

Terms & Limitation Guidelines

For Doing Business With

Hill Country Software and Support, Inc.

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Introduction

Hill Country Software and Support, Inc. (HCSS) develops computer application software. This computer application software is marketed primarily to municipal, county and tribal government. HCSS also provides documentation and customer support for the software we develop. The customer support is provided through the use of a software maintenance program. If a customer subscribes to this support program they are entitled to all benefits provided by this program.

HCSS Web Site

Our web site address is:

www.hillcountrysoftware.com

The **HCSS Web Site** is the primary tool used by HCSS to keep our customers informed as to what is going on, in the world of **HCSS Computer Application Software.** This is where new releases of software and documentation, downloads will be posted. This is also where other relative information will be posted. HCSS strongly encourages our customers to acquire and use high speed internet.

Licensing of HCSS Computer Application Software

HCSS Computer Application Software Demonstration

HCSS will not license software to a new customer until a demonstration of the proposed software has been done. These demonstrations are usually done at the prospective customer's site, or at a convenient location agreed upon by HCSS and the prospective customer. HCSS will not license any software until after such a demonstration has taken place. In the event that a demonstration can not be given before the order for the software is accepted by HCSS, this omission must be noted on the order authorization from the customer. In such an event, a complete demonstration must be given to the customer at the time installation is to take place.

Software Licensing

HCSS offers only one type of license and that is a license that authorizes the customer to use the software indefinitely. HCSS refers to this license as a "One Time License" (OTL). This license entitles the customer to the current release of HCSS software, at the time the software is initially installed, This OTL also entitles the customer to a current software release CD and all available documentation. The OTL goes into effect at the time the software is initially installed. This OTL does not entitle the customer to ongoing support and software updates.

The OTL is issued based on the number of users (computers) that will be using the system. If the customer's computer configuration includes a stand alone server, which will not be used as a point of access to the HCSS computer software application, this computer will not be counted as a user. Additional user licenses can be issued at any time by HCSS and must be ordered directly from HCSS.

Transfer of HCSS Software Licenses

HCSS Computer Application Software Licenses can not be sold, leased, rented, or transferred in any form to another entity without written authorization from HCSS.

Unauthorized Use of HCSS Computer Application Software

The unauthorized use of any HCSS Computer Application Software is prohibited. Unauthorized use constitutes theft and violators will be prosecuted.

Software Installation & Customer Training

The OTL does not include the cost of software installation and customer training. HCSS charges for this service at our normal hourly rates. This service is charged by the day, and can be broken down into a minimum of even hours. This service is usually performed at the customer's site. If the HCSS computer application software is installed in any other manner, HCSS will not support or authorize that installation until a representative of HCSS, or a certified HCSS installer, certifies the installation.

Software Warranty Period

The OTL entitles the customer to a 90 day warranty period in which HCSS will provide ongoing customer support as defined in the HCSS Software Maintenance & Customer Support Program. At the end of this 90 day period the customer will be billed for the HCSS Software Maintenance & Customer Support Program at the current annual rate.

Conversion of Existing Data

If deemed possible by HCSS, HCSS will attempt to convert the customer's existing data. This data must be data from software used by the customer, prior to the customer's use of HCSS software. This data must be in a magnetic format that HCSS deems acceptable for possible conversion. HCSS does not guarantee that we will be able to convert 100 % of the customer's data correctly. HCSS will convert the existing data to the best of our ability, and the customer will be billed, for the labor required, at the normal hourly rate.

HCSS Approved Computer Hardware & Operating System

HCSS requires that the HCSS computer application software be installed on computer hardware that we approve of. This also includes the computer's operating system and all printers attached to the system. A list of the HCSS approved computer hardware specifications can be found on the HCSS web site, in the HCSS CISV Catalogue. HCSS will attempt to interface with computer hardware that is not on this approved list, but does not guarantee that it can be made to work properly. In addition, all time spent in the attempt to make this hardware work properly will be billed at the current normal hourly rate. The customer will be billed for all time spent, even if the effort is unsuccessful. Refer to the section "Acquisition of New or Replacement Computer Hardware", located in this manual, for more detailed information on this subject.

WordPerfect

HCSS Computer Application Software interfaces with WordPerfect. HCSS is authorized to provide HCSS customers with an "OEM" version of WordPerfect. Initial OEM modules are included with the initial installation of HCSS computer application software. Required upgrades to WordPerfect will be done at the expense of the customer. If requested, HCSS will provide the upgrade at the lowest possible cost. Upgrades may be required due to changes in computer operating systems, changes in computer hardware, enhancements to HCSS computer application program, and new releases of WordPerfect.

Acceptance of Initial Order by HCSS

Since HCSS markets its products only to municipal, county, and tribal government, an official order or statement from the customer's governing body is all that is required by HCSS to initiate the order. HCSS may require a down payment from the prospective customer. HCSS may also require the prospective customer to sign a system quote or order acknowledgement.

Initial Customer Billing

The customer will be billed for the initial cost of the total system installed at the completion of the system installation, possible data conversion, and customer training. The 90 day warranty period will begin at the time of billing. Since all HCSS billing is due on the first of the month, the warranty period will extend to the end of the month in which the 90 days expires.

Cancellation of Order

From the time the order is accepted by HCSS, the customer has the right to cancel the order within the following 30 days. Any moneys paid to HCSS will be refunded. The customer is liable for any expenses incurred by HCSS if the process of installation, file conversion, or training had begun. These expenses will be billed to the customer at the normal hourly rate.

Ongoing Customer Support

HCSS Software Maintenance & Customer Support Program

Billing

The HCSS Software Maintenance & Customer Support Program is billed on an annual basis. The rates posted in the HCSS current price list are annual rates. If the customer would like to be billed in some other manner, other than annual, the rates are based on the following table:

Semi Annual Rate (Annual Rate / 2) x 1.04

Quarterly Rate (Annual Rate / 4) x 1.06

Monthly Rate (Annual Rate / 12) x 1.08

At the current time there is no official support contract. If the customer is current with the payment of the required support fee, HCSS will provide support. Customers that are not current with their support fees will not be entitled to normal customer support. This situation will be covered in the section "Non Participating Support Costs", later in this document.

Benefits

The HCSS Software Maintenance & Customer Support Program exists so that we may perform the most important part of our business - taking care of you, our valued customer. After you have acquired any HCSS computer application software, it is essential that you have someone to call, who will respond in a timely manner, when you need assistance. We take great pride in the soundness and reliability of our software, and we take even greater pride in the support that we provide to our customers. The annual maintenance fee has been established so that we might provide you this valued service. Our HCSS Software Maintenance & Customer Support Program will entitle you to the following:

- (1) You are entitled to call 1-800-422-1982, during normal business office hours, whenever you need assistance. Our normal business office hours are posted on our web site. We will not only assist you with the "how top's" of our software, but we will also share with you the expertise that we have acquired while dealing with our other customers. Our average response time is less than thirty minutes. This service does not include customer training, training of new employees, installation and setup of new or replacement equipment or software, recovery from damaged computer hardware, customer specific programming, recovery from damage caused by customer error, any type of on-site visit, or services performed using remote access to your computers via the use of VNC remote access software.
- (2) We will provide you, via our web site and at no cost, new releases of our software as they

- become available. These changes may be a result of changes in laws or mandated procedures, or they may be a result of customer requests and suggestions. Since we write and develop all the computer software we sell, we are able to modify our software, and we rely on the input of our customers for the growth and improvement of our products.
- (3) Should you require our services on a chargeable basis, you will receive these services at the normal support program rate of \$125.00 per hour instead of the normal non support program rate of \$375.00 per hour. Due to the current price of oil, an additional \$25.00 per hour will be added to the normal hourly rate when onsite visits are required. Labor performed by HCSS is billed with a two hour minimum charge. The minimum charge may be increased if lengthy travel time is required.

Normal Hourly Rate

When the "normal hourly rate" is referenced in this document, the actual hourly rate to be charged is determined by the status of the customer as related to the customer support program. New HCSS customers receive support program privileges during the 90 day warranty period. The current normal hourly rate is \$125.00 per hour, for customers participating in the HCSS Software Maintenance and Customer Support Program. The normal hourly rate for non participating customers is \$375.00 per hours. Due to the current price of oil, an additional \$25.00 per hour will be added to the normal hourly rate when onsite visits are required. Labor performed by HCSS is billed with a two hour minimum charge. The minimum charge may be increased if lengthy travel time is required.

Non Participating Support Costs

Customers who do not subscribe to this program will be faced with the following charges upon each request for assistance:

- (1) Each request for assistance will be assigned an incident number. Each incident will be billed at the normal rate of \$375.00 per hour, plus expenses, with a two hour minimum.
- (2) Before any assistance can be given, you must be upgraded to the current release of the software you are using. Software upgrades are billed at 25% of the current list price.

HCSS Pledge to Our Customers

Once you become a customer of HCSS, we pledge to you the best customer support that can possibly be provided. In independent customer polls, we have been rated number one in customer satisfaction, and that is a distinction that we intend to maintain! Your business means a lot to us, and we rely on your recommendations for any new customers that we might acquire.

Reinstatement into the Support Program

Customers who are not current participants in the HCSS Software Maintenance and Customer Support Program can reinstate themselves into the program by paying one of the following, whichever one is less:

- (1) Pay all unpaid annual program fees, at the current support program fee rate.
- (2) Pay a reinstatement fee equal to 25% of the current list price of the HCSS computer application software you are currently using. The current list price will include the current single user list price, plus all additional user upgrades.

Once you have exercised one of the above listed options, you must also pay for the current year of support before any assistance will be provided.

Customer Responsibilities & Other Costs

Customer Site Conditions

It is the responsibility of the customer to establish and maintain a suitable site for the proper use of all computer systems. Following is a list of the primary issues when establishing a suitable environment:

- (1) Quality and Reliable Electric Power
- (2) Appropriate Temperature Control
- (3) Adequate Protection from Lightening
- (4) Clean and Dust Free Environment

Any problems resulting from an inadequate computer environment are not the responsibility of HCSS. Any damage to the HCSS Computer Application Software and related master files will be repaired at the customer's expense. Any labor required by the staff of HCSS or a HCSS certified installer, as a result of such an occurrence, will be billed at the normal hourly rate.

Microsoft Compliance

HCSS Computer Application Software is designed to run on computers using one of the Microsoft Windows Operating System and the use of Microsoft Networking Software. It is essential that all computers using HCSS Computer Application Software be in total compliance with all related Microsoft standards. HCSS is not responsible for any problems caused by computers that are found not to be in total compliance or not configured properly. This is why it is essential that either a representative of HCSS or a HCSS certified installer setup and configure all computers that have access to HCSS Computer Application Software. Any labor required by the staff of HCSS or a HCSS certified installer, as a result of such an occurrence, will be billed at the normal hourly rate.

Computer Maintenance and Repair

All computer maintenance and repair must be performed by technicians qualified to do this type of work. HCSS is not responsible for any problems caused as a result of maintenance or repairs done by nonqualified technicians. Any labor required by the staff of HCSS or a HCSS certified installer, as a result of such an occurrence, will be billed at the current normal hourly rate.

Backing Up Your Data Files

It is the responsibility of the customer to maintain a daily file backup system. This is a function that is performed outside of the HCSS computer application software. Depending on the computers being used by the customer, multiple file backup options are available. The customer must select the best solution for them, have it setup properly, and use it on a daily basis. If the customer needs assistance in setting up this important procedure, they can locate their local hardware specialist for assistance, or HCSS can schedule one of our representatives or certified installers to the customer's site. In the latter case, associated labor will we billed to the customer at

the current normal hourly rate. HCSS is in no way responsible for the customer not maintaining a successful backup system and any loss of data resulting from the same. It is absolutely essential that the customer maintain a reliable data backup system.

Acquisition of New or Replacement Computer Hardware

It is the responsibility of the customer to insure that any computer hardware purchased, to be used in the operation of HCSS computer application software, be certified to be in compliance with the specifications set forth by HCSS. So that our software will perform properly, certain features are required of the new computer hardware. HCSS has no obligation or responsibility to make computer hardware work with our software that does not meet or specifications. It is recommended that prior to the purchase of any computer hardware, to be used by our software, that the customer consult with the support staff of HCSS.

Computers

Depending on the type of computer, and what its expected use will be, certain minimum specifications must be in place. It is recommended that prior to the purchase of any computer, to be used by our software, that the customer consult with the support staff of HCSS. The following operating systems, for non server class computers are currently supported.

Windows XP Professional
Minimum Memory – 1 GB

Minimum Disk Storage – 60 GB

Minimum Processor Speed – 2 GHZ

VISTA Business

Minimum Memory – 2 GB, 3 GB is better Minimum Disk Storage – 90 GB Minimum Processor Speed – 2 GHZ

Server class computers require more careful consideration, and must be configured with the assistance of the support staff of HCSS.

Microsoft Internet Explorer

Because our software uses Internet Explorer as the primary driver of our software, we must be very careful not to install any software products that are not totally compatible with Internet Explorer. Computer security software, such as antivirus and spyware related, are the primary products we need to be concerned about. Any product that can cause Internet Explorer to abnormally terminate will cause our software to terminate at the same time. The support staff of HCSS should be consulted prior to the loading of any third party computer software, onto any computer used in the execution of our software.

Networking

It is absolutely essential that the network established at your site be of good quality and installed by qualified professionals. These professionals need not be associated with HCSS in that once established, your network is invisible to our software. Substandard networking hardware, and under qualified installers will cause your network and our software not to work properly.

Printers

In order that our software can print properly to a printer, it is required that the printer support the industry standard "PCL", Printer Control Language. This feature allows for all of our graphics features to work properly. Printers that do not support a minimum of PLC 5e, will not function properly.

Scanners

Our software requires that the scanners you use be TWAIN compliant. This is an industry standard interface, and scanners purchased that do not support the TWAIN interface will not work properly with our software.

All Other Hardware and Third Party Software

It is strongly recommended that you consult with a member of the support staff of HCSS before installing any computer hardware peripheral equipment, or third party computer software, to insure its compatibility.

Installation of New or Replacement Computer Hardware

In the event that new or replacement computer hardware needs to be installed at the customer's site, the transfer of HCSS software and related data must be done by a representative of HCSS or a HCSS certified installer. This is a billable item and the customer will be billed, for all labor involved, at the current normal hourly rate.

Training of New or Replacement Employees

The training of new or replacement employees is not covered by the **HCSS Software Maintenance and Customer Support Program**. This training will be done at the customer's expense and will be billed at the current normal hourly rate. Training of new or replacement customers will not be done over the phone.

Training Due to New Government Mandated Programs

From time to time the government will initiate mandates that require additional training for our customers. Current participants in the **HCSS Software Maintenance and Customer Support Program** will receive required software updates at no charge. However, if additional training of your staff by HCSS is required, this is a billable item and will be billed at the current normal hourly rate. This type of training will not be done over the phone.

Additional Copies of Documentation

All available documentation is posted on our web site and is available for download by all of our customers. There is no charge for this service. If you request printed versions of the documentation, they will be provided to you at the current cost of creating and processing the requested manual.

Additional Copies of HCSS Computer Application Software

Current versions of HCSS computer application software are posted on the HCSS web site and are available for download by all HCSS customers who are current participants in the HCSS Software Maintenance and Customer Support Program. If you request a CD, with the current release of the software, be mailed to you, this service will be provided to you at the current cost of creating and processing the requested CD. If you are not a participant in the HCSS Software Maintenance and Customer Support Program, and would still like to receive the update, you must first pay an upgrade charge. The upgrade charge will be billed at 25% of the current list price of the HCSS computer application software being used. The current list price will included the single user license amount plus all additional user upgrades.

Unrelated Customer Support

Participation in the HCSS Software Maintenance and Customer Support Program provides you support on HCSS computer application software and related issues with other software that we interface with. However, it does not provide for support with other software such as operating systems, internet access software, or any other software you may be attempting to use. It also does not provide for any damage caused to your system or our database as a result of the installation and/or use of this software. This type of support is available from HCSS and will be billed at the current normal hourly rate. Assistance with unrelated use of WordPerfect is also a billable item.

HCSS Program Modification Requests

HCSS welcomes all requests for modifications to our software. Each modification is evaluated and placed into one of the following groups:

- (1) Modifications that will benefit all of our customers
- (2) Modifications specific to the requesting customer
- (3) Modifications that are not possible under our current system design

If your request falls under group (1), your request will be implemented and made available to all of our customers at no charge. If your request falls within group (2), we will discuss the estimated cost of implementing the modification and then proceed if you are willing to pay that cost. If your request falls within group (3), you will be so informed and no further action will be taken.

Problems Due to Customer Error

HCSS is not responsible for any problems a customer may experience due to customer error or the incorrect use of our software. The support staff of HCSS will make a reasonable effort to assist the customer over the phone, but if the incident will result in more than a 30 minute discussion, the member of the support staff will give the customer the following two options:

- (1) Using your daily backups, restore your files to a point prior to the creation of the problem.
- (2) Schedule a representative of HCSS or HCSS certified installer to go to the customer's site and assist them with the resolution of their problem. This is a billable item and the customer will be billed at the current normal hourly rate.

Miscellaneous

Government Regulations & Guidelines

Even though HCSS computer application software is designed for government entities, it is not the responsibility of HCSS to explain or justify any new mandates that any government entity might impose upon your office. The burden of information and training falls upon the entity that enacted the new guideline or regulation. The support staff of HCSS will probably be knowledgeable of the situation, and able to share with you knowledge learned from working with other customers. But by no means are we experts or the final authority on anything a government entity might impose. The support staff will share with you any knowledge that we might have, but will refer you back to the imposing entity when we feel that we can no longer be of assistance.

Confidentiality

HCSS furnishes products to you on a confidential basis. You may not disclose or otherwise make available to any other person any Software, Documentation, or any other information we furnish to you as part of the license, without written consent from HCSS.

HCSS Software Accuracy Statement

HCSS certifies that HCSS computer application software is free of all known bugs, errors and defects. However, we do not guaranty that HCSS computer application software is 100 % free of all bugs, errors or defects. HCSS will continue to fix all future bugs, errors or defects, and include these fixes in future updates. These fixes will be made available to all HCSS customers, at no charge, who are current participants in the HCSS Software Maintenance & Customer Support Program. This computer application software and accompanying documentation (including instructions for use) are provided "as is" without warranty of any kind, further, HCSS does not warrant, guarantee, or make any representations regarding the use, or the results of use of the computer application software or documentation in terms of correctness, accuracy, reliability, or otherwise. The entire risk as to the results and performance of the computer application software is assumed by you, the customer.

Customer Web Servers

Should a customer decide to maintain a web server at their site, it is the responsibility of the customer to engage qualified personal to establish and maintain that server. By nature, web servers require constant care and evaluation, and HCSS is not prepared to provide such a service. The customer is also responsible for maintaining network security, and HCSS is not responsible for any breach of that security and any damage resulting there from.