

**SEVENTH AMENDMENT TO THE
MASTER SERVICES AGREEMENT**
between
**THE STATE OF TEXAS, ACTING BY AND THROUGH
THE TEXAS DEPARTMENT OF INFORMATION RESOURCES**
and
XEROX CORPORATION

This Seventh Amendment (“Amendment”) is to the Master Services Agreement (“**Agreement**”), executed January 23, 2012, between the State of Texas, acting by and through the Texas Department of Information Resources (“**DIR**”), with its principal place of business at 300 West 15th Street, Suite 1300, Austin, Texas 78701, and Xerox Corporation (“**Service Provider**”), a New York corporation, with a principal place of business at 6836 Austin Centre Blvd., Suite 300, Austin, Texas, 78731.

RECITALS

WHEREAS, the Parties entered into the Agreement for Data Center Services dated January 23, 2012, with an anticipated Commencement Date of July 1, 2012; and

WHEREAS, the incumbent provider (IBM) of Data Center Services concluded its tenure prematurely on April 30, 2012 and in order to provide essential data center services beginning May 1, 2012, DIR required a short-term agreement for Service Provider, First Amendment, to provide Interim, Walk In Take Over (WITO) services for Data Center Services operations; and

WHEREAS, as a result of those additional services provided per WITO and to ensure the provision of data center services under this Agreement henceforth, the Parties required and agreed upon a Second Amendment in which major contract milestones and deliverables were realigned to account for the additional resources required for WITO; and

WHEREAS, a Third Amendment aligned provisions in Exhibit 3 related to the implementation of Service Level Credits and amendments to Xerox State and Locals Master Service Agreement’s Exhibit 1, Attachment 4-B and Attachment 4-D; and

WHEREAS, a Fourth Amendment provided a definition for DCS Customer and allow for the provision of certain specific optional print mail needs, including corresponding materials, as required by certain participating state agencies to accomplish their objectives; and

WHEREAS, a Fifth Amendment provided for the manner by which Service Level Agreements (SLA’s) are modified and the actual modification of certain SLA’s;

WHEREAS, a Sixth Amendment updated Base Charges for various Resource Units (RU) as a result of a “true-up” and provided for new Option Print Mail Service; and

WHEREAS, this Seventh Amendment provides for new SLA's, along with other changes to print-mail service delivery operations that will allow for the inclusion of a new customer into the print-mail function of the Data Center Services.

NOW, THEREFORE, in consideration of the promises and covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to amend the Agreement as follows:

I. **Section 11.5**, New Services, of the Agreement shall be amended to add and delete the language in the second sentence of subsection (a) as follows:

(a) Unless otherwise agreed by Parties, Service Provider shall prepare such New Services proposal at no additional charge to DIR and shall deliver such proposal to DIR within ~~ten (10) days of its receipt of DIR's~~ timeframe mutually agreed upon by the Parties; provided, that Service Provider shall respond more quickly in the case of a pressing need or an emergency situation.

II. The last sentence of **Subsection 13.3 (g)** of the Agreement has been amended to read as follows:

To the extent such unauthorized disclosure or access is attributable to a breach by Service Provider or Service Provider Personnel of Service Provider's obligations under this Agreement with respect to DIR Personal Data, Service Provider shall bear (A) the costs incurred by Service Provider in complying with its legal obligations relating to such breach and (B) in addition to any other damages for which Service Provider may be liable for under this Agreement (except to the extent such disclosure is due to DIR's failing to provide (including through authorization to provide as part of the Services) the level of encryption required under applicable Law to protect such Data), the following costs incurred by DIR or the DIR Customer in complying with their legal obligations relating to such breach, to the extent applicable, (1) the cost of providing notice to affected individuals, (2) where such breach results in the potential for exposure of personal credit (e.g. social security number) or financial account information the cost of providing such affected individuals with credit monitoring services for twelve (12) months, (3) the cost of providing such affected individuals with \$50,000 of identity theft insurance, and (4) call center support for such affected individuals for thirty (30) days and (5) any other Losses for which Service Provider would be liable under **Sections 17.1(d)** and **18.3(c)(v)**, including affected individuals' actual damages.

III. **Section 13.6**, FTI Compliance, of the Agreement shall be amended to correctly renumber subsections (9) and (10), added by the Second Agreement to this Agreement, as follows:

(9 10) Specific data breach incident reporting procedures must be established and the required disclosure awareness training must include review of these procedures.

(40 11) In addition to including the above provisions into the Service Management Manual to be drafted by the Service Provider pursuant to the Agreement, the Service Management Manual should also include details concerning the Service Provider's responsibilities during a safeguard review and the support required to resolve identified findings.

- IV. Attached Appendix 1 of this Seventh Amendment, Exhibit 1, Definitions, shall replace in its entirety and supersede all previous agreements relating to Exhibit 1, Definitions, of the Agreement.

The changes to Exhibit 1 include added definitions related to Exadata Services.

- V. Attached Appendix 2 of this Seventh Amendment, Exhibit 3, Service Levels, shall replace in its entirety and supersede all previous agreements relating to Exhibit 3 Service Levels, of the Agreement.

Section 5 of Exhibit 3 is hereby revised to reflect new Service Level Credits for two new Service Levels – U1.4.8P, Per Piece Daily Mail Completion Timeliness and U1.4.9P, Per Piece Critical Mail Output Quality, a new Service Level Credit.

- VI. Attached Appendix 3 of this Seventh Amendment, Attachment 3-A, Service Level Matrix, shall replace in its entirety and supersede all previous agreements relating to Attachment 3-A, Service Level Matrix, of the Agreement.

The tab titled "Service Levels P-M" is hereby revised to reflect changes to the Allocation of Pool Percentages.

- VII. Attached Appendix 4 of this Seventh Amendment, Exhibit 4, Pricing and Financial Provisions, shall replace in its entirety and superseded all previous agreements relating to Exhibit 4, Pricing and Financial Provisions, of the Agreement.

The changes to Exhibit 4 occur in Section 18.2 and includes a new Subsection k for an Optional Print-Mail Service titled "Four Hour Recovery Time Objective (RTO), from interruption of service or Disaster".

- VIII. Attached Appendix 5 of this Seventh Amendment, Attachment 4-A, Server Provider Pricing Forms, shall replace in its entirety and supersede all previous agreements relating to Attachment 4-A, Server Provider Pricing Forms, of the Agreement.

The tab titled "Optional Services" and "Inflation Sensitivity" is hereby amended to include a new optional per event charge and the addition of new Customized Envelopes.

- IX. Attached Appendix 6 of this Seventh Amendment, Attachment 4-B, Financial Responsibility, shall replace in its entirety and supersede all previous agreements relating to Attachment 4-B, Financial Responsibility, of the Agreement.

The tab titled "Print" is hereby amended to reflect the addition of an optional disaster recovery plan, for which the price is not included in the base charges and update tab titled "Server" to align with other Service Providers.

- X. Attached Appendix 7 of this Seventh Amendment, **Attachment 4-D**, Resource Baselines, shall replace in its entirety and supersede all previous agreements relating to **Attachment 4-D**, Resource Baselines, of the Agreement.

Several tabs are amended to reflect Optical Storage RU true-up, and necessary adjustments, per **Exhibit 4**, to the annual base charge to address decreases over a six (6) month period in Billable Resource Unit counts for IBM Offsite Tape Storage RU and Courier RU.

XI. General Terms and Conditions

- (a) Capitalized terms not defined herein shall have the same meanings as set forth in the Agreement.
- (b) All other provisions of the Agreement not specifically amended hereby remain in full force and effect. In the event of conflict among provisions, the provisions of this Amendment shall take precedence over the terms of the MSA.

IN WITNESS WHEREOF, Service Provider and DIR execute this Amendment effective June 30, 2013.

THE STATE OF TEXAS,
acting by and through
THE TEXAS DEPARTMENT OF INFORMATION RESOURCES
Signature on file.

By: _____
Name: Carl Marsh
Title: Chief Operating Officer

XEROX CORPORATION
Signature on file.

By: _____
Name: John Keller
Title: Controller 7/14/13