



Section IV Proposal

Begin Proprietary, Confidential & Trade Secret Information

» Proposed Contract

Attach a copy of a contract proposed by your corporation with fee information.

ACT has submitted a completed proposed contract, including fee information, following this page for review by Hidalgo County.

»» Base Pricing for ACT Software

ACT proposes a five (5) year contract term. The annual fee for ACT annual software licensing, maintenance, and support costs including those that may be required by a third party, will be \$195,700 (“Annual Contract Fee”).

This Agreement may be modified or amended only by an agreement in writing executed by Customer and ACT, and not otherwise. The annual fee for any renewal term will not increase at a rate exceeding 5%.

Standard Fee Schedule

<u>Rate Classification</u>	<u>Hourly Rate</u>
Principal	\$195.00
Project Manager	\$150.00
Senior Analyst	\$115.00
Developer	\$ 95.00
Quality Assurance / Trainer	\$ 75.00
Mileage	IRS standard rate
Airfare	Actual Airfare
Per Diem	Actual Charges

APPRAISAL AND COLLECTION TECHNOLOGIES, L.L.C.

HOSTING SERVICE AGREEMENT

This Hosting Service Agreement (this “**Agreement**”) is made and entered into as of the date set forth below (the “**Effective Date**”) by and between Appraisal and Collection Technologies, L.L.C., a Texas limited liability company (“**ACT**”), and the customer identified in the signature block below (the “**Customer**”).

In consideration of the rights and benefits that they each will be receiving under this Agreement, and intending to be legally bound, ACT and Customer (each a “**Party**” and together, the “**Parties**”) agree to the terms of this Agreement.

APPRAISAL AND COLLECTION TECHNOLOGIES, L.L.C.

Address:

By: _____
Adrian Garza, President

2915 W. Bitters Rd, Suite 400
San Antonio, Texas 78248
Attention: Adrian Garza

CUSTOMER: HIDALGO COUNTY, TX

By: _____

Address:

Print Name: _____

Title: _____

Attention: _____

Effective Date:

ADDITIONAL TERMS AND CONDITIONS OF THIS AGREEMENT BEGIN ON THE FOLLOWING PAGE. THIS AGREEMENT MAY CONTAIN SEVERAL ATTACHED EXHIBITS, THE PAGES OF WHICH MAY NOT BE NUMBERED.

TABLE OF EXHIBITS

Exhibit A	Fee Schedule
Exhibit B	Service and Support Level Specification Agreement

TERMS AND CONDITIONS

1. Services.

1.1. Customer's Rights to Use the Services. ACT grants Customer a limited non-exclusive, non-transferable, worldwide right and license to access and use the Services for the duration of the Term (as defined herein) solely for the purposes of tax assessment and collection by or on behalf of Customer. This right is subject to Customer's payment of all required fees described in Exhibit A (the "**Fee Schedule**") attached hereto and incorporated herein and compliance with all of its obligations under this Agreement. The "**Services**" means the services provided by ACT that are described in Exhibit B attached hereto and incorporated herein.

1.2. Service Levels. In providing the Services, ACT shall use commercially reasonable efforts to comply in all material respects with any service levels set forth in Exhibit B ("**Service Levels**"). ACT shall not be responsible for failing to meet a Service Level to the extent the failure is caused by Customer, a third party or a force or cause beyond ACT's reasonable control.

1.3. Rights of ACT. ACT shall be free to provide Services for others on an unrestricted basis. ACT may subcontract any portion of the Services without notice, consent or any other restriction and has sole discretion in its use of subcontractors and consultants, including, but not limited to third party server hosting services.

2. Customer Restrictions; Proprietary and other Rights.

2.1. Restrictions. Customer shall not, and shall not permit any third party to: (i) sublicense, resell, lease, transfer or assign to any third party the Services or any associated software owned by ACT ("**ACT Software**") or associated software owned by a third party ("**Third Party Software**"); (ii) duplicate, modify or make derivative works of any ACT Software or Third Party Software; or (iii) reverse engineer, decompile, disassemble, or translate any ACT Software or Third Party Software. Customer has no rights to the source code of the ACT Software or Third Party Software. Customer may not access the Services other than as expressly provided by ACT pursuant to this Agreement. Access to the Services shall be limited by Customer to employees, contractors, consultants, representative or agents of Customer that are authorized by Customer to access and use the Services on Customer's behalf ("**Authorized Users**"). Customer shall be solely responsible for any activities that occur under its account with ACT, including the activities of its Authorized Users.

2.2. Data Rights. To the extent allowed by the laws of the State of Texas: Customer grants ACT a royalty-free, non-exclusive, non-transferable, worldwide right and license to access and use in any media the data, information, trademarks and content of Customer ("**Customer Data**") to the extent ACT needs the Customer Data to provide the Services, to configure the format and other technical or display requirements of the Services, and to manipulate and display the Customer Data for processing transactions on behalf of Customer. The Services may be designed to collect transaction, connection and/or performance information for use by ACT ("**Transaction Information**"). All Customer Data and Transaction Information is and shall remain the sole and exclusive property of Customer and shall not be used by ACT for any purpose other than the performance of its obligations and exercise of its rights under this Agreement.

2.3. Privacy Policy. Customer agrees that ACT and its affiliates may use any information Customer provides to ACT, including but not limited to, the Customer Data and Transaction Information for the purposes of this Agreement and in a manner consistent with the laws of the State of Texas and ACT's then-current Privacy Policy as set forth at www.acttax.com which may be changed by ACT without notice. Customer agrees, however, that ACT is not responsible for any information Customer provides to third parties, and that the privacy policies, if any, of such third parties will govern the use and disclosure of such information.

2.4. Acceptable Use. Customer shall comply, and shall cause its Authorized Users to comply, with the laws of the State of Texas and then-current Acceptable Use Policy located at www.acttax.com, as it may be modified from time to time, at ACT's sole discretion without notice ("**Use Policy**"). Nothing in the then-current Acceptable Use Policy located at www.acttax.com shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision therein and any present or future law, ordinance or administrative, executive or judicial regulation, order or decree, or amendment thereof, contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event, the affected provision or provisions of this Agreement shall be modified only to the extent necessary to bring them within the legal requirements and only during the time such conflict exists. ACT shall notify Customer of any Use Policy violation by

Customer and Customer shall cure the violation within one business day of receipt of notice of the violation. If the violation is by an Authorized User and the violation is not cured within this timeframe, Customer shall terminate that user's access to the Service. If Customer fails to terminate the access of any Authorized User that continues to violate the Use Policy, ACT shall have the right to terminate this Agreement. Customer shall comply with all written policies related to the Service that are published or reasonably communicated by ACT and all reasonable written directives provided by ACT with respect to use of the Service that are reasonably designed by ACT to ensure efficient operation of the Service.

2.5. Proprietary Rights of ACT. The Services, the ACT Software, the Third Party Software and any trade secrets, know-how, methodologies and processes, copyrights, trademarks, patents, trade secrets, and any other proprietary and intellectual property rights associated with or inherent in the Services, the ACT Software or the Third Party Software are and shall remain the sole and exclusive property of ACT and its third party licensors and shall not be used by Customer for any purpose other than the performance of its obligations and exercise of its rights under this Agreement.

3. Relationship Management. ACT and Customer shall each designate a representative (a "**Relationship Manager**") for this Agreement. Each Party shall have the right to change its Relationship Manager or designate an alternate by providing written notice to the other Party.

4. Fees, Payment, Taxes.

4.1. Fees. Customer shall pay ACT the Fees set forth in Exhibit A, payable against written invoice submitted by ACT in accordance with the Texas Prompt Payment Act, Tex. Govt. Code Ch. 2251.

4.2. Payment. Unless this Agreement or an Exhibit to this Agreement specifically provides otherwise, Customer shall pay all Fees in accordance with the Texas Prompt Payment Act, Tex. Govt. Code Ch. 2251 at the address specified in Exhibit A. Any Fees not paid when due shall accrue interest at a rate equal to the lesser of (i) one and one half percent (1.5%) of the invoiced amount per month or (ii) the maximum rate allowable under applicable law on all unpaid amounts. If Customer fails to pay any Fees on a timely basis, ACT may suspend Customer's access to the Services until the outstanding payment including any late charges is made in full. Chapter 2251 shall govern remittance of payment and remedies for late payment and non-payment.

4.3. Expense Reimbursement. Customer will reimburse ACT for all pre-approved out-of-pocket expenses incurred by ACT in rendering the Services, as specified in the applicable Exhibit to this Agreement. Such expenses may include, but shall not be limited to, travel and travel related expenses (including transportation, lodging and meals) and costs of any tangible material acquired by ACT for Customer's benefit.

4.4. Taxes. As a tax exempt entity, Customer shall not be liable for taxes. Tax exempt certification will be provided to ACT.

5. Confidentiality.

5.1. Non-Disclosure Obligations. To the extent allowed by the laws of the State of Texas: neither Party shall, without the express prior written consent of the other Party, redistribute, market, publish, disclose or divulge to any other person or entity, or use or modify for use, directly or indirectly in any way for any person or entity: (i) any of the other Party's Confidential Information during the Term and for three (3) years after any end to the Term; and (ii) any of the other Party's Trade Secrets at any time during which such information shall constitute a Trade Secret (before or after the end of the Term). The Parties agree that, during the Term and thereafter, each Party will hold Confidential Information and Trade Secrets in a fiduciary capacity for the benefit of the other Party and shall not (a) directly or indirectly use, copy, reproduce, distribute, manufacture, duplicate, reveal, report, publish, disclose or cause to be disclosed, or otherwise transfer any Confidential Information or Trade Secrets of the other Party to any third party, or (b) utilize Confidential Information or Trade Secrets for any purpose, except as expressly contemplated by this Agreement or authorized in writing by the other Party. To the extent allowed by the laws of the State of Texas: Each Party will limit the disclosure of the other Party's Confidential Information and Trade Secrets to employees, contractors or agents with a need-to-know, shall notify its employees, contractors and agents of their confidentiality obligations with respect to Confidential Information and Trade Secrets and shall require its respective employees, contractors and agents to comply with these obligations. To the extent allowed by the laws of the State of Texas: Each Party shall be liable for any breach by any employee, contractor or agent of the confidentiality obligations contained herein.

5.2. Trade Secrets. For purposes of this Agreement the following terms shall have the following meanings: “**Trade Secrets**” shall mean information (including, but not limited to, confidential business information, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, lists of actual or potential customers or suppliers) that: (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. The Parties stipulate that the Services and the ACT Software and the Third Party Software and all intellectual property rights associated with those items shall constitute Trade Secrets of ACT and its licensors.

5.3. Confidential Information. “**Confidential Information**” shall mean, with respect to a Party, all valuable, proprietary and confidential information belonging to or pertaining to the Party that does not constitute a Trade Secret of the Party and that is not generally known by or available to the Party’s competitors but is generally known only to the Party and those of its employees, contractors, clients or agents to whom such information must be confided for internal business purposes. Confidential Information does not include information that: (a) was in the possession of, or was rightfully known by, the recipient thereof without an obligation to maintain its confidentiality prior to receipt from disclosing Party; (b) is or becomes generally known to the public without violation of this Agreement; or (c) is obtained by the recipient in good faith from a third Party having the right to disclose it without an obligation of confidentiality.

5.4. Required Disclosure. To the extent allowed by all applicable laws: Notwithstanding the foregoing, either Party may disclose Confidential Information or Trade Secrets of the other Party in judicial or other government proceedings to the extent that the Party is legally compelled to do so, provided that the Party has notified the other Party in writing at least ten (10) days prior to disclosure and shall have used its best efforts to obtain, and shall have afforded the other Party a reasonable opportunity to obtain, an appropriate protective or similar order providing for the confidential treatment of the Confidential Information or Trade Secrets required to be disclosed.

5.5. Injunctive Relief. Each Party acknowledges that any unauthorized disclosure or use of the other Party’s Trade Secrets or Confidential Information would be likely to injure the other Party irreparably. Each Party acknowledges that its misuse or unauthorized disclosure of the other Party’s Confidential Information or Trade Secrets shall entitle the other Party to injunctive or other equitable relief allowed by the laws of the state of Texas.

6. Representations and Warranties.

6.1. ACT Representations and Warranties. ACT represents and warrants to Customer that: (i) it will provide the Services in a manner consistent with reasonably applicable general industry standards; (ii) in providing the Services, it shall comply with all applicable Federal, state and local laws and regulations (“**Laws**”) and shall obtain all required permits and licenses; and (iii) will update the ACT Software and the Service as necessary to comply with changes mandated by legislative changes to the State of Texas Property Tax Code and administrative directives issued by the Property Tax Division of the Comptroller’s Office for the State of Texas.

6.2. Customer Representations and Warranties. Customer represents and warrants to ACT that: (i) the Customer Data does not and shall not infringe on or violate any third party’s intellectual property or other proprietary rights; (ii) Customer owns the Customer Data or otherwise has the right to place the Customer Data on the ACT’s infrastructure in connection with the Services and to view and access the Customer Data through the Services; (iii) no further approval, authorization or consent of any governmental or regulatory authority is required to be obtained by it in order for it to enter into and perform its obligations under this Agreement; and (iv) in connection with its use of the Services, it shall comply with all Laws and shall obtain all applicable permits and licenses.

6.3. Disclaimer. TO THE EXTENT ALLOWED BY THE LAWS OF THE STATE OF TEXAS: EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, ACT MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR ANY WARRANTY OF NON-INFRINGEMENT. TO THE EXTENT OF THE LAWS ALLOWED BY THE STATE OF TEXAS, ACT DOES NOT WARRANT THAT: (a) THE SERVICES AND ANY RELATED SOFTWARE WILL OPERATE UNINTERRUPTED; (b) SERVICE OR SOFTWARE ERRORS CAN BE CORRECTED; OR (c) THE APPLICATIONS CONTAINED IN THE SERVICES OR SOFTWARE ARE DESIGNED TO MEET ALL OF CUSTOMER’S BUSINESS REQUIREMENTS.

6.4. Internet Delays. THE SERVICES MAY BE SUBJECT TO LIMITATIONS, DELAYS AND OTHER PROBLEMS INHERENT IN THE USE OF THE INTERNET AND ELECTRONIC COMMUNICATIONS. TO THE

EXTENT ALLOWED BY THE LAWS OF TEXAS: ACT IS NOT RESPONSIBLE FOR, AND CUSTOMER RELEASES ACT FROM, ANY DELAYS, DELIVERY FAILURES OR DAMAGES RESULTING FROM SUCH PROBLEMS.

7. Indemnification.

7.1. ACT Indemnity. To the extent allowed by the laws of the State of Texas: ACT shall indemnify and hold harmless Customer and any affiliated entities and their respective officers, directors, partners, employees, shareholders and agents against any damages awarded against the Customer by a court of competent jurisdiction in connection with a final judgment or ruling that the Customers use of, or access to, the Services infringes a United States patent, copyright or trademark of the third party that is registered as of the date ACT provides Customer with the Services, provided, that: (a) Customer gives ACT prompt notification in writing of any such infringement claim specifying in reasonable detail the nature and all material aspects of the claim and reasonable assistance, at ACT's expense, in the defense of such infringement claim; and (b) ACT has the sole authority to defend or settle such infringement claim.

7.2. Indemnification Limitations. To the extent allowed by the laws of the State of Texas: ACT shall have no obligation for any infringement claim arising out of or relating to: (a) use of the Services other than in accordance with the terms of this Agreement; (b) any Third-Party Software associated with the Service; or (c) use of the Services in combination with any other hardware, software or other materials where absent such combination, the Services would not be the subject of the infringement claim.

7.3. Effect of Infringement Claim. If an infringement claim is asserted or, in ACT's reasonable belief, is likely to be asserted, (a) ACT may require Customer to discontinue use of the Services immediately and Customer shall comply with such requirement; and (b) ACT will, at its sole option, either (i) procure for Customer the right to use and exercise its rights with respect to the Services as provided in this Agreement; (ii) replace the Services with other non-infringing services or modify the Services to make it not infringing while retaining substantially similar functionality; or (c) if the remedies set forth in clauses (b)(i) and (b)(ii) are not commercially feasible, as determined by ACT in its sole discretion, terminate this Agreement, in whole or in part, and pay to Licensee any prepaid Fees paid by Licensee for the infringing Services that are not provided due to the early termination.

7.4. Exclusive Remedy. TO THE EXTENT ALLOWED BY THE LAWS OF THE STATE OF TEXAS: THE PROVISIONS OF THIS SECTION STATE THE SOLE, EXCLUSIVE, AND ENTIRE LIABILITY OF ACT AND ITS LICENSORS TO CUSTOMER, AND IS CUSTOMER'S SOLE REMEDY WITH RESPECT TO, ANY CLAIM OF INFRINGEMENT OR MISAPPROPRIATION OR ALLEGED INFRINGEMENT OR MISAPPROPRIATION OF ANY THIRD-PARTY PATENT, COPYRIGHT, TRADEMARK, TRADE SECRET OR OTHER INTELLECTUAL PROPERTY RIGHT.

8. Limitation of Liability. TO THE EXTENT ALLOWED BY THE LAWS OF THE STATE OF TEXAS: EXCEPT FOR DAMAGES RESULTING FROM BREACHES HEREIN, ACT SHALL NOT BE LIABLE TO CUSTOMER FOR ANY INDIRECT, INCIDENTAL, SPECIAL EXEMPLARY OR CONSEQUENTIAL DAMAGES, OR FOR ANY LOSS OF PROFITS OR LOSS OF REVENUE, OR COMPUTER FAILURE. TO THE EXTENT ALLOWED BY THE LAWS OF THE STATE OF TEXAS: ACT SHALL NOT BE LIABLE TO CUSTOMER FOR; (I) LOST DATA; OR (II) FAILURE TO REALIZE EXPECTED SAVINGS RESULTING FROM THE USE OF THE SERVICES, EVEN IF ACT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSSES. TO THE EXTENT ALLOWED BY THE LAWS OF THE STATE OF TEXAS: ACT'S LIABILITY UNDER ANY PROVISION OF THIS HOSTING AGREEMENT SHALL BE LIMITED TO THE FEES PAID BY CUSTOMER TO ACT UNDER THE TERMS OF THE HOSTING AGREEMENT EXHIBIT A DURING THE IMMEDIATELY PRECEDING TWELVE (12) MONTHS. TO THE EXTENT ALLOWED BY THE LAWS OF THE STATE OF TEXAS, THIS SECTION SETS FORTH CUSTOMER'S SOLE AND EXCLUSIVE REMEDY FOR ANY BREACH OF WARRANTY.

9. Dispute Resolution.

9.1. Injunctive Relief. A material breach of Sections 2.1, 2.4 or 2.5 by Customer would irreparably harm ACT and, accordingly, Customer agrees, to the extent allowed by the laws of the State of Texas, that in the event of such a breach ACT shall be entitled, as allowed by law, to apply to a court of appropriate jurisdiction for injunctive relief, specific performance and/or, as the case may be, other interim measures, without the posting of any bond, to prevent or stop harm, including, but not limited to, harm relating to, trademarks, copyrights, patent rights, know-how,

trade secrets or other intellectual property rights. These rights to injunctive relief are in addition to those rights specified in Section 5.5.

9.2. Arbitration. Except with respect to equitable remedies and disputes related to the sections identified in Section 9.1, the Parties agree that any dispute, claim or controversy relating in any way to this Agreement shall be fully and finally settled by binding arbitration in Austin, Texas in accordance with the then current Commercial Arbitration Rules of the American Arbitration Association, as modified herein. The arbitration panel shall include only persons with experience in information technology or computer software licensing or implementation matters. Each Party shall choose one arbitrator, and the two arbitrators so selected shall choose the third arbitrator. Determinations of the arbitrators will be final and binding upon the Parties, and judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction. The existence, subject, evidence, proceedings, and ruling resulting from the arbitration proceedings shall be deemed Confidential Information, and shall not be disclosed by any Party, their representatives, or the arbitrators except as ordered by any court of competent jurisdiction or as required to comply with any applicable governmental statute or regulation. The arbitrators shall apply the governing law of this Agreement (without giving effect to its conflict of law principles) to all aspects of the dispute, including but not limited to the interpretation and validity of this Agreement, the rights and obligations of the Parties, the mode of performance and the remedies and consequences of the breach of the Agreement.

10. Term and Termination.

10.1. Term. The "**Term**" shall be the duration of ACT's obligation to provide Services to Customer. The Term shall commence on the Effective Date and shall continue for an initial period of five (5) years, unless terminated sooner in accordance with this Agreement (the "**Initial Term**"). The Term shall automatically renew beyond the Initial Term on an annual basis subject to earlier termination in accordance with this Agreement (each, a "**Renewal Term**"). This Agreement may be modified or amended only by an agreement in writing executed by Customer and ACT, and not otherwise.

10.2. Non-Renewal. This Agreement may be terminated by Customer or ACT on the last day of the Initial Term or on the last day of any Renewal Term by providing written notice to the other Party not less than sixty (60) days prior to the expiration of the Initial Term or the then current Renewal Term, as the case may be, indicating an intention to terminate the Agreement as of the last day of the Initial Term or the then current Renewal Term ("**Termination Date**").

10.3. Termination.

10.3.1 Termination by ACT. In addition to any other rights ACT may have under this Agreement or law, ACT may, at ACT's option, terminate this Agreement as follows: (i) upon Customer's failure to pay any Fees or other amounts it owes ACT under this Agreement; (ii) upon Customer's material breach of any of its other obligations, representations or warranties under this Agreement where the breach is not cured within thirty (30) business days after written notice of the breach is provided to Customer by ACT (provided, that if ACT determines in good faith that a breach by Customer is incurable, then the termination of the Term shall be effective immediately upon notice without a cure period); or (iii) immediately upon Customer's ceasing to do business in the normal course, becoming or being declared insolvent or bankrupt, being the subject of any proceeding relating to liquidation or insolvency which is not dismissed within ninety (90) calendar days or making an assignment for the benefit of its creditors.

10.3.2 Termination by Customer. Customer may, at Customer's option, terminate this Agreement as follows: (i) Customer may terminate this Agreement without cause upon ninety (90) days written notice; (ii) upon ACT's material breach of any of its other obligations, representations or warranties under this Agreement, where the breach is not cured within thirty (30) business days after written notice of the breach is provided to ACT by Customer; (iii) In the event that, during any term hereof, the Commissioners Court does not appropriate sufficient funds to meet the obligations of Customer under this agreement, Customer may terminate this agreement upon ninety (90) days written notice to ACT. Customer agrees, however, to use reasonable efforts to secure funds necessary for the continued performance of this Agreement. The parties intend this provision to be a continuing right to terminate this Agreement at the expiration of each budget period; and (iv) immediately upon ACT ceasing to do business in the normal course, becoming or being declared insolvent or bankrupt, being the subject of any proceeding relating to liquidation or insolvency which is not dismissed within ninety (90) calendar days or making an assignment for the benefit of its creditors. In the event of early termination by the Customer during the initial term, the Customer will reimburse ACT for the cost of the hardware ACT has provided the Customer pursuant to this Agreement.

10.3.3 Migration Period. Subject to Section 10.3.4, upon the termination or expiration of the Term (other than for violation by Customer of Section 2.1, 2.4, 2.5 or 5.), Customer shall have the right, upon providing written notice to ACT, to receive Services from ACT for up to six (6) months after the termination date (the "**Migration Period**") provided Customer continues paying all applicable Fees to ACT. With respect to a Migration Period after a termination by ACT pursuant to Section 10.3.1, Customer shall pay Fees on a monthly basis in advance, but in the event that Customer fails to make any one (1) payment when due during the Migration Period, ACT shall be entitled to discontinue the provision of Services.

10.3.4 Effect of Termination; Customer Data. Upon the expiration or termination of the Term and after receipt of all amounts due from Customer, ACT shall return to Customer all Customer Data provided that ACT may retain any Customer Data necessary for it to continue to perform under this Agreement pursuant to any Migration Period obligations, which Customer Data will be returned to Customer at the end of the Migration Period. In addition to returning all Customer Data, ACT shall destroy any copies and shall permanently delete and destroy all electronic versions of all Customer Data, and shall ensure that if any Customer Data has been provided to a third party, such third party shall similarly destroy any copies and shall permanently delete and destroy all electronic versions of all Customer Data.

10.3.5 Effective of Termination; Fees. Upon the expiration or termination of the Term, Customer shall (i) pay ACT all amounts then due and owing to ACT, and (ii) return to ACT all proprietary materials of ACT received under this Agreement. Upon termination or expiration of the Term for any reason, in addition to other amounts payable to ACT, Customer shall pay to ACT (i) all costs associated with ACT's provision of Services during any Migration Period, and (ii) any termination fee that may be payable under the applicable Exhibit to this Agreement.

10.4. Survival. Termination or expiration of the Term does not terminate other provisions of this Agreement that by their terms do not expire on termination or expiration of the Term.

11. Miscellaneous.

11.1. Entire Agreement. This Agreement and the Exhibits referencing this Agreement attached hereto and incorporated herein constitute the entire agreement between Customer and ACT with respect to the subject matter of the Agreement and supercede all prior oral negotiations and prior written agreements with respect to these matters. This Agreement may be modified or amended only by an agreement in writing executed by Customer and ACT, and not otherwise.

11.2. Independent Contractors. Nothing in this Agreement or in the course of dealing between ACT and Customer shall be deemed to create between ACT and Customer (including their respective directors, officers, employees and agents) a partnership, joint venture, association, employment relationship or any other relationship other than an independent contractor relationship.

11.3. Use of Customer Name. ACT shall have the right to identify Customer as a customer of ACT as part of ACT's marketing efforts, including customer lists and naming Customer in press releases.

11.4. Audit Rights. To the extent allowed by the laws of the State of Texas: ACT shall have the right during customary business hours, upon reasonable written notice and at ACT's expense, to examine Customer's books and records and use of the Services in order to audit Customer's compliance with this Agreement.

11.5. Waiver; Non-Waiver; Amendment. Failure by either Party to enforce any of the provisions of this Agreement or any rights with respect to it or the failure to exercise any option provided under this Agreement shall in no way be considered to be a waiver of that provision, right or option, or in any way affect the validity of this Agreement. No waiver of any rights under this Agreement, nor any modification or amendment of this Agreement, shall be effective or enforceable, unless it is in writing and signed by each Party.

11.6. Force Majeure. Neither Party to this Agreement, other than for payments due and payable, will be liable to the other for any failure or delay in performance under this Agreement due to circumstances beyond its reasonable control including, without limitation, Acts of God, labor disruption, strikes, lockouts, riots, acts of war, terrorist threat, epidemics, communication line failures, power failures or government action.

11.7. Governing Law. This Agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Hidalgo County, Texas. The

ACT hereby consents to personal jurisdiction in Hidalgo County, Texas. The Parties hereby acknowledge and agree that the United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement.

11.8. Assignment. Except as provided in this Agreement, Customer may not assign or transfer any of its rights, duties or obligations under this Agreement (whether by assignment, merger, transfer of assets, sale of stock, operation of law or otherwise) without the prior written consent of ACT and any assignment not in compliance with this Section shall be deemed void. ACT in its sole discretion may assign or transfer any of its rights, duties or obligations under this Agreement.

11.9. Notice. All notices or other communications under this Agreement must be in writing and will be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt), (b) five (5) calendar days after being deposited in the United States Mail, postage pre-paid, or (c) two (2) calendar days after being deposited for delivery with a nationally recognized overnight delivery service, such as Federal Express, (with written confirmation of receipt) and addressed or sent, as the case may be, to the appropriate addresses set forth on the first page of this Agreement (or to such other addresses as a Party may designate by notice to the other Party). All notices to ACT shall be addressed to the attention of the President with a copy delivered to Linebarger Goggan Blair & Sampson, L.L.P. (the "Firm"), to the attention of the Chief Operating Officer, at P.O. Box 17428, Austin, Texas 78760-7428 (or such other address as ACT or the Firm may designate by notice to the other Party). All notices, demands, requests, or communications to the County shall be in writing and shall either be (i) personally delivered against a written receipt, or (ii) sent by registered or certified mail, return receipt requested, postage prepaid and addressed to The County of Hidalgo to the attention of the County Judge with a copy delivered to Hidalgo County Tax Office, at 100 E. Cano, 2nd Floor, Edinburg, Texas 78539, or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith.

11.10. Severability. If any provision of this Agreement is held invalid or unenforceable, the provision shall be deemed modified only to the extent necessary to render it valid or eliminated from this Agreement, as the situation may require, and this Agreement shall be enforced and construed as if the provision had been included in this Agreement as modified in scope or applicability or not been included, as the case may be.

11.11. No Third Party Beneficiaries. This Agreement inures to the benefit of ACT and Customer only and no third party shall enjoy the benefits of this Agreement or shall have any rights under it except as is expressly provided in this Agreement.

11.12. Headings. The headings preceding the text of the paragraphs of this Agreement have been inserted solely for convenience of reference and neither constitute a part of this Agreement nor affect its meaning, interpretation or effect.

11.13. Interpretation; Order of Precedence. In the event of any discrepancy or conflict between the terms of the Agreement and the terms of any Exhibit, the terms of this Agreement shall control. This Agreement and any Exhibit hereto shall prevail over any additional, conflicting, or inconsistent terms or conditions which may appear on any purchase order or other document issued by Customer.

11.14. Export Controls. Customer agrees to comply fully with all relevant export laws and regulations of the United States including but not limited to the U.S. Export Administration Regulations (collectively, "**U.S. Export Controls**").

11.15. Compliance with Tx. Govt. Code §2252.151-154. In order to comply with Tx. Govt. Code §2252.152, ACT verifies that it is not a company identified on the Texas Comptroller's list of companies known to have contracts with, or provide supplies or services to, a foreign organization designated as a Foreign Terrorist Organization by the U.S. Secretary of State under federal law.

11.16. Compliance with Tx. Govt. Code 2271.002. In order to comply with Tx. Govt. Code 2271.002, ACT verifies that it does not boycott Israel and will not boycott Israel during the term of the contract.

11.17. Compliance with Tx. Govt. Code 2274.002, added by Acts 2021, 87th Leg., R.S., Ch. 529 (S.B. 13). In order to comply with Tx. Govt. Code 2274.002, ACT hereby certifies that it does not boycott energy companies and will not boycott energy companies during the term of the agreement.

11.18. Compliance with Tx. Govt. Code 2274.002, added by Acts 2021, 87th Leg., R.S., Ch. 529 (S.B. 19). In order to comply with Tx. Govt. Code 2274.002, ACT certifies that it does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and that it will not discriminate during the term of the contract against a firearm entity or firearm trade association.

11.19. Compliance with Tx. Govt. Code 2273.001-005. ACT hereby certifies that it is not an "abortion provider," nor is it an "affiliate" of abortion provider.

11.20. Nothing in this Agreement is intended to, and Customer does NOT waive, release or relinquish any right to assert any of the defenses Customer enjoys under the state or federal constitution, laws, rules, or regulations and any sovereign, official or qualified immunity available to Customer as to any claim or action of any person, entity, or individual against Customer.

EXHIBIT A

Fee Schedule

The Annual Service Fee during the term of this Hosting Service Agreement is \$195,700.00 ("Annual Service Fee"). The Annual Service Fee includes other modules in addition to the ACT Tax Collection System (TCS) software. Those modules available at no additional cost include TaxLedge (entity remittance software), Permits (TABC beer and liquor fees), Special Inventory Tracking (SIT), and a taxpayer web portal with electronic payment functionality.

ACT is further entitled to additional fees as follows:

1) a conversion fee at a rate to be negotiated between Customer and ACT for the conversion of any taxing units not presently administered or collected by the Customer, with a minimum conversion fee of \$2,500.

Thereafter, the rates set forth above will not increase at a rate greater than five percent (5%) per year.

The Customer will pay for local network equipment and local costs necessary to facilitate the Customer's connection to the System, including but not limited to routers, hubs and data transmission lines.

Payment Schedule

Payment of the Annual Service Fee will be made in one installment. Payment will be due within thirty (30) days from the rendering of services or the date of receipt of the invoice, and sent to:

ACT, LLC
2915 W Bitters Rd, Suite 400
San Antonio, Texas 78248

User requested system alterations:

All requests by Customer for modifications, enhancements or other changes to the ACT System (as defined in the Service and Support Level Specification Agreement attached to the Agreement as Exhibit B (the "SSLSA")) shall be evaluated by ACT and processed in accordance with the Change Control Procedures set forth at Schedule C of the SSLSA. If the Customer request is approved in accordance with such Change Control Procedures, ACT will determine if the request is billable. If ACT has determined that a request is billable, ACT will notify Customer in advance, in writing, of the determination of cost and the amount. Customer acknowledges that any request determined to be billable will be charged at the following rates:

<u>Rate Classification</u>	<u>Hourly Rate</u>
Principal	\$195.00
Project Manager	\$150.00
Senior Analyst	\$115.00
Developer	\$ 95.00
Quality Assurance / Trainer	\$ 75.00

Mileage

IRS standard rate

Airfare

Actual Airfare

Per Diem

Actual Charges

EXHIBIT B

Service and Support Level Specification Agreement

(attached)

Exhibit B

**Appraisal & Collection
Technologies
(ACT)**

**Service & Support
Level Specification
Agreement**

Hidalgo County

Tax Office

Edinburg, Texas

Service and Support Level Specification Agreement

Hidalgo County Tax Office

1. INTRODUCTION

1.1. Purpose and Objectives

This Service and Support Level Specification Agreement is made pursuant to the “Hosting Service Agreement” between Appraisal and Collection Technologies (ACT) and Hidalgo County Tax Office (HCTO), the Client.

The purpose of the Service Level Agreement is to identify current and projected levels and qualifications of support staff, hardware and software components, systems support service levels including the roles, responsibilities and response times between ACT and HCTO for change management, version control, security, problem source identification and resolution, back-up/recovery and disaster recovery, help-desk, user training, system enhancement development, system configuration and operations and upgrades.

1.2. Definitions

“ACT” means Appraisal and Collection Technologies LLC, a wholly owned entity of Linebarger Goggan Blair & Sampson, LLP. All references to ACT herein include ACT personnel and ACT management.

“ACT System” or “System” means the Appraisal and Collection Technologies Tax Collection System, developed by ACT for use by a current tax office (software and hardware) including all upgrades and modifications. The ACT System Service Components are listed in Section L.

“ACT System Source Code” means the programs and database objects that make up the ACT System.

“ACTEVAL” means that particular portion of the ACT System where HCTO testing data resides and is manipulated

“ACTPROD” means that particular portion of the ACT System where the HCTO live data resides and is manipulated.

ACT Service Level Agreement

“ACT User Manual” means a set of instructions designed to teach persons to use the ACT System and as used herein refers to those instructions embedded within the ACT System contained help functionality.

“CAD” means the County Appraisal District.

“Change Control Procedures” means the process to be followed when software or hardware changes are required to the ACT System.

“Client Manager” means the ACT resource responsible for managing the relationship between the client and ACT.

“Client Preferences” means those settings within the ACT System which can be managed by HCTO and serve to alter the ACT System’s behavior.

“Data Fix” means the insertion or correction of data directly in the Primary System via specialized tools. A Data Fix bypasses all ACT System controls, audits, and edits.

“Entitlements” means security settings within the ACT System that serve to enable a user to perform specific operations.

“Global Code Preferences” means those settings which are configurable within the ACT System, but are intended to be managed by ACT and not HCTO.

“Hardware” means any and all computer components installed by ACT at HCTO facilities to operate the System.

“Help Desk Services” mean the specified support services provided by ACT to HCTO to facilitate understanding in operating and executing the delivered Services.

“Hosting Service Agreement” means the Agreement executed between HCTO and ACT that provides the license for the ACT System to HCTO, to which the Service and Support Level Specification is Exhibit B.

“Metrics” means the numeric criteria against which performance under this Agreement are to be measured.

“Normal Business Hours” means 7:00 AM to 6:30 PM CST Monday through Thursday and 7:00 AM to 6:00 PM CST Friday, except published holidays.

“Object Fix” means computer code changes to the ACT System Source Code designed to create or alter the ACT System functionality.

“Peak Business Periods” means end of tax year processing periods, end of fiscal year processing periods, month end close processing periods, certified tax billing processing periods and any other time designated as critical by HCTO.

ACT Service Level Agreement

“Primary System” means the ACTPROD portion of the ACT System.

“PRC” means the internal ACT Problem, Request and Control system utilized to manage the software development life cycle. All Software Problems and Software Change Requests are entered into this system for resolution control.

“Problem Escalation” means the procedure for alerting and notifying increasingly senior members of ACT of the non-resolution of problems.

“Problem Management” means the procedures for providing support and problem resolution services to HCTO.

“Problem Priority” means the method used to define the urgency of a reported issue or change.

“Services” mean the work that ACT performs for HCTO.

“Service Availability” means the times and periods that ACT will make their Services available to HCTO.

“Service Component” means a divisible and identifiable part of the overall Services to be delivered.

“Service review meetings” mean meetings that are held between ACT and HCTO specifically to discuss issues arising from the delivery of the Services including the performance of the Service delivery.

“Software Change Request” means new system design to support business requirements not currently supported by ACT System functionality.

“Software Problem” means existing ACT System functionality not working as it was originally intended to function as documented in the ACT User Manual.

“Standby System” means the copy of ACTPROD that is replicated at the ACT Disaster Recovery Site.

“System Availability” means the ability of HCTO to process transactions and access data.

“Test System” means an environment where user testing can occur without impact to the Primary System. The main component of the Test System is ACTEVAL.

ACT Service Level Agreement

2. SCOPE OF WORK

2.1. Services

Services to be delivered under this Agreement are set forth in Schedule A.

2.2. Services Availability

The availability, operational reliability, and response times of the Services to be delivered and disaster recovery procedures are set forth in Schedule B.

2.3. Changes to Services

Change Control Procedures are described in Schedule C.

3. PERFORMANCE, TRACKING AND REPORTING

3.1. Key Personnel Changes

ACT will notify HCTO within (3) days of changes to any ACT Resources that could potentially affect the delivery of Services to HCTO.

3.2. Services Availability Monitoring

The methodology to be used to monitor Services Availability is set forth in Schedule D.

3.3. Services Level Reporting

The content and schedule of Services Level reports are set forth in Schedule E.

3.4. Services Review Meetings

Services review meetings to discuss such items as Services performance levels, Software Problems, proposed Software Change Requests and administrative issues will be held on an as-needed basis with ACT at HCTO.

4. PROBLEM MANAGEMENT

4.1. Help Desk Services

Schedule F provides information on ACT's Help Desk Services and support procedures.

ACT Service Level Agreement

4.2. Problem Escalation & Priority Resolution

Schedule G details the Problem Escalation procedure. Schedule H details Software Problem definitions and resolution time frames. Schedule J contains a sample of ACT's Software Problem resolution request form.

4.3. Data Backup & Retention

Schedule I details ACT's System backup and retention policy for HCTO data.

4.4. Contact Information

Schedule K contains ACT production support contact information.

4.5. ACT System Service Components

Schedule L itemizes the ACT System Service Components.

5. HCTO DUTIES AND RESPONSIBILITIES

5.1. HCTO will ensure that ACT has timely access to appropriate HCTO personnel and will arrange for ACT to have suitable and safe access to the HCTO facilities and systems.

5.2. HCTO will ensure that ACT has timely access to any areas where ACT equipment (including peripheral hardware or connections) is housed to ensure agreed upon levels of service.

6. SCHEDULES

SCHEDULE A	Services
SCHEDULE B	Services Availability
SCHEDULE C	Change Control Procedure
SCHEDULE D	Services Monitoring and Performance Measurement
SCHEDULE E	Service Level Reporting
SCHEDULE F	Support and Help Desk Services
SCHEDULE G	Problem Escalation
SCHEDULE H	Software Problem Priority Resolution Matrix

ACT Service Level Agreement

SCHEDULE I	System Backup
SCHEDULE J	Problem Report and Correction Form
SCHEDULE K	ACT Production Support Contact Information
SCHEDULE L	ACT System Service Components

7. SCHEDULE A SERVICES

Schedule A provides a detailed list of the Services that are to be delivered to HCTO and identifies HCTO's responsibilities to receive these Services.

HCTO owns and shall maintain exclusive control of all of its records stored in the ACT System including data imported from external sources. ACT has no rights to HCTO data but may gain access by complying with established Open Record Request procedures directed to the HCTO Public Information Officer. ACT may utilize the HCTO data stored within the ACT system as necessary to perform the services.

HCTO will provide access to necessary resources and information in a timely manner to support ACT in delivering these Services.

7.1. ACT Responsibilities

ACT shall provide technical and analytical support for processing and reporting performed in any ACT System Service Component installed at HCTO during the term of the Contract.

Current Business Areas include:

- a) Assessment & Freeze Processing
- b) Current and Delinquent Billing
- c) Electronic Batch & Online Payments
- d) Special Transaction Processing (such as reversals, returned items, agricultural-rollbacks, pro-rations & transfers)
- e) Batch & Online Receipting
- f) Refund Processing & Check Generation
- g) Collection & Monthly Reporting
- h) Jurisdictional Disbursement Processing
- i) Litigation Status Management
- j) Certified Tax Year and Annual Fiscal Rollover
- k) Hotel and Dealer Sales Filings
- l) In-bound and Outbound Data Exchange
- m) Master Data & Client Preference Maintenance
- n) User Security Management

ACT Service Level Agreement

- o) And any other processes or functions performed in ACT not itemized above

7.2. ACT Supplied Hardware and Third Party Software

- (a) ACT will be responsible for maintaining all Oracle components including product upgrades.
- (b) ACT will manage, acquire and administer all licenses and maintenance agreements related to the Oracle software toolset and ACT related hardware.
- (c) ACT will maintain the current level of hardware infrastructure and backup equipment to minimize downtime to HCTO.
- (d) ACT will maintain hardware infrastructure for that hardware provided by ACT and the broadband connection between the hardware and the ACT facilities. HCTO will be responsible for the maintenance of all other hardware owned by HCTO and peripheral devices used by the ACT System throughout HCTO operations. The management and maintenance of the HCTO network and servers will be the responsibility of HCTO.
- (e) A SOC 1, Type II examination will be performed by an independent consulting firm annually.

7.3. ACT Help Desk

ACT shall maintain and manage a Help Desk to support users at HCTO.

7.4. Consolidation of New Jurisdictions

ACT will provide the necessary software and hardware (System) modifications to support the collection of ad valorem taxes for new jurisdictions consolidating into the HCTO. ACT will perform data conversion activities in conjunction with HCTO resources. ACT agrees to perform all necessary data conversion at a cost not to exceed the amount reflected in the Hosting Service Agreement (Schedule 1 - Fee Schedule).

ACT may bill additional annual charges for a new jurisdiction, which uses or whose tax collection attorneys use a delinquent tax software system that does not presently interface with the ACT System, at a cost not to exceed the amount reflected in the Hosting Service Agreement (Schedule 1 - Fee Schedule).

7.5. System Modifications

HCTO will make any request for System modifications in writing with sufficient specificity to identify the exact change being requested and the reason the change is necessary or desirable. HCTO shall complete the ACT supplied

ACT Service Level Agreement

template (see Schedule J) as well as other documents to complete the specification for the enhancement.

As requested by HCTO, ACT shall work with HCTO to implement other ACT System Service Components offered by ACT not currently installed at HCTO.

ACT will maintain core development of application fixes and enhancements to the ACT System Source Code.

Reports used across clients developed within the ACT System will remain the responsibility of ACT.

HCTO will develop and maintain user requested reports using an ad hoc reporting tool provided and licensed by ACT. ACT will be available to aid in this effort as needed. However, joint HCTO and ACT report development using an ad hoc reporting tool will be mutually agreed upon in advance by both parties.

ACT System Object Fix(es) will follow the procedures outlined in Schedule C.

7.6. System Configuration Management

ACT shall maintain distribution rules, rates and commissions for TaxLedge as follows: HCTO will deliver to ACT complete data for all changes in writing. These changes will then be inserted into the ACT System by ACT and approved by HCTO before production usage.

ACT shall manage Global Code Preferences used throughout the ACT System.

HCTO will maintain the HCTO client Preferences code set. ACT shall support HCTO in this activity as requested by HCTO.

ACT will provide support to aid HCTO in performing business requirements analysis and assisting in the specifications documentation of Software Change Requests.

ACT shall manage on-line system change request documentation. HCTO approved requested updates shall be provided to ACT in writing (See Section J). While ACT cannot guarantee incorporation of all requested changes into the ACT System, each written request will be addressed in writing within a timely manner. (See Section H for response time.)

7.7. Security Administration

ACT shall add and maintain any HCTO required security roles based on specifications supplied by HCTO for the ACT System.

HCTO shall setup and maintain User IDs for the ACT System. HCTO, or ACT upon direction from HCTO, shall assign users to roles.

ACT Service Level Agreement

HCTO shall assign Entitlements to users for the ACT System.

As ACT enhances front-end security functionality to allow for HCTO personnel to assume more security related responsibilities, HCTO shall assume these responsibilities, with ACT training and / or assistance as needed.

7.8. Training

ACT shall provide continuing product training as requested by HCTO. ACT System training will be performed via Webinar. To ensure effective training, coordination of dates and class size will be agreed upon in advance by ACT and HCTO. For any training to be provided on-site, HCTO will provide facilities and required equipment to support the training.

Unless otherwise agreed between the parties, third party vendor training for HCTO is the responsibility of HCTO.

8. Schedule B SERVICES AVAILABILITY

Schedule B provides a list of the times and periods when the ACT System will be available to HCTO.

Access to the ACT System should be available at all times except when essential maintenance to hardware or software is required. If it becomes necessary to interrupt service during Normal Business Hours, prior notification to and approval from HCTO is required unless the situation is critical in nature and could cause more damage if not handled immediately. As much as possible, interruptions will be scheduled to minimize any impact on users.

8.1. System Availability

ACT commits to 99% ACT System Availability during Normal Business Hours. ACT shall also provide this level of System Availability during Peak Business Periods. Upon request, ACT shall provide monthly reports summarizing System Availability and downtime using ACT provided system utilities. ACT will notify HCTO of any unscheduled outage and resolve the issue as quickly as possible.

8.2. ACT Personnel Availability

HCTO will provide ACT reasonable notice when ACT support is required outside Normal Business Hours. ACT will provide support as required under these situations.

8.3. Scheduled System Downtime

Scheduled downtime will be conducted outside Normal Business Hours and Peak Business Periods.

ACT Service Level Agreement

Scheduled downtime will occur on a weekly basis on Mondays from 5:00 AM – 5:30 AM CST. This scheduled downtime is required to conduct a weekly cold backup.

Planned downtime outside the Scheduled System Downtime may be necessary. ACT shall provide ten (10) days advance written notice to HCTO, unless the maintenance is deemed critical to system stability.

If HCTO requires System Availability during ACT Scheduled System Downtime, HCTO shall provide ACT with eight (8) days advance written notice. ACT shall strive to fulfill these requests.

8.4. Unplanned System Downtime

Upon identification or notification by HCTO of an unscheduled event that reduces System Availability, ACT shall begin problem source identification and troubleshooting the problem within a 15-minute timeframe. ACT shall use all means at its disposal to keep HCTO updated as to the status of the problem and the estimated time of the return of System Availability.

8.5. Back-Up Procedures

Backup procedures are performed as defined in Schedule I.

8.6. Disaster Recovery / Hardware Failure

Physical Redundancy: HCTO's Primary System is replicated at the ACT Disaster Recovery Site (Standby System).

Power Redundancy: HCTO is responsible for providing power to the HCTO facilities and all equipment housed within it. The ACT Primary System is housed in a facility in San Antonio, Texas. This facility is equipped with a stand-by generator with sufficient capacity to continue to operate in the event of a power grid outage.

A fail-over to the Standby System will be initiated and managed by ACT. ACT will work to re-route HCTO to the Standby System. HCTO will provide technical assistance as needed.

Once the defect is cured on the Primary System, ACT will have 5 business days to restore Services on the Primary System by reloading its data from the Standby System

8.7. Disaster Types

Level 1 Disasters are defined as having low data impact, possibly high operations impact, but no continuity issues. These disasters do not put data that is on the database at risk. Level 1 disasters include:

ACT Service Level Agreement

Failure of the Router: ACT will troubleshoot and if it is determined that a new router is necessary, one of ACT's backup routers will be dispatched with an appropriately trained technician to install the new equipment.

Level 2 Disasters are defined as having medium to high data impact, possibly high operations impact, and potential continuity issues. ACT will focus to minimize data loss. Level 2 disasters include:

Failure of the main HCTO Primary System: Should a failure of the Primary System occur, the un-posted Data Guard logs would be posted to the Standby System that would become the Primary System. HCTO would begin to receive Services from the Standby System.

Failure of an application server: There are multiple application server instances that facilitate HCTO access to the Primary System. If one instance fails, the user would be required to restart the application which would redirect the user to the other application server instance.

Level 3 Disasters are defined as having high data impact, high operations impact and business continuity issues. Level 3 Disasters include: Major damage/loss of building and infrastructure, chemical or biological incident that makes the building inhospitable to employees, and a meteorological event that makes access to the building impossible for employees.

Whenever HCTO cannot obtain Services from the Primary System and ACT determines that continued attempts to cure the cause of the Service interruption is not timely, ACT will utilize the Standby System to continue Services to HCTO.

9. SCHEDULE C CHANGE CONTROL PROCEDURES

Schedule C provides information on the change control procedures to be followed for Software Problem or HCTO requested changes to the ACT System.

9.1. Software Design Change Requests

HCTO Software Change Requests shall be delivered to ACT in writing for consideration. (See Section J)

HCTO shall provide a written specification identifying details of the requested change and reason for the change. HCTO shall make key personnel available to discuss the requested change.

ACT shall evaluate the Software Change Request and perform a cost benefit impact analysis considering the HCTO requirements as well as the impact on other ACT clients. ACT may share Software Change Request information with other clients.

ACT Service Level Agreement

If impact analysis yields a potential conflict with other clients, ACT will work with HCTO (and all clients) to resolve in a mutually beneficial manner.

After HCTO and ACT approve a Software Change Request, a target availability date will be scheduled that is agreed upon by parties and takes into consideration development and internal test timeframes.

After ACT develops and internally tests an Object Fix as necessary to meet the objectives of the Software Change Request, ACT will migrate the Object Fix(es) to the Test System on a regular basis, unless a HCTO emergency requires sooner action. In this environment, HCTO will have the opportunity to test the Object Fix.

If an Object Fix involves a HCTO specific object, for example, a tax statement, testing is limited to HCTO.

HCTO has the right to test any Object Fix and provide written test results to ACT in three (3) business days.

If HCTO identifies a Software Problem, ACT will remediate the Object Fix and re-test before re-migrating it to the Test System.

If Software Change Request functionality or Software Problem(s) are identified during testing that were not in the original request scope, a new Software Change Request will be required and a new schedule of development will need to be discussed and agreed upon.

Once HCTO verifies that the Software Change Request performs as expected, including successful execution of relevant transactions in the Test System to ensure no corruption of non-related functions, ACT shall migrate the Object Fix to the Primary System.

HCTO will have the option to test all Object Fix(es) before migration to the Primary System.

ACT will not be obligated to approve any change request that ACT reasonably believes (i) does not conform to generally accepted industry standards or best practices, (ii) could adversely impact or materially degrade the performance of the ACT System, (iii) could adversely impact ACT's ability to meet its service level commitments or other obligations under this agreement, or (iv) could adversely impact other clients that use the ACT System. If ACT declines to approve a change request for any of these reasons, it will work with HCTO in an effort to revise the change request in a mutually acceptable manner.

The ACT System warranty shall extend to all additions and modifications to the ACT System by ACT unless the modification has been requested by HCTO and ACT has advised against the modification because of associated risks in so doing.

9.2. Software Problems

HCTO shall provide ACT detailed information when reporting a Software Problem. Examples of relevant information include the date and time the problem occurred, a detailed description of the issue in terms of impact on business processing, the process that was being performed within the ACT System when the error occurred, system error message received and the user ID operating the system. This information will be captured using the PRC form or a document template of similar nature which must be approved by HCTO. (See Schedule J.)

Software Problems will be assigned a priority and resolved within the timeframe outlined in Schedule H.

Once ACT develops and internally tests the Object Fix for a Software Problem, ACT will migrate the Object Fix to the Test System. This migration will occur on a schedule outside Normal Business Hours.

Within three (3) days of the migration, HCTO shall verify that the Object Fix is operating as needed. Unless a written notice of exception is received from HCTO, ACT shall migrate the Object Fix to the Primary System after Normal Business Hours, following HCTO's three day review period.

If continued Software Problem(s) are identified with a particular Object Fix, ACT will correct and re-test before migrating the Object Fix back to the Primary System.

9.3. HCTO Testing Timeframe

Time is of the essence in resolving Software Problems. HCTO will test an Object Fix in the Test System according to the HCTO test plan in accordance to the timeframes listed below:

Software Problem: three (3) working business days.

Software Change Request: three (3) working business days, unless otherwise agreed upon by HCTO and ACT.

ACT shall migrate Object Fix or Data Fix to the Primary System unless a written exception is received from HCTO.

ACT shall migrate Object Fix(es) to the Test System on a schedule. Exceptions to this practice would occur if a HCTO generated high priority Object Fix is ready for HCTO review.

HCTO shall be provided three (3) days to test, i.e. Tuesday through end- of-day

ACT Service Level Agreement

Thursday any object fixes before migration. HCTO shall notify ACT in writing of a defect in any PRC by 4 PM Thursday. Unless HCTO has notified ACT of a defect, ACT shall migrate these Object Fix(es) into the Primary System, also on a scheduled basis, after Normal Business Hours.

10. SCHEDULE D SERVICE MONITORING AND PERFORMANCE MEASUREMENT

Schedule D provides detailed information on the monitoring of Services delivered to HCTO and the Metrics and other means to be applied to measure the performance of the Services delivered.

10.1. Performance Monitoring

ACT shall have tools in place to be used to analyze performance issues.

HCTO users who experience ACT System performance issues shall report such issues to HCTO and ACT. ACT shall investigate reported performance issues. If the problem is identified as an ACT issue, performance tuning results and targets will be reviewed and approved and Object Fix(es) made as necessary.

If, after ACT investigation, ACT believes the underlying cause of the issue originates with HCTO, the issue shall be turned over to HCTO for further review or jointly reviewed by ACT and HCTO.

Parties will review any non-compliance with performance expectations.

10.2. Software Problems

ACT commits to deliver within the specified timeframes. Schedule H outlines the delivery timeframe for Software Problem resolution. Processes covered under each Problem Priority level are outlined in Schedule H.

HCTO will provide appropriate and timely turnaround to support ACT problem resolution efforts and timeframes listed in Schedule H.

10.3. Software Enhancements

ACT commits to deliver within the negotiated target dates associated with Software Change Requests.

10.4. Hardware Failure

Timeframes for recovery in the event of hardware failures are specified in Schedule B.

10.5. Remote Access to System

ACT Service Level Agreement

ACT cannot guarantee performance or response times on network links for which ACT has no control. As such, ACT does not guarantee response time performance Metrics for remote users, i.e. those defined as users accessing the System outside the HCTO network. (HCTO Branches are considered inside the HCTO network.)

11. SCHEDULE E SERVICE LEVEL REPORTING

Schedule E provides information on the service level reporting provided by ACT.

11.1. Reporting

Within five (5) days of the receipt of a request from HCTO, ACT shall provide HCTO a summary listing of all open work orders (PRCs) including Software Problems, Software Change Requests and performance or hardware issues.

The report shall identify:

1. PRC identification number
2. PRC reported date
3. Original and current problem target completion date
4. Problem description
5. Current PRC status
6. Completion date

11.2. PRC System

ACT and HCTO shall use ACT'S PRC system to manage and report Software Problems, Software Change Requests and Data Fix(es). PRC reports shall be updated and enhanced periodically by agreement of the parties.

11.3. Other Reports

ACT and HCTO shall agree to other reporting requirements as needed.

12. SCHEDULE F SUPPORT & HELP DESK SERVICES

Schedule F provides information on the Support & Help Desk Services available from ACT. HCTO shall have completed the HCTO annual authorized personnel form which lists those individuals from HCTO who are authorized to communicate work request to ACT.

12.1. Help Desk Operation

ACT Service Level Agreement

ACT will staff a help desk with knowledgeable Tax System personnel and be available for assisting HCTO from 7:00 AM through 6:30 PM CST Monday through Thursday and 7:00 AM through 6:00 PM CST Fridays, excepting holidays.

12.2. Problem Reporting

HCTO shall communicate ACT System issues pursuant to internal HCTO procedures. At the option of HCTO, these issues will be presented to ACT via the ACT supplied Problem Report and Correction Form (see schedule J) or through the use of an internally developed HCTO document that supplies the same information. The form will contain the problem description, who reported the issue and contact information, resolution priority, requested target date and backup documentation. ACT will review the form for completeness and assess the target date for feasibility. Once this process is complete, the unit of work will be assigned a PRC identification number, discussed in ACT's daily operational meeting, and sourced to an ACT resource for further review.

If a Data Fix is requested, HCTO shall submit a work order to ACT with a proactive request for the Data Fix or if this is not the case, and a Data Fix is deemed necessary, ACT must have written approval from HCTO before a Data Fix will be made to the Primary System.

For smaller (fewer than 10 minutes), non-critical type requests, such as cancelling a scheduled production job, HCTO may submit an oral request to ACT. This type of request does not require backup documentation, a work order, or a PRC.

Critical priority items (i.e. AAA as defined in Section H) that affect System Availability or cause processing delays shall be directly communicated (verbally) by HCTO to ACT. A PRC will be generated by ACT to track the issue.

12.3. Service Delivery

ACT can be available outside Normal Business Hours to perform emergency production support services. Contact information for ACT will be provided to HCTO.

13. SCHEDULE G PROBLEM ESCALATION

Schedule G provides information on the Problem Escalation procedure to be applied to the Services.

13.1. Notification

ACT shall be notified of all Software Problems, no matter the level of priority via submission of a problem report (see schedule J).

ACT Service Level Agreement

13.2. Status Reporting and Escalation

ACT shall contact HCTO on a regular basis (at minimum every four (4) hours) during periods when System Availability is reduced to provide information related to the actions being taken to resolve the issue as timely as possible. In the event that an incident is not being resolved within the agreed timeframes, escalation procedures are outlined below.

ACT's Problem Escalation process assigns timeframes to contact varying management levels within ACT based on the severity of the problem and the amount of time the issue remains unresolved.

The Position levels 2, 3 and 4 configuration of timeframes outlined below shall apply when ACT exceeds the expected delivery timeframe (See Schedule H).

Resolution timeframes below are measured in hours and business days.

Problem Level	Position 1 (ACT Support / Help Desk)	Position 2 (Client Manager)	Position 3 (ACT Director)	Position 4 (President)
Priority AAA	15 minutes	1 hour	4 hours	1 day
Priority AA	1 hour	2 days	3 days	4 days
Priority A	4 hours	5 days	10 days	20 days
Priority B / Enhancements	8 hours	5 days	15 days	30 days

For example, ACT shall resolve a AAA (commonly known as "triple A") development/hardware issue within 15 minutes of the occurrence or missed deadline. If the item remains unresolved, the Client Manager shall be contacted. If, after one additional hour, the item remains unresolved or open, the Director of ACT shall be contacted and they must resolve the issue within four (4) hours. If the item still remains open, ACT's President shall be contacted for final resolution within one day.

14. SCHEDULE H PROBLEM PRIORITY RESOLUTION MATRIX

Schedule H provides information on the Problem Description and Issue Resolution to be applied to the Services.

Resolution timeframes below are measured in hours and business days unless otherwise noted.

ACT Service Level Agreement

Priority	Resolution Timeframe (or as noted above)	Business Process Scope / Impact	Resolution Timeframe Calculation
Priority AAA Critical – Hardware	48 hours	a) Hardware/database/NetApp failure. -A work-around does not exist. -Process delays are not acceptable.	Start Time: Within 15 minutes of notification to ACT on-site Support/Help Desk. End Time: Introduction of fix to the production environment.
Priority AAA Critical - Software	72 hours	a) Posting of payments. b) Generating receipts. c) Generation of bills. d) Disbursement of funds. -A work-around does not exist. -Process delays are not acceptable.	Start Time: Within 1 hour of notification to ACT on-site Support/Help Desk. End Time: Introduction of fix to the test bed environment.
Priority AA High	10 days	a) Generation of refunds. b) Processing of CAD data. c) Posting of transfers & returned items. d) Monthly closeout. -A work-around may be available, but it is time intensive, or no work-around exists. -Process delays likely.	Start Time: Within 3 days of notification to ACT on-site Support/Help Desk. End Time: Introduction of problem to the test bed environment.
Priority A Medium	30 days	a) Cosmetic change to external reports or documents. b) Other items not listed above will be jointly defined by the HCTO and ACT. -A feasible work-around is available to be performed on a limited basis. -Minimal process delays when work-arounds are in place.	Start Time: Case by case basis - dependent on complexity of issue. End Time: Introduction of problem to the test bed environment.
Priority B	60 days	a) Cosmetic change to reports or documents.	Start Time: Case by case basis - dependent on complexity of issue.

ACT Service Level Agreement

Low		<p>b) Other items not listed above will be jointly defined by HCTO Management and ACT Group.</p> <p>-A feasible work-around is available.</p> <p>-No process delays.</p>	<p>End Time: Introduction of fix to the test bed environment.</p>
Enhancements	Case by Case Basis	<p>-HCTO and ACT will mutually agree upon enhancement priority and delivery dates.</p>	<p>Start Time: Case by case basis - dependent on complexity of change request.</p> <p>End Time: Introduction of change to the test bed environment.</p>

15. SCHEDULE I SYSTEM BACKUP

All data shall be kept on the Primary System and shall be available on-line. When backup copies are made, they serve as a snapshot of the entire database. Each additional backup contains the previous history in addition to any changes to data since the prior backup. This procedure is in compliance with the State Comptroller’s “Retention Section For Records Common to All Local Governments”, Part 5: Electronic Data Processing Records. Should the Comptroller’s requirements change, record retention schedule will be modified to remain in compliance with the State Comptroller’s guidelines.

The schedule outlined below may be modified upon agreement between the parties.

15.1. Daily backups

ACT Service Level Agreement

Server: Oracle DB Storage Server (Primary System)
Type: Full backup
Schedule: Monday: 5:00 am (cold backup snapshot)
Tuesday – Saturday: 5:00 a.m. (hot backup snapshot)
Monday – Saturday: 9:00 p.m. (snapshot backup to tape)
Contents: Production Environment for TCS, Tax Ledge, SIT and Hotel:
All Data, Archive Logs, and Bin Directories (programs and
software on database server)
Media: Disk & Tape (copying snapshots to tape media)
Retention: 30 days

Server: Oracle DB Server; Oracle APP Servers
Type: Full & Incremental Backup
Schedule: Full Backup – Friday – 9:00 p.m.
Incremental Backup – Monday – Thursday – 9:00 p.m.
Contents: Operating System, Program files, Scripts, etc.
Media: Disk
Retention: 30 days

15.2. Monthly Backups

Server: Oracle DB Storage Server (Primary System)
Type: Full Backup
Schedule: Morning of the first business day of the new month
prior to HCTO
business hours. Monthly backups shall occur at
1:00 am. Should this conflict with another backup scheduled for that
day, the monthly backup shall begin after the first backup is
complete.
Contents: 1) Production Environment for TCS, Tax Ledge,
SIT and Hotel on
Oracle DB Storage Server
2) SPOOL (USR2SPOOL) & IMAGES
(USER2HCTAX) volumes
on Oracle DB Storage Server
Media: Tape
Retention: 12 months

15.3. Standby System

Server: Oracle DB Storage Server
Type: Full Backup

ACT Service Level Agreement

Schedule: Monday: Weekly 1:00 a.m. (cold backup snapshot)
Contents: HCTO Production Environment data for TCS, Tax Ledge, SIT and Hotel
Media: Disk
Retention: 30 days

16. SCHEDULE J PROBLEM REPORT AND CORRECTION FORM

Schedule J contains ACT's standard form to report problems and request fixes.

Create a PRC

PRCs are used to report system bugs or enhancement requests. To submit a new PRC to ACT, please fill in the fields below, then click the **Submit** button.

** indicates a required field*

ACT Version: ACT 7.0	Date Reported: <input type="text"/>
* Client Name: <input type="text" value="— Make a selection —"/>	Person Reporting: <input type="text"/>
Affected Account Number: <input type="text"/>	* Type: <input type="text" value="— Make a selection —"/>
Date Needed (MM/DD/YYYY): <input type="text"/>	Priority: <input type="text" value="B"/>
Additional Documentation Follows? <input type="checkbox"/>	Screen Name: <input type="text"/>
* E-Mail Address of Person Reporting: <input type="text"/>	
Supervisor E-Mail Address: <input type="text"/>	

*** Brief Description of Requested Change** Characters: 0 / 1000

The change description is limited to 1,000 characters, characters beyond this limit will be removed.

17. SCHEDULE K ACT PRODUCTION SUPPORT CONTACT INFORMATION

During Normal Business Hours the ACT Help Desk can be reached by email at acthelp@lgbs.com or by calling (877) 422-8829 or (210) 403-8670. Outside of Normal Business Hours critical problems can be reported to the ACT Help Desk by email at acthelp@lgbs.com.

18. SCHEDULE L ACT SYSTEM SERVICE COMPONENTS

This schedule describes the Service Components of the ACT System.

- 18.1. Base Tax Collection System
 - Billing
 - Collections
 - Records Maintenance
 - Reports and Correspondences

- 18.2. TaxLedge System
 - Refund Check Processing
 - Disbursements
 - Bank Reconciliation

- 18.3. Special Inventory Tax System
 - Escrowing and Billing
 - Collections
 - Reports and Correspondences
 - Integrated with Taxledge to Process Disbursements

- 18.4. Licensing and Permits System
 - Permit Issuance and Renewal
 - Receipt Issuance
 - Billing & Collections
 - Reports and Correspondences
 - Integrated with Taxledge to Process Disbursements

- 18.5. Hotel Motel Occupancy Tax System
 - Filings & Billing
 - Collections
 - Reports and Correspondences

- 18.6. Offline Remittance Capture System
 - Local Payment Processing & Receipt Generation
 - Data Import to ACT System Post Failure Resolution

ACT Service Level Agreement

18.7. Other Subsidiary Systems

- Customer Service
- Appraisal District
- Lockbox
- Mortgage Company
- Litigation and Enforcement
- Internet
- Appraisal District
- Image Integration

18.8. ACT software enables the following functions:

- Current and Delinquent Tax Collection
- Concurrent Collection of Multiple Taxing Authorities
- Supplements and Adjustments Processing (HB1010 Support)
- Online and Batch Payment Processing
- Refunds – (Requested, Automatic, Litigated and Prior Year)
- Special Exemptions
- Returned Mail Processing
- Jurisdiction Control
- Comments, Notes and Event Tracking
- Change Logging
- Delinquent Attorney Support
- Security and Recoverability
- Comprehensive Audit Trail
- Extensive Reporting System
- FTP Report Processing
- Tax Ceiling Management
- TIF / TIRZ processing
- Internet Payment by credit card
- Check & Document Imaging
- Internet Portfolio of Accounts
- Installment Contracts and Quarterly Payment Plans
- Ad Hoc Reports
- Lien Management
- In Bound and Outbound Data Exchange

18.9. Oracle Discoverer

In addition to the ACT System, the Oracle Discoverer application, developed by Oracle Corporation, shall be utilized for user defined reporting purposes. Oracle Discoverer is an intuitive ad hoc query, reporting, analysis, and web-publishing tool that allows business users at all levels access to information from databases. Discoverer's intuitive user interface guides the end user through the entire process of building and publishing sophisticated reports and graphs. Users can quickly and easily choose from multiple charting and layout options to rapidly create a visual representation of their query results.