

**Amendment Number 2**  
**to**  
**Contract Number DIR-TSO-3420**  
**between**  
**State of Texas Department of Information Resources**  
**and**  
**AT&T CORP**

This Amendment Number 2 to Contract Number DIR-TSO-3420 ("Contract") is between the State of Texas, acting by and through the Department of Information Resources ("DIR") and AT&T Corp ("Vendor") DIR and Vendor agree to modify the terms and conditions of the Contract as follows:

1. **Contract Section 7. Authorized Exceptions to Contracts for Products and Related Services and Appendix A, Standard Terms and Conditions for Products and Related Services Contract. Subsection GG. Appendix A, Section 11. Contract Enforcement, B. Termination, 8) Effect of Termination** is hereby updated and restated in its entirety:

**8) Effect of Termination**

- a) Termination or suspension by either party of a Service Component or Service does not waive any other rights or remedies a party may have under the Service Agreement. Termination or suspension of a Service Component or Service will not affect the rights and obligations of the parties regarding any other Service.
- b) If a Service or Service Component is terminated, Customer will pay all amounts incurred prior to the effective date of termination.
- c) Termination Charges
  - (1) If Customer terminates a Purchase Order or Service Agreement for cause above in accordance with this Contract or if Vendor terminates a Purchase Order or Service Agreement other than for cause, Customer will not be liable for the termination charges.
  - (2) If Customer or Vendor terminates a Purchase Order or Service Agreement other than as set forth in Section 11. B. 4.) prior to the date Customer's obligation to pay for Services begins, Customer will reimburse Vendor for time and materials incurred prior to the effective date of termination, plus any third party charges resulting from the termination.
- d) If, on or after Customer's obligation to pay for Services begins, Customer or Vendor terminates a Purchase Order or Service Agreement other than

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as set forth in Section 11. B. 4), Customer will pay termination charges as follows:

- (1) If such Service Agreement termination occurs before the end of the term of the Service Agreement, 50% (unless a higher percentage is specified in the Service Agreement) of the monthly recurring charges specified in the Service Agreement for the terminated Service or Service Component multiplied by the months remaining in the Service Agreement term, plus any waived or unpaid non-recurring charges identified in the Service Agreement, plus any charges incurred by Vendor from a third party (e.g., not an Vendor Affiliate) identified in the Service Agreement, due to the termination.
2. **Appendix A. Section 8. Pricing, Purchase Orders, Invoices, and Payments, K. Changes to Prices, subsection 4)** is hereby added as follows:
  - 4.) The parties agree to use the Electronic Administrative Update Process (EAU) to submit, review and implement administrative changes to *Appendix C Pricing*. Administrative updates may include, but are not limited to price decreases, format corrections, or the addition of new services that were not available at the time of submission to the RFO and that are within the original scope of the RFO. *Appendix C Pricing* changes shall be provided to Customers via the Vendor's webpage and the DIR Contract web page.
3. **Appendix C Pricing** is hereby updated and replaced in its entirety.

All other terms and conditions of the Contract as amended, not specifically modified herein, shall remain in full force and effect. In the event of conflict among the provisions, the order of precedence shall be this Amendment Number 2, then Amendment 1, and then the Contract.

**{Remainder of page intentionally left blank}**

**IN WITNESS WHEREOF**, the parties hereby execute this amendment to be effective as of the date of the last party to sign.

**AT&T Corp**

Authorized By: Signature on File

Name: Cheryl Wankowski

Title: Senior Customer Contracts

Date: 10/12/2016

The State of Texas, acting by and through the  
Department of Information Resources

Authorized By: Signature on File

Name: Wayne Egeler

Title: CTS Director

Date: 10/24/2016

Office of General Counsel: Initials on file 10/14/2016