



Managed Services Agreement

This Managed Services Agreement (the “Agreement”), effective as of _____ (the “Effective Date”), is by and between Lanshore, LLC with offices located at :
1795 N Fry Rd, Ste 289 Katy, TX_ (“Supplier”)

and Hidalgo County, with offices at :
100 East Cano St 2nd Floor, Edinburg TX, 78539 (“Client”).

Supplier provides a bundle of Services as described in the Statement of Work (SOW). Supplier will, as part of the Services, host and manage the designated application(s) (collectively the “Application”) described in a SOW on servers and network infrastructure owned or controlled by Client, but accessible to the Supplier.

1. Services.

1.1 Services. Supplier will: (i) provide all software and services necessary for the operation and maintenance of the Application for the benefit of Client and any Authorized Users; and (ii) provide the Services described in an SOW. All SOWs signed by authorized representatives of Client and Supplier are incorporated by reference herein as if fully set forth and are subject to the terms of this Agreement.

(a) Supplier shall operate and manage the Application in substantial conformity with the Specifications.

(b) Supplier will perform and provide the Services in accordance with the performance standards described individual Service Level Agreements, specific to the various stages of implementation, testing and operation and the SOWs relating thereto (“SLA”). The Services shall adhere to the support levels described in the SLAs.

(c) Supplier shall maintain and periodically test comprehensive disaster recovery plan(s) which will provide for the recovery of Systems operations within the time frames set forth in the SLAs.

(d) Client shall provide the IT infrastructure and equipment necessary to host the Services. Client will provide Supplier with the necessary access to its systems and IT infrastructure for the purposes of carrying out the Services, including without limitation the installation of software, code and technologies. A checklist of technologies including VPN access and port designations have been provided to Client IT staff and are made part of this agreement as reference.

1.2 Service and System Control. Except as otherwise stated in this Agreement, as between the parties, (i) Supplier will retain sole control over the operation, maintenance and management of the Services and any of Supplier’s Systems used in carrying out the Services; (ii) Client will retain sole control over its Systems, and the operation, maintenance and management of its Systems generally, except for those functions delegated to Supplier as part of the Services, and for all Systems, technology,



software, programs, code, etc. outside of the Services provided by Supplier; and (iii) Supplier shall not replace, or be responsible for – outside the scope of the Services – the current or future Data Collections or Data Storage systems maintained by Client. As used in this Agreement, “Systems” means IT infrastructure, including electronic systems and networks, whether operated directly by the Supplier or using third-party service providers.

1.3 Changes. Supplier may make any changes to the Services that it deems necessary or useful to: (i) maintain or enhance the Services, subject to the applicable SOW and/or SLA; or (ii) to comply with applicable law.

1.4 Subcontractors. Supplier may from time to time in its discretion engage subcontractors to perform Services.

1.5 Suspension or Termination of Services. Supplier may suspend or terminate Client’s or any Authorized User’s access to the Platform or Services without liability, but only if:

(a) Supplier receives a legal demand from a court of competent jurisdiction that requires Supplier to do so; or

(b) Supplier reasonably believes that: (i) Client or any Authorized User has breached any material term of this Agreement or used the Services beyond the scope of this Agreement; (ii) Client or any Authorized User is using or has used the Services in any fraudulent or unlawful manner or to carry out fraudulent or unlawful activities; or (iii) this Agreement expires or is terminated. This Section 1.5 does not limit any of Supplier’s other rights or remedies.

1.6 Third-Party Providers. Supplier may, in its own discretion, source equipment, software and other technologies, including RPA applications, under license from third-party providers, including without limitation UiPath, Inc., or any of its subsidiaries, for use in the provision of Services to Client. Such sourcing may be subject to a EULA or other licensing agreement, which may apply to or restrict Supplier’s provision of the Services or Client’s use thereof. Client expressly acknowledges and approves the use of such third-party providers and understands client has the right to review any third-party EULA or other licensing agreements which impact the Services.

2. Security.

2.1 Supplier Systems and Security Obligations. Supplier will implement, maintain and update as necessary a written data security program, which contains reasonable administrative, technical, and physical controls to secure Client Data, as appropriate to the nature and scope of Supplier’s activities and Services.

2.2 Breach Notification. Supplier will report to Client any Breach of which Supplier becomes aware without undue delay following determination by Supplier that a Breach has occurred.



2.3 Prohibited Data. Client acknowledges that the Services are not designed with security and access management for Processing Prohibited Data. Client shall not and shall not permit any Authorized User or other person or entity to, provide any Prohibited Data via the Services. Client is solely responsible for reviewing all Client Data and shall ensure that no Client Data constitutes or contains any Prohibited Data.

3. Fees; Payment Terms.

3.1 Fees. Client shall pay Supplier's Fees.

3.2 Fee Increases. Supplier may adjust Fees for each specific Service provided for in a SOW no more than once annually by providing written notice to Client at least 60 days before becoming effective. For the avoidance of doubt, this shall not restrict Supplier's ability to increase invoiced amounts to reflect inclusion of additional Services requested by Client. Client may terminate this Agreement upon 30 days' notice to Supplier if it does not agree to the fee increase.

3.3 Taxes. Client is a governmental entity. As such it is exempt from all sales, use and excise taxes, and any other similar taxes, duties and charges of any kind imposed by any federal, state or local government or regulatory authority.

3.4 Payment. Client shall pay all Fees against written invoice submitted by Company in accordance with the Texas Prompt Payment Act, Tex. Govt. Code Ch. 2251.

3.5 No Deductions or Setoffs. All amounts payable to Supplier under this Agreement will be paid without any setoff or deduction (other than Service Credits which may be issued under the SLAs).

4. Authorization and Client Restrictions.

4.1 Authorization. Conditioned on Client's payment of the Fees and compliance with this Agreement, Supplier authorizes Client and its Authorized Users to access and use the Services during the Term for Client's business operations.

4.2 Authorization Limitations and Restrictions.

(a) Except for Authorized Users, Client shall not, and shall not permit any other person or entity to, access or use the Services.

(b) Unless expressly permitted by Supplier or applicable law, Client shall not:

(i) bypass, breach, or disable any security device or protection used by the Application or Service, or access the Application other than by an Authorized User using his or her own valid Access Credentials;

(ii) upload or transmit any Malignant Code;



(iii) remove or alter any intellectual property notices from the Application or Supplier Materials as defined in Section 6.1; or

(iv) access or use the Application or Supplier Materials in any manner that infringes or violates any Intellectual Property Rights or other right of any third party or that violates any applicable law.

(b) Supplier shall not, and shall not permit any other person or entity to, breach unauthorized areas of the Application or include any Malicious or Data gathering tool except as it related to providing transparency on the Application's audit trails and logs.

4.3 Audit Right. Supplier may access the account of Client and any Authorized User only to determine compliance with this Agreement. Client shall cooperate with Supplier in conducting such audits and provide reasonable access requested by Supplier to relevant records. Supplier may only examine information directly related to the Client's use of the Services.

5. Client Obligations. Client is solely responsible for:

5.1 All Client Data, including its content and use, subject to Supplier's obligations as described in this Agreement.

5.2 Evaluating the adequacy and results of the Services.

5.3 Establishing and maintaining internal controls, including monitoring ongoing activities.

5.4 All information, instructions and materials provided by or on behalf of Client or any Authorized User in connection with the Services.

5.5 The security and use of Client's and its Authorized Users' Access Credentials and related permissions.

5.6 Compliance with all applicable laws regarding the use of the Application and Services.

5.7 Authorized Users' compliance with all terms in this Agreement.

6. Data Usage and Ownership; Intellectual Property Rights.

6.1 Definitions. This Agreement applies the definitions contained in the Definitions addendum, attached hereto and incorporated as if fully set out herein.



6.2 Ownership of Client Data. As between Client and Supplier, Client will remain the owner of all Client Data, including related Intellectual Property Rights, subject to the permissions granted in Section 6.3.

6.3 Consent to Use Client Data. Client hereby irrevocably grants to Supplier:

(a) the right to Process Client Data to the extent necessary to provide the Services to Client and its Authorized Users; and

(b) the right to Process Client Data in such a way that renders it System Data. All System Data is owned exclusively by Supplier.

6.4 Supplier's Intellectual Property Rights ("IP Rights"). Supplier will be the exclusive owner of all IP Rights in and to all Supplier Materials. Client hereby assigns to Supplier all IP Rights in and to the System Data and Feedback. Except as expressly provided, nothing in this Agreement grants or licenses to Client any IP Rights in or to the Services, Supplier Materials or Third-Party Materials.

7. Confidentiality.

7.1 Confidential Information. In connection with this Agreement each Disclosing Party may disclose or make available Confidential Information to the Receiving Party.

7.2 Exclusions. Confidential Information does not include information that: (a) was rightfully known to the Receiving Party without restriction on use or disclosure prior to such information's being disclosed or made available to the Receiving Party in connection with this Agreement; (b) was or becomes generally known by the public other than by the Receiving Party's or any of its Representatives' noncompliance with this Agreement; (c) was received by the Receiving Party on a non-confidential basis from a third party that, to the Receiving Party's knowledge, was not under any obligation to maintain its confidentiality; or (d) was independently developed by the Receiving Party without reference to or use of any Confidential Information. As used in this Agreement, "Representatives" means, with respect to a party, that party's employees, officers, directors, consultants, subcontractors and legal advisors. Representatives also includes Client's Authorized Users.



7.3 Protection of Confidential Information. As a condition to being provided with any disclosure of or access to Confidential Information, the Receiving Party shall:

(a) not access or use Confidential Information other than as necessary to exercise its rights or perform its obligations under and in accordance with this Agreement;

(b) subject to Section 7.4, not disclose or permit access to Confidential Information other than to its Representatives who: (i) need to know such Confidential Information for purposes of this Agreement; (ii) have been informed of the confidential nature of the Confidential Information and the Receiving Party's obligations under this Section 7.3; and (iii) are bound by confidentiality obligations at least as protective as the terms in this Agreement;

(c) safeguard the Confidential Information from unauthorized use, access or disclosure using at least the degree of care it uses to protect its own confidential information and in no event less than a reasonable degree of care; and

(d) ensure its Representatives' compliance with, and be responsible for any of its Representatives' non-compliance with, the terms of this Section 7.

7.4 Compelled Disclosures. If the Receiving Party or any of its Representatives is compelled by applicable law to disclose any Confidential Information then the Receiving Party shall promptly and before such disclosure, notify the Disclosing Party so that the Disclosing Party can seek a protective order. The Receiving Party shall disclose only that portion of the Confidential Information that the Receiving Party is legally required to disclose in accordance with the Texas Public Information Act or other applicable confidentiality laws

8. Term and Termination.

8.1 Term. Unless expressly stated otherwise on the SOW, the term of this Agreement commences as of the Effective Date and, unless terminated as described in this Agreement, will continue month to month so long as both parties are satisfied with the performance of the other.

8.2 Termination. In addition to any express termination right described in this Agreement:

(a) Supplier may terminate this Agreement, effective on written notice to Client, if Client fails to pay any undisputed amount within 30 days after being due.

(b) either party may terminate this Agreement, effective on written notice to the other party, if the other party:

(i) materially breaches this Agreement, and the breach: (A) is incapable of cure; or (B) being capable of cure, remains uncured 30 days after the breaching party receives notice of the breach;



(ii) becomes in-solvent or is generally unable to pay, or fails to pay, its debts as they become due;

(iii) files or has filed against it, a petition for voluntary or involuntary bankruptcy or otherwise becomes subject to any proceeding under any domestic or foreign bankruptcy or insolvency law; or

(iv) makes a general assignment for the benefit of its creditors.

(c) Client may terminate this Agreement without cause with sixty (60) days written notice to Supplier.

8.3 Effect of Expiration or Termination. Upon any expiration or termination of this Agreement:

(a) All rights, licenses, consents and authorizations granted by either party to the other will immediately terminate.

(b) Supplier may retain Client Data: (i) in its backups, archives and disaster recovery systems until Client Data is deleted in the ordinary course; and (ii) as required by applicable law. In either case, Client Data will remain subject to all confidentiality and security requirements of this Agreement.

(c) Each party shall promptly return or destroy (at the disclosing party's request), all documents and materials containing, reflecting, incorporating or based on the disclosing party's Confidential Information.

(d) If Client terminates this Agreement pursuant to Section 8.2(b), Client shall pay Fees for Services until the effective date of termination.

(e) If Supplier terminates this Agreement pursuant to Section 8.2(a) or Section 8.2(b), client shall pay Fees for Services rendered until the effective date of termination.

8.4 Surviving Terms. The following provisions will survive any expiration or termination of this Agreement: Section 4.3, Section 7, Section 8.3, Section 8.4, Section 9.4, Section 10, Section 11 and Section 13.

9. Representations and Warranties.

9.1 Mutual Representations and Warranties. Each party represents and warrants that: (a) it is duly organized, validly existing and in good standing; and (b) it has the full right and authority to enter into and perform its obligations under this Agreement.

9.2 Additional Supplier Warranties. Supplier warrants that it will provide the Services and perform the Professional Services using personnel of required skill, experience and qualifications and in a



professional and workmanlike manner in accordance with generally recognized industry standards for similar services.

9.3 Additional Client Representations and Warranties. Client represents and warrants that:

(a) it owns or otherwise has (and will have) the necessary rights and consents related to the Application and Client Data and will not infringe, misappropriate or otherwise violate any IP Rights, or any privacy or other rights of any third party or violate any applicable law, so long as the Application is used and Client Data is Processed in accordance with this Agreement; and

(b) it will not provide any Prohibited Data in connection with this Agreement.

9.4 **DISCLAIMER OF WARRANTIES.** Except for the express warranties set forth in Section 9, all Services and Supplier Materials are provided “as is.” Supplier hereby disclaims all warranties, whether express, implied, or statutory, and Supplier specifically disclaims all implied warranties of merchantability, fitness for a particular purpose, title and non-infringement, and all warranties arising from course of dealing, usage or trade practice. Supplier makes no warranty that the Services or Supplier Materials will meet Client’s or any other Person’s requirements, operate without interruption (subject to the Service Level Agreement), achieve any intended result, be compatible or work with any software, system or other services, or be secure, accurate, complete, free of harmful code or error free. All Third-Party Materials are provided “as is.”

10. Indemnification.

The following provisions are applicable ONLY to the extent permitted under the Constitution and Laws of the State of Texas.

10.1 **Supplier Indemnification.** Supplier shall indemnify, defend and hold harmless Client and Client’s officers, directors, employees, agents, permitted successors and permitted assigns (each, a “Client Indemnatee”) from and against any and all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs or expenses, including reasonable attorneys’ fees (“Losses”) incurred by a Client Indemnatee arising out of or relating to any claim, suit, action or proceeding (each, an “Action”) by a third party to the extent that such Losses arise from gross negligence, recklessness or willful misconduct by Supplier in connection with this Agreement. The foregoing obligation does not apply to any Action or Losses arising out of or relating to any Client Data or Third-Party Materials.

10.2 **Client Indemnification.** Client shall indemnify, defend and hold harmless Supplier and its officers, directors, employees, agents, successors and assigns (each a “Supplier Indemnatee”) from and against any and all Losses incurred by a Supplier Indemnatee in connection with any Action by a third party to the extent that such Losses arise out of any:

(a) Client Data, including any Processing of Client Data by or on behalf of Supplier in accordance with this Agreement;



(b) any other materials or information (including any documents, data, specifications, software, content or technology) provided by or on behalf of Client or any Authorized User, including Supplier's compliance with any directions provided by or on behalf of Client or any Authorized User to the extent prepared without any contribution by Supplier;

(c) breach by Client of any of its representations, warranties, or obligations under this Agreement; or

(d) gross negligence, recklessness or willful misconduct by Client, any Authorized User, or any third party on behalf of Client or any Authorized User, in connection with this Agreement.

10.3 Indemnification Procedure. Each party shall promptly notify the other party of any Action. The party seeking indemnification (the "Indemnitee") shall cooperate with the other party (the "Indemnitor") at the Indemnitor's sole cost and expense. The Indemnitor shall immediately take control of the defense and investigation of any Action. The Indemnitee's failure to perform any obligations under this Section 10.3 will not relieve the Indemnitor of its indemnity obligations unless Indemnitor can demonstrate that it has been materially prejudiced.

10.4 Mitigation. If any of the Services, or Supplier Materials are, or in Supplier's opinion are likely to be, claimed to infringe, misappropriate or otherwise violate any third-party Intellectual Property Right, or if Client's or any Authorized User's use of the Services or Supplier Materials is enjoined or threatened to be enjoined, Supplier may, at its option and sole cost and expense:

(a) obtain the right for Client to continue to use the Services and Supplier Materials;

(b) modify or replace the Services and Supplier Materials, in whole or in part, to seek to make the Services and Supplier Materials (as so modified or replaced) non-infringing, while providing equivalent features and functionality; or

(c) by written notice to Client, terminate this Agreement, provided that Client will be entitled to a refund of pro-rata refund of any prepaid fees.

THIS SECTION 10 SETS FORTH CLIENT'S SOLE REMEDIES AND SUPPLIER'S SOLE LIABILITY AND OBLIGATION FOR ANY ACTUAL, THREATENED OR ALLEGED CLAIMS THAT THIS AGREEMENT OR ANY SUBJECT MATTER HEREOF (INCLUDING THE SERVICES AND SUPPLIER MATERIALS) INFRINGES, MISAPPROPRIATES OR OTHERWISE VIOLATES ANY THIRD-PARTY INTELLECTUAL PROPERTY RIGHT.

11. Limitations of Liability.

11.1 EXCLUSION OF DAMAGES. TO THE EXTENT PERMITTED UNDER THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS, IN NO EVENT WILL EITHER PARTY BE LIABLE FOR ANY: (a) LOSS OF PRODUCTION, USE, BUSINESS, REVENUE OR PROFIT; (b) IMPAIRMENT, DELAY OR INABILITY TO USE THE SERVICES, OTHER THAN FOR THE



ISSUANCE OF ANY APPLICABLE SERVICE CREDITS UNDER THE SERVICE LEVEL AGREEMENT, (c) LOSS, DAMAGE, CORRUPTION OR RECOVERY OF DATA, OR BREACH OF DATA OR SYSTEM SECURITY UNLESS CAUSED BY THE OTHER PARTY'S GROSS NEGLIGENCE OR INTENTIONAL MISCONDUCT, OR (d) CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, ENHANCED OR PUNITIVE DAMAGES, AND NOTWITHSTANDING THE FAILURE OF ANY REMEDY OF ITS ESSENTIAL PURPOSE. THESE LIMITATIONS APPLY TO ALL CAUSES OF ACTION RELATED TO THIS AGREEMENT, UNDER ANY LEGAL OR EQUITABLE THEORY, INCLUDING BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY AND OTHERWISE.

11.2 CAP ON MONETARY LIABILITY. TO THE EXTENT PERMITTED UNDER THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS, IN NO EVENT WILL THE AGGREGATE LIABILITY OF EITHER PARTY IN CONNECTION WITH THIS AGREEMENT, UNDER ANY LEGAL OR EQUITABLE THEORY, INCLUDING BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY AND OTHERWISE, EXCEED THE AGGREGATE FEES PAID TO SUPPLIER OVER THE PRIOR 12 MONTHS IMMEDIATELY PRECEDING THE EVENT CAUSING THE LIABILITY. THE FOREGOING LIMITATION APPLIES NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE.

12. Force Majeure.

12.1 No Breach or Default. In no event will either party be liable for any failure or delay in fulfilling or performing any term of this Agreement, (except for any payment obligation), if the failure or delay is caused by any circumstances beyond the party's reasonable control (a "Force Majeure Event"), including acts of God, flood, fire, earthquake or explosion, war, terrorism, invasion, riot or other civil unrest, embargoes or blockades in effect on or after the date of this Agreement, national or regional emergency, strikes, labor stoppages or slowdowns or other industrial disturbances, passage of law or any action taken by a governmental or public authority, or failures of third-party telecommunications, utilities, data storage/processing, or network services providers. Either party may terminate this Agreement if a Force Majeure Event continues for a period of 30 days or more.

13. Miscellaneous.

13.1 Marketing. Supplier may use Client's Marks for the limited purpose of identifying the Client as a CLIENT of Supplier on its website and marketing materials, provided that any such use will not imply endorsement by Client of Supplier or its products. Supplier shall comply with the Client's usage guidelines and shall not assert any ownership interest in the Marks.

13.2 Relationship of the Parties. The relationship between the parties is that of independent contractors. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever.



13.3 Notices. All notices under this Agreement will be in writing and delivered to the addresses in the introductory clause of this Agreement. Each notice will be deemed to have been received by the party to which it was addressed: (i) when delivered if delivered personally, (ii) when received by the addressee if sent by overnight courier, (iii) on the fifth business day after the date of mailing if sent by certified mail, or (iv) on the date sent by email if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient.

13.4 Headings. The headings in this Agreement are for reference only and do not affect the interpretation of this Agreement.

13.5 Entire Agreement. This Agreement, together with any other documents referenced, constitutes the sole and entire agreement of the parties with respect to the subject matter of this Agreement and supersedes all prior and contemporaneous understandings and agreements, written or oral, with respect to such subject matter. If there is an inconsistency among this Agreement and any referenced document, the following order of precedence governs: (a) first, this Agreement, excluding its addendums, exhibits, schedules, attachments and appendices; (b) second, the addendums, exhibits, schedules, attachments and appendices to this Agreement as of the Effective Date; and (c) third, any other documents incorporated herein by reference.

13.6 Assignment. Client shall not assign or otherwise transfer any of its rights, or delegate or otherwise transfer any of its obligations or performance, under this Agreement, in each case whether voluntarily, involuntarily, by operation of law or otherwise, without Supplier's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Any purported assignment, delegation or transfer in violation of this Section 13.6 is void. This Agreement is binding upon and inures to the benefit of the parties hereto and their respective permitted successors and assigns.

13.7 No Third-party Beneficiaries. This Agreement is for the sole benefit of the parties and their respective permitted successors and permitted assigns. This Agreement does not confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature.

13.8 Amendment and Modification; Waiver. No waiver, amendment to or modification of this Agreement is effective unless it is in writing and signed by an authorized representative of each party. No waiver of any violation or nonperformance of this Agreement in one instance will be deemed to be a waiver of any subsequent violation or nonperformance.

13.9 Severability. If any term or provision of this Agreement is deemed invalid or unenforceable, the remainder of this Agreement will be valid and enforced to the fullest extent permitted by law.

13.10 Disputes. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and shall be performable in Hidalgo County. County may agree to utilize mediation as a method of alternative dispute resolution (ADR).



IN WITNESS WHEREOF, the Parties have executed or caused to be executed this Agreement as of the Effective Date.

LANSHORE, LLC

HIDALGO COUNTY

By: Douglas A. Erb
Its: CEO

By: Richard Cortez
Its: County Judge

County Clerk attestation:

Arturo Guajardo, Jr.
County Clerk

[Remainder of page intentionally blank, Schedules and Appendices follow]