

**APPRAISAL AND COLLECTION TECHNOLOGIES
COMPUTER SYSTEM LICENSE AND MAINTENANCE AGREEMENT**

THIS AGREEMENT is entered into and effective as of the 30th day of March 2010, by and between APPRAISAL AND COLLECTION TECHNOLOGIES ("ACT" and also referred to herein as "Vendor") and HIDALGO COUNTY, Hidalgo County, Texas (the "CUSTOMER"). Appraisal and Collection Technologies is the commercial software division of Linebarger, Goggan, Blair and Sampson, LLP.

1. Definitions.

Certain Capitalized terms not otherwise defined herein shall have the following meanings:

- 1.1 "Hardware" means any and all hardware, including, but not limited to, that installed by the Vendor in the HIDALGO COUNTY TAX ASSESSOR & COLLECTOR Tax Office to operate the System and any additional hardware subsequently agreed to by the parties.
- 1.2 "System" means an integrated data processing system including the programming configuration described in the user manual and sometimes referred to as "ACT 7.0", and all upgrades and modifications. The term also includes Hardware as defined herein.
- 1.3 "User Manual" means an instruction manual designed to teach persons with some knowledge of tax collection to use the System.
- 1.4 "Works" means the System, source code for the system, the application servers, the database servers and the licenses held by the Vendor, and the User Manual.

2. Grant and Acceptance of License.

The Vendor grants to HIDALGO COUNTY a non-exclusive, non-assignable license to use the Works, all subsequent versions, upgrades and modifications, and HIDALGO COUNTY accepts such license, subject to the terms and conditions of this Agreement. Use of the System shall include copying all or any part of the System from storage units or media into the Hardware connecting to the Vendor provided Application Servers and processing of data with the System, and modifying the System, and use of the User Manual shall consist of such reference to such Works as may be necessary in connection with such use of the system.

3. Term of License.

The license granted hereby shall commence on July 1, 2010 and shall continue for 5 years unless sooner terminated as provided herein.

- 3.1 Nine (9) months prior to the end of the five (5) year contract period ACT agrees to provide the Hidalgo County Tax Office with terms for annual renewal of the software service agreement. Terms and consideration to be subject to approval by Hidalgo County.

4. Proprietary Rights and Limitations on License.

CUSTOMER acknowledges that the Works are the confidential and proprietary property and trade secrets of the Vendor or licensors of the Vendor. Accordingly, HIDALGO COUNTY agrees that the use and disclosure of the Works must be carefully and continuously controlled, subject to all present or future legal requirements, including but not limited to the Texas Public Information Act. HIDALGO COUNTY further understands and acknowledges that the Works are subject to the Copyright Laws of the United States.

- 4.1 Title. Title to the Works and each component part thereof shall not pass to HIDALGO COUNTY pursuant to this Agreement. HIDALGO COUNTY shall keep the Works and each component or part thereof free and clear of all claims, liens and other encumbrances, except only those of the Vendor. Any purported claim, lien or encumbrance, voluntary or involuntary, by HIDALGO COUNTY on the Works or any part thereof shall be void. All modifications or changes to the Works made by the Vendor are the sole property of the Vendor. HIDALGO COUNTY shall have no ownership interest in such modifications, whether or not such modifications are performed pursuant to this Agreement, except as hereinafter provided.
- 4.2 Use. The Works made the subject of this license are for the exclusive use by the HIDALGO COUNTY and any successor officer or officers performing the authorized functions to which this license extends. This license only extends to the use of the Works in connection with the authorized functions of the HIDALGO COUNTY.
- 4.3 Other Restrictions. HIDALGO COUNTY agrees not to, without the prior written consent of the Vendor, (i) sell, lease, loan, license, sub-license, assign or transfer, for or without consideration, all or any part of the Works or its rights under this Agreement to any person or entity other than to any subsidiary, division or other affiliate of HIDALGO COUNTY or any other political subdivision under the supervision of the HIDALGO COUNTY Commissioners, in which case HIDALGO COUNTY shall not be released from any of its obligations hereunder and such permitted assignee shall execute in writing a document under which it assumes the obligations of HIDALGO COUNTY under and becomes bound by the terms and conditions of the Agreement; (ii) copy, reproduce or otherwise duplicate all or any part of the Works other than in connection with the use of the System by HIDALGO COUNTY as expressly permitted hereunder; or (iii) create or attempt to create, or permit others to create or attempt to create, by reverse engineering or otherwise, all or any part of the Source Code or, if the Source Code has been obtained by HIDALGO COUNTY hereunder, any program

or set of programs performing substantially equivalent functions as those performed by the System. The Works shall be kept in a secure place under access and use restrictions not less stringent than those restrictions imposed upon HIDALGO COUNTY most valuable and sensitive software and related materials.

- 4.4 **Unauthorized Use.** HIDALGO COUNTY agrees to notify the Vendor immediately of the possession, use or knowledge of any part of the Works by any person not authorized by this Agreement to have such possession, use or knowledge. HIDALGO COUNTY will promptly furnish the Vendor full details of such possession, use or knowledge and will assist the Vendor in preventing the recurrence of such possession, use or knowledge.

Vendor warrants that it will not, without express written authorization from the Hidalgo County, export and distribute any data belonging to Hidalgo County.

- 4.5 **Backup Files.** Copies of all or any part of the System made by HIDALGO COUNTY in accordance with backup procedures shall not constitute copies thereof for the purposes of Section 4.4 (ii) above.
- 4.6 **Inspection.** To assist the Vendor in the protection of its proprietary rights in the Works, HIDALGO COUNTY shall permit representatives of the Vendor to inspect at all reasonable times any location at which the Works are being used or kept.

5. **System Costs.**

- 5.1 **Use Fee.** Vendor will charge an annual Use Fee of Three Hundred and Sixty Thousand Dollars (\$360,000) commencing July 1, 2010.
- 5.2 **Payment Schedule:**

Invoices will be provided to HIDALGO COUNTY by ACT for Quarterly Payments of said License and System. Payments will be submitted to ACT by HIDALGO COUNTY by the first month of each annual quarterly period.

- 5.3 **Telecommunication and Data Transmission Lines; Internet.** The Vendor shall not be responsible for the cost of local connections for telecommunication lines, data transmission lines, and internet services including but not limited to service charges, maintenance fees, equipment fees, or installation charges that are required for HIDALGO COUNTY TAX ASSESSOR & COLLECTOR to use the System in the manner intended. The Vendor agrees to assist HIDALGO COUNTY in acquiring these services and verifying their adequacy for the purpose intended, but the Vendor does not assume liability for the proper functioning of these services or for any loss to HIDALGO COUNTY due to failure, degradation, or

alteration of these services. The Customer will pay for all non-local costs for telecommunication lines and data transmission lines including but not limited to service charges, maintenance fees, equipment fees, or installation charges that are required for HIDALGO COUNTY TAX ASSESSOR & COLLECTOR to use the System in the manner intended. Non-local costs include any required communication costs between the System and off-site locations of the Vendor. The costs to connect the main tax office to the ACT processing center are included in the above Use Fee.

6. Warranty and Technical Support.

- 6.1 Warranty. The Vendor warrants that it has good title to the Works and the right to license its use to HIDALGO COUNTY free of any proprietary rights, liens, or encumbrances of any other party. The Vendor further warrants that it will timely implement changes into the System to meet state mandated requirements as contained in the Property Tax Code as published by the Texas State Comptroller. The warranty shall extend to all modifications and additions to the Works by the Vendor unless the modification has been requested by HIDALGO COUNTY and the Vendor has advised against the modification.

THIS WARRANTY SHALL NOT EXTEND TO ANY PORTION OF THE WORKS AFFECTED BY HIDALGO COUNTY-MODIFIED OR ADDED PORTIONS OF THE WORKS.

- 6.2 Disaster Recovery. The Vendor shall furnish the HIDALGO COUNTY with a written description of a System disaster recovery plan. Such plan shall include procedures to insure System downtime is limited to less than 72 hours. The Tax Assessor-Collector shall promptly approve or disapprove such plan; approval shall not be unreasonably withheld.

7. Termination.

- 7.1 Termination by HIDALGO COUNTY TAX. HIDALGO COUNTY may terminate this Agreement at any time with thirty (30) days written notice. Upon notice of termination, Vendor shall promptly export all data related to Customer and publish such data in a manner easily processed by knowledgeable data processing professionals.
- 7.2 Termination by the Vendor. The Vendor may terminate this Agreement with 180 days notice. Vendor shall promptly export all data related to Customer and publish such data in a manner easily processed by knowledgeable data processing professionals

8. General.

8.1 Notices. Any notice or other communication required or permitted to be given under this Agreement must be in writing and shall be duly served when deposited in the United States mail, postage pre-paid and addressed to the party to be notified, or by delivering the same in person to such party. Notices given by mail in the manner herein above described shall be deemed received three days after the date mailed. For purposes of notice, the addresses of the parties shall be as follows:

(i) to the VENDOR for payments:

Appraisal and Collection Technologies
P. O. Box 17428
Austin, Texas 78760

(ii) to the VENDOR for any other reason:

Mr. Jim Brod
Director
Appraisal and Collection Technologies
911 Central Parkway North
San Antonio, Texas 78233

(iii) to HIDALGO COUNTY:

HIDALGO COUNTY TAX OFFICE
2804 South Bus Hwy 281
Edinburg, Tx. 78539
or
P.O. Box 178
Edinburg, Texas 78540

The Vendor or Customer may advise the other party by written notice any other contact person or contact address given in the manner herein above required.

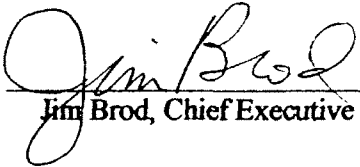
8.2 Partial Invalidity. If any provision of this Agreement shall be held to be invalid, illegal or unenforceable as applied to any person or any circumstance, the validity, illegality and enforceability of the remaining provisions hereof and of such provision as applied to other persons and in other circumstances shall not in any way be affected or impaired thereby.

8.3 Headings. The headings in this Agreement are intended only for convenience of reference and shall not in any way affect or be relied upon in the interpretation or construction of the terms of this Agreement.

- 8.4 Authority of Signatories. The individuals executing this Agreement on behalf of the Vendor and HIDALGO COUNTY do each hereby represent and warrant that they have been duly authorized by the Vendor or governing body to execute this Agreement on behalf of such principal.
- 8.5 Confidential Information. The Vendor and HIDALGO COUNTY each acknowledge that in the course of performing under this Agreement each may be exposed to confidential information of the other party. The Vendor and HIDALGO COUNTY agree to treat all such information as confidential and to take all reasonable precautions against disclosure of any such information to third parties during and after the term of this Agreement.
- 8.6 Joint Cooperation. The Vendor and HIDALGO COUNTY agree to cooperate in good faith and in a reasonable prudent business manner with each other in furtherance of the objectives of this Agreement and the performance of their respective obligations hereunder.
- 8.7 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the United States and the State of Texas **AND IS PERFORMABLE IN HIDALGO COUNTY, TEXAS.**
- 8.8 Assignability; Binding Effect. Except as otherwise provided in this Agreement or the Contract, neither the rights nor the obligations of HIDALGO COUNTY under this Agreement, nor any part thereof, may be assigned or otherwise transferred without the prior written consent of the Vendor. Subject to the foregoing, this Agreement, shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.
- 8.9 Entire Agreement and Amendment. This Agreement contains the entire agreement of the parties and supersedes all prior oral or written and all contemporaneous oral agreements between the parties concerning the subject matter thereof. This Agreement may be amended only by a writing signed by both parties hereto.
- 8.10 Indirect or Consequential Damages. Except as provided for in this Agreement, neither the Vendor nor the CUSTOMER shall be liable to the other for special, indirect or consequential damages resulting from the breach of or arising out of this Agreement including, without limitation, loss of profit, business interruption, or inability to satisfy obligations to third parties.

IN WITNESS WHEREOF, the parties hereto have executed and entered into this Agreement effective as of the date first above written.

APPRAISAL AND COLLECTION TECHNOLOGIES

By: 
Jim Brod, Chief Executive Officer

HIDALGO COUNTY

By: _____
Rene Ramirez,
Hidalgo County Judge

Attested By: _____
Arturo Guajardo Jr.
Hidalgo County Clerk

APPROVED AS TO FORM
Atlas & Hall, LLP

By: _____