Hamer Enterprises®

APPLICATION SOFTWARE USER-BASED ANNUAL RENEWAL SUPPORT SERVICES AGREEMENT

HAMER ENTERPRISES whose principal office is located at 4200-A N Bicentennial Dr, McAllen, Texas 78504, (hereinafter referred to as HE) and **WEBB COUNTY TAX OFFICE**, at 1110 Victoria Street, Suite 107, Laredo, Texas 78040, (hereinafter referred to as CLIENT), a licensee of HE software, agree as follows:

1. HE shall provide the application software support services (hereinafter referred to as SERVICE) described in paragraph 4 for a period of twelve (12) months beginning 09/09/2020. Unless otherwise specified and agreed to in writing between HE and CLIENT, support SERVICE shall be guaranteed for a twelve (12) month period; renewable thereafter for an additional twelve (12) month period upon acceptance of an Annual Renewal Agreement. This SERVICE Agreement may be canceled after this initial twelve (12) month Agreement or any renewal period upon a ninety (90) day written notice. Unless otherwise specified within this Agreement, charges may be adjusted after the initial term for any new or renewal agreements.

2. CLIENT may purchase, and HE shall not unreasonably withhold, continued SERVICE from CLIENT for an additional twelve (12) month period at the rates specified in Schedule B, attached hereto, or at the then prevailing annual billing rate for SERVICE, unless:

    (a) CLIENT gives notice to HE within 30 days after receipt of HE's invoice for SERVICE that the CLIENT intends to terminate this Agreement,

    (b) CLIENT is no longer a valid licensee of HE software,

    (c) CLIENT is greater than 30 days in arrears for any HE invoice(s),

    (d) CLIENT has failed to incorporate HE releases into the licensed software within 180 days following request for installation by HE,

    (e) CLIENT has failed to incorporate the computer manufacturer's Operating System releases into the CLIENT's SYSTEM within 180 days following request for installation by HE,

    (f) HE licensed software has been modified by other than HE without HE's written approval,

    (g) the computer manufacturer's Operating System has been modified by other than the manufacturer without HE's written approval, or

    (h) there has been an interruption in, or termination of this Agreement. due to non-compliance, default, delinquency or breach of Agreement by CLIENT: or termination of this Agreement by either party.

3. This Agreement applies to the HE software described in SCHEDULE A and is limited to the IBM Power 9, Model 909-41A and Serial Number 785780 physically located at 1110 Victoria Street, Suite 107, Laredo, Texas 78040, exclusive of revision level described in SCHEDULE A.

4. The SERVICE referred to in Paragraph 1 shall consist of:

   (a) HE shall provide CLIENT with a reasonable amount of consultation by telephone via a 1(800) Customer Support Number to assist CLIENT in the use of the software during any normal forty (40) hour work week.

   (b) The HE Support Desk shall log and track, through resolution, every CLIENT Software Action Request (SAR).

   (c) HE will assist the CLIENT in establishing their own support desk and HE reporting procedure.

   (d) HE shall respond to every support request with a resolution or a status of resolution (i) during the initial request call by the designated and pre-assigned account support representative or (ii) within twenty four (24) hours of the initial request to HE's support desk personnel.

   (e) HE shall provide the CLIENT with support of software to substantially conform the software to HE's published material for that release level of software identified in SCHEDULE A. HE shall, within a reasonable time period, supply computer program code to correct any reproducible error, provided that HE's diagnostics indicate that such non-conformity or error was in existence during the term of this Agreement or during the initial Warranty Period extended to the CLIENT in the purchase agreement for HE's software.

   (f) Suspected error conditions will be investigated and corrected by HE personnel at CLIENT's offices to the extent possible. On-site corrections shall be at the exclusive judgment of HE at no additional cost to the CLIENT. If HE, in its reasonable judgment, determines that the suspected error condition was attributable to a cause other than an error in HE's software or an enhancement by HE, the CLIENT will pay HE on a time and materials basis. In the event a dispute between HE and CLIENT develops over the cause of an error, HE and CLIENT shall work diligently, reasonably and in good faith to resolve any such dispute in a manner as expeditiously as possible. If the CLIENT and HE cannot resolve any disputes as to the cause of any errors, they shall be arbitrated in the manner outlined in the purchase agreement between HE and CLIENT.

   (g) HE may provide the CLIENT with unsolicited error corrections or changes to the software, without additional charge, which HE determines are necessary for proper operation of its software and CLIENT shall incorporate these corrections or changes into the software within 180 days of release by HE.

   (h) HE will provide CLIENT all enhancements released by HE as standard enhancements and which are generally made available to other customers purchasing comparable software during the term of this Agreement.

   HE shall not install any software enhancements into the CLIENT's licensed SYSTEM without the prior written approval of the CLIENT.

   HE shall not install any software enhancements into the CLIENT's licensed

SYSTEM that have not been tested and proven in HE's master copy of the CLIENT's licensed software.

HE shall provide the CLIENT a description of the impact the enhancement will have on the CLIENT's installed version of the software before the installation of an enhancement.

(i) HE shall provide CLIENT with all government mandates free of charge with an executed support agreement in place prior to mandate.

5. Software SERVICE requires access to the CLIENT hardware, operating system software and HE provided application software via a high speed VPN connection over the Internet. This connection will permit HE to effect expeditious software diagnostics, changes, corrections and monitoring from the HE Support Center, when appropriate. If the CLIENT feels for security purposes it cannot provide access to the SYSTEM for HE support purposes, then and only then, HE shall provide all changes, updates and corrections via electronic format or digital media compatible to CLIENT and HE.

6. All data and other information provided by the CLIENT or accessed by HE is deemed confidential and shall be kept confidential and secure by HE and shall not be disclosed or made available to any individual or organization by HE unless approved by CLIENT in writing or required by an order of a court of legal jurisdiction.

7. During the term of this Agreement HE will use its best efforts to maintain the software free of defects and imperfections that would prevent the software from performing according to the original or then prevailing specifications set forth in HE's published material.

HE MAKES NO WARRANTY OF ANY KIND WHATSOEVER, EITHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY AND/OR FITNESS FOR A PARTICULAR PURPOSE. THE REMEDY WORK STATED HEREIN IS IN LIEU OF ALL LIABILITIES OR OBLIGATIONS OF HE FOR DAMAGES ARISING OUT OF OR IN CONNECTION WITH THE DELIVERY, USE, OR PERFORMANCE OF THE SOFTWARE OR BREACH BY HE OF ANY TERM OF THIS AGREEMENT. IN NO EVENT SHALL HE HAVE ANY OBLIGATION OR LIABILITY FOR DAMAGES, WHETHER DIRECT, INCIDENTAL, CONSEQUENTIAL OR OF ANY OTHER NATURE WHATSOEVER, EVEN IF HE HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

8. Error Corrections:

In the event of a breach of any HE System or HE Software warranties provided to the CLIENT or continued as a result of this Agreement, the CLIENT will provide notice of such breach to HE (hereinafter referred to as a SAR), classifying the nature of the breach as a Severity 1, 2, 3 or 4 SAR, as CLIENT may determine in its reasonable discretion, in accordance with the following severity code guidelines:

Severity 1: An error causing (i) "crashes" of the System, (ii) irrecoverable loss or corruption of data, or (iii) loss of primary System or Software functionality for which there is no documented means of circumvention. "Circumvent" shall mean, as applied to an error, a change in operating procedures whereby CLIENT can conveniently avoid any deleterious effects of such error. (A Severity 1 SAR is sometimes referred to as *Urgent.*)

Severity 2: An error causing (i) recoverable loss or corruption of data, (ii) loss of

primary System or Software functionality that can be circumvented in a manner that is documented or easily identified or (iii) loss of secondary System or Software functionality that cannot be circumvented. (A Severity 2 SAR is sometimes referred to as *Critical.*)

Severity 3: An error causing (i) loss of secondary System or Software functionality that can be circumvented in a manner that is documented or easily identified or (ii) difficulties in the user interface. (A Severity 3 SAR is sometimes referred to as *Minor.*)

Severity 4: An error causing no loss of data or functionality that can conveniently be circumvented by appropriate CLIENT procedures. (A Severity 4 SAR is sometimes referred to as *Minor.*)

HE acknowledges that breaches in warranty(s) which cause errors in the System or Software, other than Severity 3 and Severity 4 SARs, are extremely serious and must be resolved with the greatest possible urgency. Therefore, HE agrees to correct reported SARs, as follows:

Response. HE shall accept requests from the CLIENT to their Support Desk via e-mail or telephone followed by e-mail for support from the CLIENT's appointed Help Desk liaison personnel. If the CLIENT reports a Severity 1 or 2 SAR condition, and this request is made before 5:00 PM CST, then HE shall provide an initial response within two (2) hours. If the condition is reported after 5:00 PM CST, then HE shall provide a response by 9:00 AM CST on the next business day. With regard to Severity 3 or 4 SAR conditions, HE shall provide an initial response by the next business day. For purposes of all responses HE and CLIENT shall promptly agree in good faith to provide what additional information or error documentation will be required to permit HE to resolve any SARs.

Resolution. HE shall resolve Severity 1 SARs within one (1) calendar day. HE shall resolve Severity 2 SARs within two (2) business days. HE shall use its best efforts to resolve Severity 3 SARs within five (5) business days. HE shall use its best efforts to resolve Severity 1 and Severity 2 SARs by delivering emergency releases to CLIENT, shall generally resolve Severity 3 SARs by documenting a means of circumvention, and shall resolve Severity 4 SARs within thirty (30) business days.

9. Beyond the initial purchase agreement period, HE will invoice CLIENT for the support fee described in SCHEDULE B. Invoices for SERVICE will be furnished annually in advance. All invoices are due and payable in full upon receipt.

10. Support fees shown in SCHEDULE B are exclusive of all present and future federal, state or local sales, use, excise or processing taxes or any other tax or charge that is or may be imposed on the SERVICE provided, save taxes on net income. HE failure to include or correctly compute such taxes on its invoices shall not relieve CLIENT of its obligation hereunder.

11. HE will provide additional SERVICE to maintain, modify, improve or expand the SYSTEM in any of the following ways:

    (a) A fixed price support agreement effective upon installation and acceptance of baseline product is established as a percentage of List Price for the application software. HE provides for a fixed annual support cost of 18% of List Price. This service provides for all standard up-dates, governmental mandates, improvements and on-site services required by HE at no additional charge as well as daily remote support services for defects that develop from original and/or subsequent tailored or customized specifications.

(b) Fixed-price, turn-key hardware and/or software SYSTEM enhancement.

(c) Time and materials, "not to exceed" basis at the HE prevailing hourly rates. Current rates are $150-$225 per hour (depending upon the skill level required of the task requested) plus per diem expenses.

Costs for enhancements or modifications are provided upon written request by the CLIENT in compliance with HE's established Software Action Request (SAR) Procedures. Responses will be in writing, valid for a fixed period of time and can be extended beyond the validity date by mutual consent. All modifications or improvements are acceptance tested in the CLIENT's test or operational environment. Without an executed Support Services Agreement, a ninety (90) day software warranty is provided upon acceptance of the enhancement or modification by the CLIENT. All application software provided by HE is proprietary, with source code provisions detailed in HE's Application Software License Agreement.

12. The CLIENT agrees that all enhancements shall be the exclusive property of HE pursuant to the CLIENT-HE License Agreement.

13. During the course of this Agreement, CLIENT shall provide HE personnel with adequate work space for technicians as may be reasonably required by HE to carry out its SERVICE obligations.

14. CLIENT will be responsible for maintaining the computer hardware, communications equipment, telephone lines, cabling, modems and all other hardware equipment. CLIENT will make available reasonable computer time for the testing and support of software. CLIENT will make available all necessary and reasonable supplies such as paper, magnetic tapes and disk packs.

15. HE and CLIENT agree that (a) each laborer shall have wages computed on the basis of a standard work day of eight (8) hours and a standard work week of forty (40) hours in the work week; and (b) no laborer shall be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous to his/her health and safety as determined under safety and health standards.

16. HE certifies that it is aware of the provisions of the Labor Code of the State of Texas which requires every employer to be insured against liability for workmen's compensation or to undertake self-insurance in accordance with the provisions of said laws, and it certifies that it will comply with such provisions and will provide upon request proof of such compliance to the CLIENT.

17. HE and CLIENT agree that support SERVICE is provided during HE's normal forty (40) hour work week. Certain critical conditions may exist which require work outside these hours, and HE will make a best effort to respond. However, HE reserves the right to provide a price quotation and estimate of time for SERVICE requested by the CLIENT which requires substantial work outside HE's normal working hours.

18. HE and CLIENT agree that because HE has invested significant time and cost in the training and development of the skills and knowledge of their employees toward a beneficial understanding and knowledge of the specific software licensed to the CLIENT and the CLIENT's business processes, business procedures and general application environment; the CLIENT will pay HE an amount equal to twice an employee's then current annual wage or salary if the CLIENT employs an HE, HE parent company, HE subsidiary or HE successor company employee during the term of this agreement or within six (6) months after termination of this agreement. This

payment shall be due within thirty (30) days of the employee's employment date with the CLIENT.

19. If any provisions of this Agreement shall be held to be invalid, illegal or not enforceable; the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

20. This Agreement shall be governed according to the laws of the State of Texas.

21. The parties hereto may not assign the right or obligations hereunder without the prior written consent of the other party.

22. This Agreement, including SCHEDULE A and B attached hereto, constitute the entire Agreement, understanding and representations between HE and the CLIENT. No modifications or amendments to the Agreement shall be valid unless in writing and signed by the duly authorized representative of each party.

23. HE shall indemnify and save harmless CLIENT and its agents and employees from all suits, actions or claims of any character, type or description brought or made for or on account of any injuries or damages received or sustained by any person or persons or property, arising out of, or occasioned by the acts of HE or its agents or employees in execution or performance of this Agreement.

THIS AGREEMENT SHALL NOT BE EFFECTIVE UNTIL EXECUTED BY CLIENT AND ACCEPTED BY AN AUTHORIZED REPRESENTATIVE OF HE AT ITS PRINCIPAL PLACE OF BUSINESS.

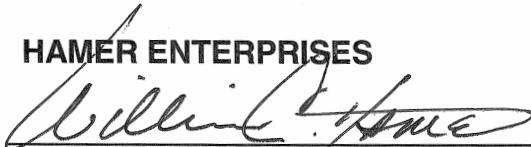| Upon signature by CLIENT below, this Agreement is accepted by HE and effective as of September 9, 2020, with receipt of contract payment.	Via execution below, signer certifies that he is duly authorized to execute this Agreement for the CLIENT.

HE:

HAMER ENTERPRISES

William C Hamer (signature)

Authorized Signature
William C Hamer

Typed
CEO

Title
07/20/2020

Date

CLIENT:

WEBB COUNTY TAX OFFICE

Authorized Signature

Typed

Title

Date

Attest

Title

SCHEDULE A
APPLICATION SOFTWARE PRODUCTS TO BE SUPPORTED

HE shall provide the above described software support SERVICE to the HE software SYSTEMS and/or software modules listed below:

Item	Product Acronym	Product/Module Description
1.	eTAX/RE	Real Estate Tax Administration, Billing, Collection and Distribution System
2.	eTAX/PP	Personal Property Tax Administration, Billing, Collection and Distribution System
3.	eVIT	Vehicle Inventory Tax Processing
4.	EZ-GUI	Graphical User Interface
5.		Stand-alone Internet Credit Card System
6.		Tax Website with Credit Card Collection

Note: The items above have been delineated by HE and the CLIENT to operate only in the following computer capacity environment:

Make	Model	Processor	Serial Number	User Capacity
IBM AS/400	9009	41A	785780	0-35

The above described software will be maintained under V7 R3 or greater of the IBM OS/400 Operating System.

SCHEDULE B
APPLICATION SOFTWARE SUPPORT SERVICES FEES

Product/Module Description/Version	12 Month Agreement Fee	
	Date Range	US Dollar Amount
eTAX/RE / Real Estate Tax Administration, Billing, Collection and Distribution System / V4 R0	09/09/2020-09/08/2021	$ 18,237
eTAX/PP / Personal Property Tax Administration, Billing, Collection and Distribution System / V4 R0	09/09/2020-09/08/2021	Included
eVIT, Vehicle Inventory Tax Processing	09/09/2020-09/08/2021	Included
EZ-GUI, Graphical User Interface	09/09/2020-09/08/2021	Included
Stand-alone Internet Credit Card System	09/09/2020-09/08/2021	N/C
Tax Website with Credit Card Collection	09/09/2020-09/08/2021	N/C

Total Amount for Agreement Period $ 18,237

Unless otherwise stated within this Agreement, higher computer capacity environments other than that specified in Schedule A will require a Support Services Fee Upgrade. This fee will be the difference between the current fee being paid by the CLIENT and that fee established in accordance with Article 9. (a) of this Support Services Agreement for the software and/or modules listed above.