on behalf of OOG shall be marked up in any way.

A.2.14 Postage

OOG will reimburse the Contractor for the purchase of postage required for fulfillment or other operations conducted on behalf of OOG, except that postage required for the Contractor's normal business operations shall be included in the monthly service fee.

A.2.15 Crisis Management

The Contractor shall provide ongoing crisis management services in the Target Markets as needed and directed by OOG.

A.2.16 Coordination of Efforts

When appropriate, and as required by OOG, the Contractor shall coordinate activities with other OOG contracted firms (e.g., advertising, research, etc.), other state agencies and local, regional, and state-wide tourism industry associations and organizations involved with or affected by services provided under this Contract.

A.2.17 Subcontractors

Subcontractors providing services under this Contract shall meet the same requirements and level of experience as required of Contractor. No subcontract under this Contract shall relieve Contractor of responsibility for ensuring the requested services are provided. The Contractor shall not assign its rights under this Contract or delegate the performance of its duties under this Contract without prior written approval from the OOG.

A.3 FINANCIAL MATTERS

A.3.1 Contract Total

Total annual payments during the first performance period of this Contract shall not exceed the sum of Two Hundred Seventy-Nine Thousand Five Hundred Dollars (\$279,500). Total payments for the Monthly Service Fee during the first performance period of this contract shall consist of 11 monthly payments of Fifteen Thousand Five Hundred Dollars (\$15,500), and shall not exceed the sum of One Hundred Seventy Thousand Five Hundred Dollars (\$170,500). Total annual payments for Reimbursables during the first performance period of this Contract shall not exceed the difference between the total contract amount and the total annual payments for the Monthly Service Fee. Any increase(s) in the contract amount for any given performance period as a result of increases in funding shall require an amendment to the Contract pursuant to section A.1.5, which will specify the new line item amount and new contract total.

A.3.7 Acceptance of Work Performed

All work performed by the Contractor shall be accepted in writing by OOG (or designee) before payment will be approved. Acceptance shall be based upon Contractor's compliance with all contract requirements. OOG will not pay for work which is of poor quality and/or fails to fully comply with the contract requirements. Should OOG determine the Contractor's work to be of poor quality and/or Contractor fails to perform services which comply with the contract requirements, OOG may require the Contractor to promptly re-perform the services in conformity with the contract requirements, at no cost to OOG, or OOG may refuse to pay for Contractor's work. OOG may further require new performance or a refund in the event that poor quality or unacceptable work is discovered after payment has been made. Failure to perform work in compliance with all contract requirements may result in termination of the contract for reason of default, in accordance with A.1.4(b).

A.3.8 Invoicing and Payment

- a. The Contractor shall submit itemized monthly invoices for all services completed, delivered to and accepted by OOG, per the contract requirements.
- b. Invoices shall be submitted once every thirty (30) days. Invoice amounts shall be in U.S. dollars. Each invoice shall reference the OOG RFP # 300-4-1032. All invoices shall be made payable to the Contractor at the address shown on the contract.
- c. Invoices and payment inquiries shall be submitted directed to:
Accounts.Payable@gov.texas.gov or by mail to:
Office of the Governor
Accounts Payable
P.O. Box 12878
Austin, Texas 78711-2878
- d. Each invoice is subject to review and approval by OOG before payment will be processed. Normal payment processing time for services which have been completed, delivered to, and approved by OOG is thirty (30) calendar days after receipt of a valid, uncontested invoice. OOG will incur no penalty for late payment if payment is made in thirty (30) or fewer days from receipt of goods or services and an uncontested invoice. Payments shall be made consistent with Chapter 2251, Texas Government Code.
- e. The Contractor shall bill and OOG will make payment to the Contractor for approved costs incurred in accordance with the following:
 1. **Monthly Services Fee.** OOG will pay the monthly service fee, as stated on the State of Texas contract. Invoices for partial month's services shall be pro-rated and paid based upon a 30-day work period (month).
 2. **Reimbursable.** All purchases made or expenses incurred by the Contractor, on OOG's behalf, including those made by the Contractor's subcontractors, shall be billed at net costs. OOG will make payment to the Contractor for such reimbursable costs for which OOG has

or profit analysis required by the State of Texas under this contract or any negotiated subcontract or change order and a copy of the cost summary submitted to OOG. The State of Texas, through any of its duly authorized representatives shall have access to such books, records, documents, and other evidence for the purpose of review, inspection, copying, and/or audit. All such information shall be handled by the parties in accordance with good business ethics. The Contractor shall provide proper facilities within the State of Texas for such access and inspection. The Contractor shall also follow procedures developed by OOG's audit staff.

- b. The Contractor agrees to include A.3.11 in all its contracts and all subcontracts there under and all change orders directly related to project performance.
- c. The Contractor agrees to the disclosure of all information and reports resulting from access to records pursuant to A.3.11 above to the State of Texas. Where the audit concerns the Contractor, the auditing agency will afford the Contractor an opportunity for an audit exit conference and an opportunity to comment on the pertinent portions of the draft audit report. The final audit report will include the written comments, if any, of the audited parties.
- d. Records under A.3.11 above shall be maintained and made available during the entire performance period of this contract and until four (4) years from date of final OOG payment for the services provided under this Contract. In addition, those records which relate to any dispute, litigation, or the settlement of claims arising out of such performance, or costs or items to which an audit exception has been taken, shall be maintained and made available until completion of such action and resolution of all issues which arise from it, or until the end of the aforementioned four (4) year period, whichever is later.
- e. Access to records is not limited to the required retention periods. The authorized representatives designated in A.3.11 shall have access to records at any reasonable time for as long as the records are maintained.
- f. The right of access applies to financial records pertaining to all subcontracts and all subcontract change orders and amendments. In addition, this right of access to all records pertains to all subcontracts, subcontract change orders and subcontract amendments, to the extent the records reasonably relate to subcontractor performance, if there is any indication that fraud, gross abuse, or corrupt practices may be involved; or if the subcontract is terminated for default or for convenience.
- g. OOG reserves the right to require the reimbursement of any over-payments determined as a result of any audit or inspection of records kept by the Contractor on work performed under this contract. Reimbursement must be made within thirty (30) business days after receipt of an itemized written request from OOG.
- h. The Contractor shall allow such access to the work product it has created for OOG hereunder as may be necessary to enable any new OOG Contractor of Tourism Public Relations and Trade Relations Representation Services Japan and Republic of Korea Markets Region to accomplish a smooth transition to the new Contractor.

A.4.6 Proprietary Right/Copyright

Contractor shall not assert rights at common law or in equity or establish any claim to statutory copyright in any material or information developed in performance of the Contract. OOG shall have the right to use, copyright, reproduce, publish, or distribute any or all of such information and other materials without the necessity of obtaining any permission from Contractor and without expense or charge.

A.4.7 Patent, Trademark, Copyright and Other Infringement Claims

Contractor shall indemnify, save and hold harmless the State of Texas from and against claims of patent, trademark, copyright, trade secret, or other proprietary rights, violations, or infringements arising from the State's or Contractor's use of or acquisition of any services or other items provided to the State of Texas by Contractor or otherwise to which the State of Texas has access as a result of Contractor's performance under this Contract, provided that the State shall notify Contractor of any such claim within a reasonable time of the State's receiving notice of any such claim. If Contractor is notified of any claim subject to this section, Contractor shall notify OOG of such claim within five (5) business days of such notice. No settlement of any such claim shall be made by Contractor without OOG prior written approval. Contractor shall reimburse the State of Texas for any claims, damages, losses, costs, expenses, judgments or any other amounts, including, but not limited to, attorneys' fees and court costs, arising from any such claim. Contractor shall pay all reasonable costs of the State's counsel and shall also pay costs of multiple counsels, if required to avoid conflicts of interest. Contractor represents that it has determined what licenses, patents and permits are required under this Contract and has acquired all such licenses, patents and permits.

A.4.8 Ownership of Documents

All work performed under this Contract shall become the property of OOG. All property rights, including publication rights, to all products developed under this Contract shall be retained by OOG. The Contractor shall ensure duplication and duplication rights are secured to OOG from all contracts and subcontractors, prior to delivery of products to OOG. OOG reserves the right to authorize others to use, publish, or reproduce products developed hereunder. The Contractor agrees to hold OOG harmless for claims that may arise for infringement related to work under this contract. As this contract is terminating, the Contractor shall work cooperatively with OOG and any new contractor to which OOG may award a new contract in the future so that there is a smooth transition to the new contractor. Contractor's failure to secure all required duplication and duplication rights to OOG from all contracts and subcontracts, prior to delivery of products, shall be grounds for termination of the contract, for reason of default, in accordance with Section A.1.4(b).

A.4.9 Intellectual Property

- a. Intellectual property includes any discovery or invention for which patent rights may be acquired, any photographs, graphic designs, plans, drawings, specifications, computer programs, technical reports, operating manuals, or other copyrightable materials, and any other materials in which intellectual property rights may be obtained.
- b. OOG shall be the sole owner of intellectual property developed under this Contract. OOG

- e. Contractor is required to make any information created or exchanged with the State pursuant to this Contract, and not otherwise excepted from disclosure under the Texas Public Information Act, available in a format that is accessible by the public at no additional charge to the State. Contractor shall retain all such records for a period of four (4) years after the expiration of the Contract, or until the OOG or State Auditor's Office is satisfied that all audit and litigation matters are resolved, whichever period is longer. Unless otherwise agreed, the information provided shall be in Microsoft Office Word 2007 or other format readable by Microsoft Office Word 2007.

A.4.11 Change of Name

Contractor shall promptly notify OOG of any change of name in which it holds this Contract. An Addendum to this Contract shall be required upon a change of name which shall specifically state that no other terms or conditions of this Contract are thereby changed. Contractor shall not assign this Contract pursuant to this Article.

A.4.12 Bankruptcy

Should the Contractor become insolvent, or if the proceedings in bankruptcy should be instituted by or against the Contractor, the remaining or unexpired portion of this Contract shall, at the election of OOG, be terminated.

A.4.13 Contractor Affirmations

Signing this Contract with a false statement is a material breach of Contract and shall void the Contract, and the Contractor shall be removed from all bid lists. By agreeing to and signing this Contract, the Contractor hereby makes the following certifications and warranties required by statute:

- a. **Delinquent Child Support Obligations:** Under Section 231.006 of the Texas Family Code, the Contractor certifies that the individual or business entity named in this Contract is not ineligible to receive the specified grant, loan, or payment and acknowledges that this Contract may be terminated and payment may be withheld if this certification is inaccurate.
- b. **Prohibited Bids and Contracts:** Under Section 2155.004 of the Texas Government Code (relating to prohibited bids and contracts), the Contractor certifies that the individual or business entity named in this Contract is not ineligible to receive the specified Contract and acknowledges that this Contract may be terminated and payment withheld if this certification is inaccurate.
- c. **Previous Employment with the Agency:** The Contractor acknowledges and understands that Section 2252.901 (as amended) of the Texas Government Code prohibits the Office of the Governor from using state appropriated funds to enter into any employment or consulting contract with any individual who has been previously employed, as an employee, by the Agency within the past twelve (12) months. If the Contractor is an individual, the Contractor certifies that Section 2252.901 (as amended) of the Texas Government Code does not prohibit the use of state appropriated funds for satisfying the payment obligations herein.

<https://www.sam.gov>, which is inclusive of the United States Treasury's Office of Foreign Assets Control (OFAC) Specially Designated National (SDN) list.

Contractor certifies that it and its principals are eligible to participate in this transaction and have not been subjected to suspension, debarment, or similar ineligibility determined by any federal, state or local governmental entity and the Contractor is in compliance with the State of Texas statutes and rules relating to procurement and that Contractor is not listed on the federal government's terrorism watch list as described in Executive Order 13224. Entities ineligible for federal procurement are listed at <https://www.sam.gov>.

- m. **Environmental Protection:** The Contractor shall be in compliance with all applicable standards, orders, or regulations issued pursuant to the mandates of the Clean Air Act and the Federal Water Pollution Control Act, as amended.
- n. **Hurricane Relief:** Texas law prohibits the OOG from awarding a contract to any person who, in the past five years, has been convicted of violating a federal law or assessed a penalty in connection with a contract involving relief for Hurricane Rita, Hurricane Katrina, or any other disaster, as defined by section 418.004 of the Texas Government Code, occurring after September 24, 2005. Under section 2155.006 of the Texas Government Code, the Contractor certifies that it is not ineligible to receive the Contract and acknowledges that the Contract may be terminated and payment withheld or rescinded if this certification is inaccurate or false.
- o. **Executive Head:** The OOG may not enter into a contract with a person who employs a current or former Executive Head of a state agency until four years have passed since that person was the executive head of the state agency. Contractor certifies that it does not employ any person who was the Executive Head of a state agency in the past four years, and that it is in compliance with Texas Government Code, Title 6, Subtitle B, Section 669.003, relating to contracting with executive head of a state agency.
- p. **Terminated Contracts:** Contractor certifies that it has not had a contract terminated or been denied the renewal of any contract for non-compliance with policies or regulations of any state or federally funded program within the past five (5) years nor is it currently prohibited from contracting with a governmental agency. If the Contractor does have such a terminated contract, the Contractor shall identify the contract and provide an explanation for the termination.
- q. **Deceptive Trade Practices; Unfair Business Practices:** The Contractor represents and warrants that it has not been the subject of allegations of Deceptive Trade Practices violations under Chapter 17 of the Texas Business and Commerce Code, or allegations of any unfair business practice in any administrative hearing or court suit and that the Contractor has not been found to be liable for such practices in such proceedings. The Contractor certifies that it has no officers who have served as officers of other entities who have been the subject of allegations of Deceptive Trade Practices violations or allegations of any unfair business practices in an administrative hearing or court suit, and that such officers have not been found to be liable for such practices in such proceedings.

ASSIGNEES, AND/OR DESIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED COSTS, ATTORNEY FEES, AND EXPENSES arising out of, or resulting from any acts or omissions of Contractor or its agents, employees, subcontractors, Order Fulfillers, or suppliers of subcontractors in the execution or performance of the Contract and any Purchase Orders issued under the Contract. THE DEFENSE SHALL BE COORDINATED BY CONTRACTOR WITH THE OFFICE OF THE ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND CONTRACTOR MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE ATTORNEY GENERAL. CONTRACTOR AND THE OOG AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM.

Infringements

- a) CONTRACTOR shall indemnify and hold harmless the State of Texas and OOG, AND/OR THEIR EMPLOYEES, AGENTS, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES from any and all third party claims involving infringement of United States patents, copyrights, trade and service marks, and any other intellectual or intangible property rights in connection with the PERFORMANCES OR ACTIONS OF CONTRACTOR PURSUANT TO THIS CONTRACT. CONTRACTOR AND OOG AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM. CONTRACTOR SHALL BE LIABLE TO PAY ALL COSTS OF DEFENSE INCLUDING ATTORNEYS' FEES. THE DEFENSE SHALL BE COORDINATED BY CONTRACTOR WITH THE OFFICE OF THE ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND CONTRACTOR MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE ATTORNEY GENERAL.
- b) Contractor shall have no liability under this section if the alleged infringement is caused in whole or in part by: (i) use of the product or service for a purpose or in a manner for which the product or service was not designed, (ii) any modification made to the product without Contractor's written approval, (iii) any modifications made to the product by the Contractor pursuant to OOG's specific instructions, (iv) any intellectual property right owned by or licensed to OOG, or (v) any use of the product or service by OOG that is not in conformity with the terms of any applicable license agreement.
- c) If Contractor becomes aware of an actual or potential claim, or OOG provides Contractor with notice of an actual or potential claim, Contractor may (or in the case of an injunction against OOG, shall), at Contractor's sole option and expense; (i) procure for the OOG the right to continue to use the affected portion of the product or service, or (ii) modify or replace the affected portion of the product or service with functionally equivalent or superior product or service so that OOG's use is non-infringing.

Taxes/Workers' Compensation/Unemployment Insurance – Including Indemnity

A.4.19 No Waiver of Sovereign Immunity

The Parties expressly agree that no provision of this Contract is in any way intended to constitute a waiver by the OOG or the State of Texas of any immunities from suit or from liability that the OOG or the State may have by operation of law.

A.4.20 Severability

If any provision of this Contract is construed to be illegal or invalid, such construction will not affect the legality or validity of any of its other provisions. The illegal or invalid provision will be deemed severable and stricken from the existing language as if it had never been incorporated herein, but all other provisions will continue in full force and effect.

A.4.21 Compliance with Laws; Dealing with Public Servants

The Contractor must comply with all applicable laws at all times, including, without limitation, the following: (i) Texas Penal Code section 36.02, which prohibits bribery; (ii) Texas Penal Code section 36.09, which prohibits the offering or conferring of benefits to public servants; and (iii) Texas Government Code section 2155.003, which prohibits the chief clerk or any other employee of the OOG from having an interest in, or in any manner being connected with, a contract or bid for a purchase of goods or services by an agency of the state, or accept from any person to whom a contract has been awarded anything of value or a promise, obligation, or contract for future reward or compensation.

The Contractor shall give all notices and comply with all laws and regulations applicable to furnishing and performance of this Contract. Except where otherwise expressly required by applicable laws and regulations, OOG shall not be responsible for monitoring Contractor's compliance. If Contractor performs any work knowing or having reason to know that it is contrary to laws or regulations, Contractor shall bear all claims, costs, losses, and damages caused by, arising out of, or resulting there from.

A.4.22 Federal, State, and Local Requirements

Contractor shall demonstrate on-site compliance with the Federal Tax Reform Act of 1986, Section 1706, amending Section 530 of the Revenue Act of 1978. Contractor is responsible for both federal and State unemployment insurance coverage and standard Worker's Compensation insurance coverage. Contractor shall comply with all federal and state tax laws and withholding requirements. The State of Texas shall not be liable to Contractor or its employees for any Unemployment or Workers' Compensation coverage, or federal or state withholding requirements. Contractor shall indemnify the State of Texas and shall pay all costs, penalties, or losses resulting from Contractor's omission or breach of this Section.

A.4.23 Drug Free Workplace

Contractor shall comply with and implement the applicable provisions of the Drug-Free Work Place Act of 1988 and any amendments that may hereafter be issued.

A.4.26 Dispute Resolution

The dispute resolution process provided for in Texas Government Code, Chapter 2260 shall be used by OOG and Contractor to resolve any dispute arising under the Contract.

The dispute resolution process provided for in Chapter 2260 shall be used, as further described herein, to attempt to resolve a claim for breach of contract asserted by Contractor under the Contract. If Contractor's claim for breach of Contract cannot be resolved by the Parties in the ordinary course of business, it shall be submitted to the negotiation process provided in Chapter 2260. To initiate the process, Contractor shall submit written notice, as required by Chapter 2260, to the OOG in accordance with the notice provisions in this Contract. Compliance by Contractor with Chapter 2260 is a condition precedent to the filing of a contested case proceeding under Chapter 2260.

The contested case process provided in Chapter 2260 is Contractor's sole and exclusive process for seeking a remedy for an alleged breach of Contract by the OOG if the Parties are unable to resolve their disputes as described above.

Compliance with the contested case process provided in Chapter 2260 is a condition precedent to seeking consent to sue from the Legislature under Chapter 107, Civil Practices and Remedies Code. Neither the execution of the Contract by the OOG nor any other conduct of any representative of the OOG relating to the Contract shall be considered a waiver of sovereign immunity to suit.

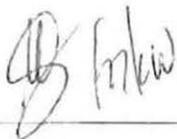
For all other specific breach of contract claims or disputes under the Contract, the OOG and Contractor shall first attempt to resolve them through direct discussions in a spirit of mutual cooperation. If the Parties' attempts to resolve their disagreements through negotiations fail, the dispute will be mediated by a mutually acceptable third party to be chosen by the OOG and Contractor within fifteen (15) days after written notice by one of them demanding mediation under this Section. Contractor shall pay all costs of the mediation unless the OOG in its sole good faith discretion, approves its payment of all or part of such costs. By mutual agreement, the OOG and Contractor may use a non-binding form of dispute resolution other than mediation. The purpose of this Section is to reasonably ensure that the OOG and Contractor shall, in good faith, utilize mediation or another non-binding dispute resolution process before pursuing litigation. The OOG participation in, or the results of, any mediation or other non-binding dispute resolution process under this Section or the provisions of this Section shall not be construed as a waiver by the OOG of (1) any rights, privileges, defenses, remedies or immunities available to the OOG as an agency of the State of Texas or otherwise available to the OOG; (2) OOG termination rights; or (3) other termination provisions or expiration dates of the Contract.

Notwithstanding any other provision of the Contract to the contrary, unless otherwise requested or approved in writing by the OOG, Contractor shall continue performance and shall not be excused from performance during the period any breach of contract claim or dispute is pending under either of the above processes; however, Contractor may suspend performance during the pendency of such claim or dispute if Contractor has complied with all provisions of Section 2251.051, Texas Government Code, and such suspension of performance is expressly applicable and authorized under that law.

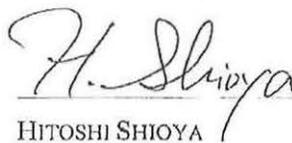
IN WITNESS WHEREOF, the Parties have executed this Contract as of the effective date stated above.

THE STATE OF TEXAS

WEBER SHANDWICK



KATHY WALT
CHIEF OF STAFF
OFFICE OF THE GOVERNOR



HITOSHI SHIOYA
REPRESENTATIVE DIRECTOR AND
EXECUTIVE VICE PRESIDENT
WEBER SHANDWICK

EXHIBIT B

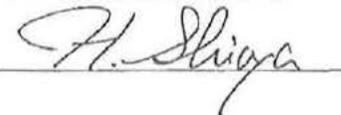
Request for Proposals No. 300-4-1032

See attached.

RFP No. 300-4-1032
Attachment D
Compensation Schedule

MONTHLY SERVICE FEE

RESPONDENT NAME: Hitoshi Shioya

AUTHORIZED RESPONDENT SIGNATURE: 

DATE: 14/10/2014

	QUANTITY	UNIT	UNIT PRICE Per Month
BASE PERIOD 10/1/2014 - 8/31/2015	11	MO	\$15,500
RENEWAL OPTION 1 9/1/2015 - 8/31/2016	12	MO	\$15,500