



Cheryl E. Johnson, PCC, CTOP
Galveston County Tax Assessor Collector
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March 29, 2025

Honorable Mark Henry
County Judge
722 Moody Avenue
Galveston, Texas 77550

Re: Request for Receive and File Approval of
Change in Vendor for Scanning
Equipment Software Licensing,
Maintenance and Support

Dear Judge Henry:

The Galveston County Tax Office has for many years received scanner software (and maintenance) and hardware maintenance from Data Business Equipment (DBE) on four scanners - two utilized for processing of property tax payments and two utilized for scanning and storage of voter registration associated documents. These services have been provided without issue and, in fact, DBE has been an extraordinary partner.

Effective this year, DBE and Jack Henry are dissolving their partnership and we will receive, without additional cost for the duration of our current contract, hardware service by DBE and software licensing, maintenance and support from Jack Henry.

We have had worked through these changes with Jack Henry and received all necessary assurances that there will be no adverse impact on our operations but a new Master Agreement with Jack Henry is necessary.

Please place on the next Consent Agenda the attached Master Agreement and return a signed copy to my office so that we can have Mr. Swan finalize the agreement.

Should you have questions, please advise.

Respectfully submitted,

Cheryl E. Johnson, PCC, CTOP

Attachment

Master Agreement

Effective Date: March 12, 2025

JH Office Address:
Jack Henry & Associates, Inc.
663 Highway 60 P.O. Box 807
Monett, MO 65708

Name and Address of Customer:
Galveston County Tax Assessor Collector
722 Moody Avenue
Galveston, TX 77550

Jack Henry & Associates, Inc. ("JH") and Customer each agree to the terms described in this Agreement.

Unless otherwise specified in Exhibit A, the initial term of the Processing Services or Software Subscription indicated as "New" on the Order Form will begin on the Implementation Date or 240 days after the date of this Agreement, whichever occurs first (October 31, 2025) and end 60 months after the Start Date (October 30, 2030).

Upon conclusion of the initial term, the term will renew automatically for consecutive 12-month terms at the then-current standard JH Fees unless either party notifies the other of non-renewal in writing at least 60 days prior to the end of the current term.

JH:
Jack Henry & Associates, Inc.

By: 
Greg Adelson

Printed Name: _____

Title: President and CEO

Date: _____

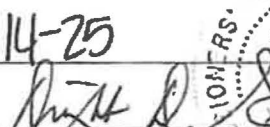
Date: 04-22-25

CUSTOMER:
Galveston County and Galveston County Tax Assessor Collector

By: 
Printed Name: Mark Henry

Title: Galveston County Judge

Date: 4-14-25

ATTESTED BY: 
Printed Name and Title: Dwight Sullivan, County Clerk

Date: _____

By: 
Printed Name: Cheryl E. Johnson

Title: Galveston County Tax Assessor Collector

Date: March 29, 2025

Presented By: Dave Swan PA: Amanda Weiner
Signature Page amended by Cheryl E. Johnson to add County Judge signature and attest by County Clerk

Master Terms and Conditions
(Government Customers)

1. DEFINITIONS

"Customer" means the government customer identified in this Master Agreement.

"Documentation" means all installation, operating instruction and end user manuals, in hard copy or electronic form, provided by JH with the Software programs to support the use and operation of the Software programs.

"Enhancements" mean new Software program or Services features or functions provided by JH to Customer and other JH customers as part of Maintenance which are not licensed or sold by JH separately for an additional Software license or Services subscription fee payable by its customers generally. Once installed by Customer, Enhancements become an integrated part of the Software or Services, as applicable.

"Error" means any material defect or malfunction of a Software product or Services that causes the Software or Services not to operate in accordance with the Documentation.

"Hardware" means any third party computers, scanners, peripherals or other equipment offered by JH to Customer and any third party operating system, database, firmware and other software programs that may be installed on the Hardware and used to operate the Hardware.

"JH" means Jack Henry & Associates, Inc. and/or its subsidiary or affiliated companies who have executed the Master Agreement and provide the Solution, Maintenance and Professional Services to Customer under the Master Agreement

"Maintenance" means the standard Software or Services maintenance support deliverables provided by JH to Customer as further specified in an Exhibit or Schedule to this Master Agreement.

"Professional Services" means any installation, conversion, customization, consulting, training or other services performed by JH to assist in Customer's implementation of the Solution.

"Services" means any solution-based service offering other than Professional Services which is identified in the Exhibit or Schedule and is owned by JH.

"Software" means the JH software programs identified in the Exhibit or Schedule; Documentation accompanying the software programs; and all Enhancements, Updates, Upgrades, customizations, modifications of the software programs and Documentation.

"Solution" means any combination of Software, Third Party Software, Services, Third Party Services and Hardware which are provided by JH to Customer under the Master Agreement.

"Third Party Services" shall mean any service offering which is identified as a Third Party Services offering in the Exhibit or Schedule and is owned by a party other than JH.

"Third Party Software" means any software program and accompanying documentation that is identified as a Third Party Software product in the Exhibit or Schedule and is owned and licensed by a party other than JH.

"Updates" means periodic program fixes, patches and releases issued by JH to correct Errors reported in the Software programs or Services as part of standard Maintenance. Once installed by Customer, Updates become an integrated part of the Software or Services, as applicable.

"Upgrades" means new versions of the Software or Services issued by JH which include major new features and functionality for which JH requires the payment of a separate Software license or Services subscription fee from its customers generally.

2. SCOPE OF AGREEMENT

2.1 These Standard Terms and Conditions pertain to Software licenses, Services and Hardware acquired by Customer from JH and associated Maintenance and Professional Services that may be acquired by Customer from JH with respect to installation and implementation of the Software, Services and Hardware. Each Software license, Services and Hardware acquisition transaction will be identified in an Exhibit, Attachment, Addendum or Schedule to this Master Agreement ("Exhibit or Schedule").

2.2 With respect to Third Party Software licensed or Third Party Services acquired by Customer from JH, the third party owner's software license agreement or services agreement accompanying the Third Party Software or Third Party Services will govern Customer's use. For a particular Software or Services offering, a supplemental exhibit or addendum document may be included with the Master Agreement.

3. FEES

3.1 Customer shall pay to JH the fees and expenses identified in the Master Agreement for the Solution, Maintenance and Professional Services delivered by JH to Customer which conform to the Master Agreement.

3.2 Customer shall promptly reimburse JH for all actual, reasonable out-of-pocket expenses incurred by JH's personnel traveling to and from Customer's site to perform Professional Services. If the Master Agreement indicates a not-to-exceed amount for these reimbursable expenses, JH will limit its billing of its reimbursable expenses to the agreed limit. JH will incur these expenses in accordance with JH's corporate travel policies and procedures and will invoice these expenses to Customer on a monthly basis as incurred. With its invoices, JH will provide documentation of all reimbursable travel expenses charged to Customer.

3.3 The parties recognize that Customer is a government entity and as a result JH will not invoice Customer for sales or use taxes pertaining to the transactions identified in the Master Agreement on the basis of Customer's status as a tax-exempt entity. If, however Customer is not exempt from the obligation to pay such taxes for the items or services provided by JH to Customer under the Master Agreement, JH will invoice Customer and Customer shall be solely responsible to pay all such taxes imposed by another government entity on the transactions completed under the Master Agreement, except for taxes based on JH's revenue or income.

4. GRANT OF LICENSES AND USAGE RIGHTS TO SOFTWARE AND SERVICES

4.1 Software Licenses and Usage Rights. In consideration of Customer's payment of the Software license fees identified in the Exhibit or Schedule, JH grants to Customer a non-transferable (except as authorized herein) and non-exclusive license or usage right to install the Software internally and access and use the Software solely for its internal operations, in accordance with the scope, configuration and quantity of the Software licenses identified in the Exhibit or Schedule and pursuant to these Standard Terms and Conditions. For Software designated as server-based Software, Customer shall be entitled to install, access and use the Software programs on a single server computer located at Customer's site listed in the Exhibit or Schedule. Customer may transfer the installation of the Software programs to another server at Customer's site by giving JH prior written notice and the full installation details of the new Customer site of the installation. For Software designated as being workstation-based Software, Customer may install the Software programs on the number of Customer-owned client workstations and access the Software programs up to the maximum limit of the authorized users shown in the Exhibit or Schedule for the workstation licenses purchased by Customer. If the Software license has an annual license term, the annual Software license fee includes standard Maintenance provided by JH for the Software products.

4.2 U.S. Government Rights. If Customer is a U.S. government entity, the Software products and/or Services are provided with RESTRICTED RIGHTS. Use, duplication or disclosure by the Government is subject to restrictions set forth in subparagraphs (a) through (d)

of the Commercial Computer Software—Restricted Rights at FAR 52.227-19 when applicable, or in subparagraph (c)(1)(ii) of the Rights in Technical Data and Computer Software clause at DFARS 252.227-7013, and in similar clauses in the NASA FAR supplement, as applicable.

4.3 Software License and Usage Right Term Period:

(a) License and Usage Right Term Options. As shown in JH's quotation of Software licensing or usage rights options to Customer, JH may offer the Software products for Customer's use for the duration of any of the following license or usage right term periods:

- (1) Twenty five (25) year license term, which requires the payment of a one-time license fee to JH for Customer's use of the Software over this period. Annual Software Maintenance fees are charged separately from this one-time license fee.
- (2) Twelve (12) month license term ("Annual Term"), which is renewable for successive twelve month periods and requires the payment of an annual license fee to JH for Customer's use of the Software over this period. Annual Software Maintenance fees are included as part of the Annual Term license fees paid by Customer.
- (3) Monthly Usage right term ("Monthly Usage Term"), which is renewable on a calendar monthly basis and requires the payment of a monthly usage fee to JH for Customer's use of the Software over this period. Software Maintenance fees are included as part of the Monthly Usage Term fees paid by Customer.

The type and duration of Software licenses acquired by Customer will be specified in the Exhibit or Schedule. JH reserves the right to not offer any of the foregoing Software license term options for specific Software products. If no Software license term is specified in the Exhibit or Schedule, then the license term period for the Software shall be deemed to be for an Annual Term.

(b) License Term Commencement: For all Software licensed under the Master Agreement, the term of the Software license granted to Customer shall be for the period specified in the Exhibit or Schedule, commencing on the following date as applicable (the "Commencement Date"):

- (1) If Customer has contracted with JH to install the Software at Customer's location, then the effective date of the license shall be the date that the Software has been installed and tested by JH and is first made available to Customer for use in its production environment.
- (2) If Customer has not contracted with JH to install the Software at Customer's location, then the effective date of this initial license of the Software shall be the date of JH's delivery of the Software to Customer.
- (3) If Customer has contracted with JH to install and use the Software as part of processing services or a hosted service to be provided by JH to Customer via a remote Customer connection to JH's data center or hosted service center used by JH to provide the Software to Customer, then the effective date of the license or usage right shall be the date that the Software has been installed and tested by JH and is first made available to Customer for use in its production environment.

(c) Annual Term Licenses.

(1) For Annual Term Software licenses, after completion of the initial Annual Term of the Software license, the Software license may be renewed by Customer for additional Annual Terms as follows:

- (A) JH will provide Customer with a quotation or invoice of the Annual Term license fees due for the next following Annual Term license period for the Software then licensed by Customer. JH shall provide this written quotation or invoice to Customer no later than sixty (60) days prior to the Annual Term license renewal anniversary date. The Annual Term Software license fee will not be increased by JH by more than four and half percent (4.5%) over the preceding Annual Term Software license fee for the same scope and configuration of the Software licenses, except as provided in Section 4.5 below. If JH does not notify Customer of an increase in the Annual Term license fees, then the renewal Annual Term license fees shall be the same as the Annual Term license fees paid by Customer for the Annual Term period immediately preceding the renewal Annual Term period.
- (B) Customer may contract for the Annual Term license renewal by (i) issuing a purchase order to JH prior to the next renewal Annual Term anniversary date for the Software license, which indicates an Annual Term license renewal for the Software products, or (ii) paying the invoice received from JH for the renewal Annual Term license no later than the renewal anniversary date.

(2) Withdrawal of Annual Term Licenses: After completion of the first full initial Annual Term license period, JH reserves the right to withdraw the availability of the Annual Term licenses of any or all of the Software products licensed by Customer, by giving Customer written notice of non-renewal of the Annual Term licenses at least one hundred eighty (180) days prior to the next renewal anniversary date.

(3) Prorated Initial Annual Renewal Term: After completion of the first Annual Term, JH reserves the right to prorate the Annual Term so that it will expire on the next following July 1 and each Annual Term will commence on July 1 thereafter. In this instance, JH will issue a partial year invoice to Customer covering this prorated Annual Term period, and issue regular full Annual Term invoices to Customer thereafter.

(d) Monthly Usage Term: For Monthly Usage Term transactions, the Monthly Usage Term will automatically renew on a calendar monthly basis, until such time that either Customer or JH shall terminate the Monthly Usage term by giving at least ninety (90) days prior written notice of termination. Each monthly fee will be due and payable by Customer in advance no later than the first day of each calendar month during the term of the Monthly Usage Term.

4.4 Services Subscription Term: For Services acquired under the Master Agreement, the subscription term of the Services granted to Customer shall be for the period specified in the Exhibit or Schedule, commencing on the date that the Services have been installed and tested by JH and are first made available to Customer for use in its production environment (the "Commencement Date"). If no Services subscription term is specified in the Exhibit or Schedule and the Services are being acquired by Customer for use with Software licensed under the Master Agreement, then the initial subscription term for the Services shall be for a period of one (1) year and automatically renewed for additional terms of one (1) year each unless terminated by either party giving the other party at least ninety (90) days written notice of termination prior to the annual renewal anniversary date.

4.5 Additional Software or Services fees will be due and payable by Customer to JH for using the Software or Services to process the data or requirements of entities other than Customer; for an increase in the scope, configuration or quantity of its existing Software licenses or Services; or for licensing or acquiring additional Software products or Services. The Software and Services are licensed and provided for use in Customer's production environment. If Customer wishes to utilize the Software or Services in its nonproduction environments, such as development, testing, or disaster recovery, additional Software license or usage rights fees or Services fees may be charged by JH for such use.

4.6 Except as authorized by law or in these Standard Terms and Conditions, the Software licenses or Services acquired by Customer may not be assigned, sublicensed, or otherwise transferred or copied in any manner by Customer to any other entity without the prior written consent of JH. The Software or Services may not be used by Customer in a timesharing, rental, ASP/hosted or service bureau environment to provide access to the Software or Services to a third party, without the prior written consent of JH. Customer shall be authorized to make a reasonable number of copies of the Software for its archival or back-up purposes only. Customer may print a reasonable number of hard copies of the online Documentation for the sole reference and use by individual users of the Software within Customer's organization. All authorized copies of the Software programs or Documentation made by Customer shall include all of the proprietary notices and legends included by JH or its licensors on the original Software programs and Documentation.

4.7 Customer shall not disassemble, reverse engineer, decompile or perform any other action to determine the source code of the Solution except to the extent such action is authorized by applicable law, nor shall Customer create any derivative works from the Solution. Customer shall not remove or alter proprietary notices or legends placed by JH or its licensors on any of the Solution or on other materials associated with the Solution.

4.8 If Customer wishes to provide access to any features or functions performed by the Software or Services to any third party provider in order to establish interoperability between JH's Software or Services and the third party's products or services, Customer will first require the third party provider to sign JH's standard confidentiality agreement provided by JH for this purpose, authorizing the third party provider's use of and access to the Software or Services.

4.9 Customer covenants and warrants to JH that all third parties granted access to or use of the Software or Services by Customer shall abide by and be bound to comply with the provisions of the Master Agreement and these Standard Terms and Conditions as though they were the Customer. Customer accepts full responsibility and liability to JH for any breach of the Master Agreement or these Standard Terms and Conditions committed by the third party who is granted access to the Software by Customer. A breach of the Master Agreement or these Standard Terms and Conditions committed by a third party granted access to the Software by Customer shall be deemed to be a breach committed by Customer. JH and its licensors shall be deemed to be intended third party beneficiaries of any written agreement between Customer and a third party to whom Customer has granted access to the Software or Services, to enable JH and its licensors at their election to enforce the terms of the Master Agreement and protect their rights to the Software and Services directly against the third party.

4.10 For any Third Party Software or Third Party Services identified in the Exhibit or Schedule, the licenses and rights granted to Customer for use of the Third Party Software or Third Party Services will be specified in and governed by one of the following:

- (a) Supplemental terms and conditions appended to the Master Agreement which apply solely to the Third Party Software or Third Party Services involved; or
- (b) a separate software license agreement or services agreement provided by the owner of the Third Party Software or Third Party Services which the owner requires to be signed or acknowledged by Customer prior to being granted access to the Third Party Software or Third Party Services.

JH makes no separate grant of licenses or rights or extends any product or services warranties, indemnities and liabilities for Third Party Software or Third Party Services to Customer. Any warranties or indemnities provided by the owner of the Third Party Software or Third Party Services in its standard software end-user license agreement or services agreement shall exclusively apply to the product or services. To the extent authorized by the owner of the Third Party Software or Third Party Services, JH shall pass through to Customer for Customer's benefit all end-user software warranties and indemnities that the owner of the Third Party Software or Third Party Services provides directly to JH.

4.11 Not more than once each calendar year during the term of the Master Agreement, JH or its audit representatives may at JH's expense conduct an audit at Customer's site upon at least fifteen (15) days prior written notice to verify that Customer's use of the Solution conforms to the terms of the Master Agreement and these Standard Terms and Conditions. If an audit uncovers wrongful use or copying of the Solution by Customer, Customer shall pay to JH the then-current fees due for the additional copying and usage of the Software or Services. Further, if the additional fees associated with Customer's wrongful copying or usage of the Solution exceeds 120% of the fees paid by Customer for its licensed Solution installation, Customer shall reimburse JH for its reasonable costs of performing the audit.

5. HARDWARE ACQUISITION TERMS

5.1 All Hardware sold by JH to Customer under the Master Agreement is manufactured by third parties. Upon mutual execution of the Exhibit or Schedule, JH will place an order for the Hardware with the third party manufacturer of the Hardware or its distributor or dealer for delivery of the Hardware to Customer. The Hardware will conform to the then-current published written technical specifications of the Hardware provided by JH to Customer immediately prior to execution of the Exhibit or Schedule. In the event that Customer requests a change in the order specifications or Hardware configuration details after JH's placement of the order with the third party Hardware provider, Customer shall reimburse JH for any rework charges levied by the third party Hardware provider. Customer acknowledges that a Hardware manufacturer may reserve the right to include new and used parts in its Hardware, and that a Hardware manufacturer or provider may provide Hardware that has been previously installed, but for which a full warranty is provided by the Hardware manufacturer or provider for the Hardware.

5.2 The Hardware will be delivered to Customer at the Customer location specified in the Exhibit or Schedule, unless a different location has been agreed in writing between Customer and JH. Unless otherwise indicated in the Exhibit or Schedule, Customer will be responsible for performing the installation of the Hardware at Customer's location. If Customer has contracted with JH to perform the installation, Customer will provide a suitable location, environment and equipment for the installation and will assist in unpacking, moving and locating the Hardware, as requested by the installer. Customer will pay JH or the installer (as the case may be) its then current installation services fees and reimbursable reasonable out-of-pocket travel expenses.

5.3 Customer will be solely responsible for providing all components in its information technology environment necessary to install and operate the Hardware in accordance with its published technical specifications, including but not limited to WAN/LAN network connectivity and management, switches, Ethernet drops, patch cables, UPS and Surge Protection, Rack Units, Rack mounting, Virus and Firewall protection. Products and/or services associated with fulfillment of these responsibilities may be purchased separately from JH. Microsoft may require Customer to acquire a Service Provider License Agreement for any Microsoft licensed products to be used for Commercial Hosting.

5.4 Customer accepts sole responsibility for (a) its selection and use of the Hardware and programming to be operated with the Hardware to achieve Customer's intended results and the results obtained therefrom; and (b) the selection and use of, and results obtained from, any other equipment, programs, or services used by Customer with the Machines and programming.

5.5 The prices shown in the Exhibit or Schedule for Hardware are F.O.B. shipping point and do not include any transportation, packing, crating, rigging, storage, warehousing, unloading, or shipment insurance charges, if any, which will be payable separately by Customer. Upon delivery of the Hardware to Customer, JH will invoice Customer for the Hardware and related transportation and shipment insurance charges, which will be due and payable within thirty (30) days following Customer's receipt of the correct and valid invoice.

5.6 The title and ownership of all Hardware transfers to Customer when delivered by the Hardware provider to the transportation carrier; however, to the extent permitted by applicable law, JH reserves a purchase money security interest in all Hardware delivered to Customer until the Hardware fees identified in Section 5.5 above are paid in full by Customer. If Customer fails to pay all Hardware fees in full when due, JH shall have the right to take possession of the Hardware and remove it from Customer's location, at which event the title to the Hardware will automatically be transferred to JH.

5.7 JH will advise the Hardware manufacturer or provider of Customer's requested shipping dates, but Customer will accept and abide by any manufacturing or shipping date or sequence of Hardware units to be delivered as established or amended by the Hardware manufacturer or provider. If the scheduled delivery date is extended on request of, or by the action of Customer, then Customer will pay any additional fee or charge assessed by the Hardware manufacturer or provider for such delay as incurred by JH, together with any warehouse charges and other related expense, if any, resulting from such delay. Customer accepts all risk of loss or damage of the Hardware from and after delivery to the transportation carrier. JH or JH's supplier will arrange for shipment insurance coverage against risk of loss or damage to the Hardware while it is in transit to Customer. Such coverage will be at Customer's expense.

5.8 Prices for the Hardware shall be as shown in the Exhibit or Schedule but are subject to price increases implemented by the Hardware manufacturer or provider prior to the scheduled shipment date of the Hardware. If a price increase is imposed by the Hardware manufacturer or provider prior to shipment of the Hardware, JH will promptly give Customer written notice of the price increase. Customer may cancel its order for the affected Hardware units by written notice immediately delivered to JH, otherwise the Hardware will remain on order but at the new increased sales price.

5.9 If any of the Hardware units are custom manufactured or configured in a nonstandard manner for Customer's order, Customer acknowledges that JH may be unable to accept return of those Hardware units. Returns of any kind require prior approval by JH and will not be accepted more than fifteen (15) days after shipment to Customer. Approved returns will only be accepted in the original, unopened, shipping container. All approved returns will be subject to a 20% restocking fee payable by Customer.

5.10 If a Hardware unit is determined to be defective upon delivery to the Customer location, Customer must notify JH within ten (10) days of delivery and receive a defective machine return approval. Defective units may be repaired or replaced under the Hardware manufacturer's warranty or returned for credit at the discretion of JH or the Hardware manufacturer. A restocking fee will not apply to returns of defective equipment approved by JH.

5.11 The Hardware manufacturer or provider generally offers a separate Hardware maintenance contract for servicing the Hardware acquired by Customer, and in that case, Customer shall have the option of acquiring this Hardware maintenance directly from the manufacturer or provider. JH will have no liability or responsibility to Customer with regard to the separate Hardware maintenance contract between Customer and the manufacturer or provider, even if Customer acquires this Hardware maintenance contract from the Hardware manufacturer or provider through JH under the Exhibit or Schedule.

6. WARRANTIES

6.1 Software and Services. With respect to Software and Services provided by JH to Customer under the Master Agreement, JH warrants to Customer that:

- (a) For a period of ninety (90) days following JH's initial delivery of the Software or Services to Customer (the "Warranty Period"), the unmodified Software programs or Services will operate in accordance with the Documentation in effect at the time of delivery. If Customer has contracted for JH to perform the Software or Services installation, the Warranty Period will commence on the date that the Software or Services have been installed and tested by JH and first made available to Customer for use in its production environment. Under this warranty, JH will apply commercially reasonable efforts to correct Errors in the Software or Services reported by Customer during the Warranty Period at no extra charge to Customer. If JH does not correct the Errors reported by Customer within thirty (30) days following the expiration of the Warranty Period, Customer may terminate this Agreement and receive a full refund of all fees paid by Customer to JH for the affected Solution components under this Agreement. Errors reported by Customer after expiration of the Warranty Period will be addressed by JH solely in accordance with the provisions of Section 7 (Software and Services Maintenance) below. JH does not warrant that the Solution is Error-free or will operate in an uninterrupted manner.
- (b) The Software and Services shall be provided by JH free and clear of all liens and encumbrances. JH further warrants that it has full power and authority to license and provide the Solution to Customer without the consent of any other person, or in the event such consent is required JH has obtained all required consents. JH will utilize commercially available virus protection software in order to ensure that the Software and Services will be free from known viruses, bombs and other destructive elements which negatively affect Customer's use and operation of the Software and Services.
- (c) Maintenance of the Software and Services will be provided to Customer in a timely and professional manner consistent with technology industry standards for maintenance support of commercial software products and services comparable to the Software licensed and Services acquired by Customer under the Master Agreement.

6.2 Professional Services. JH warrants that the Professional Services provided by JH to Customer under the Master Agreement will be performed in a timely and professional manner consistent with technology industry standards and in accordance with the requirements and specifications identified in the Exhibit or Schedule or a separate statement of work or services order negotiated and executed between the parties (as applicable).

6.3 Third Party Software and Services. JH warrants that it has full power and authority to license and provide the Third Party Software and Third Party Services to Customer without the consent of any other party, or in the event such consent is required JH has obtained all required consents.

6.4 Hardware. JH warrants that (a) It has full power and authority to resell and deliver the Hardware to Customer without the consent of any other party, or in the event such consent is required JH has obtained all required consents; and (b) Hardware installed by JH will be properly installed in accordance with the Hardware manufacturer's installation instructions. JH does not make any other warranties, indemnities or obligations for the Hardware and does not accept any liability for any warranties, indemnities or obligations which may be separately provided by the Hardware manufacturer or provider with respect to the Hardware acquired by Customer from JH under the Master Agreement.

6.5 THE WARRANTIES STATED IN THIS SECTION 6 ARE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

JH MAKES NO WARRANTY THAT THE SOFTWARE OR SERVICES WILL BE ERROR FREE OR WILL OPERATE IN AN UNINTERRUPTED MANNER.

7. SOFTWARE AND SERVICES MAINTENANCE

7.1 During the term of the Exhibit or Schedule, in consideration of Customer's full payment of the fees for the Software, Maintenance and/or the Services subscription fees applicable to the transactions entered into between JH and Customer under the Exhibit or Schedule, JH will provide Customer with the following standard Maintenance for the Software and Services:

- (a) Updates and Enhancements of the Software or Services which are provided by JH to other then-current active Maintenance customers of the Software or Services.
- (b) Customer support help-desk, for the reporting, handling and resolution of Software product errors discovered by Customer. Unless different help desk hours are shown in the Exhibit or Schedule, JH's standard customer support help desk hours are 8:00 am through 5:00 pm, Central US time zone, Monday through Friday, excluding standard US holidays published by the Federal Reserve System.
- (c) Correction of Errors which prevent normal operation and use of the Software or Services, including the delivery of program error fix releases or PTF's.

7.2 Customer, at its expense, will provide JH with remote VPN communication access (or comparable remote access technology) to its server on which the Software or Services have been installed to enable JH to perform remote diagnosis and troubleshooting activities relating to the reported Error. If remote dial up access is provided, Customer shall initiate the call for the remote support session. JH shall comply with all IT system access and security policies and procedures communicated by Customer regarding authorized access to its IT systems.

7.3 JH's provision of standard Maintenance shall apply only to the then-current release of the Software or Services and the immediately preceding release of the Software or Services. Maintenance, if any, offered by JH for older releases of the Software or Services shall be provided under a separate Professional Services purchase order negotiated and executed between JH and Customer and subject to separate charges.

7.4 Standard Maintenance specifically excludes, and JH will not be liable or responsible to perform Maintenance for, any problems caused or contributed to by the following:

- (a) A Software program or service which was not originally provided by JH, or
- (b) An unauthorized alteration or revision to the Software or Services, or
- (c) Errors that were previously corrected by JH and delivered to Customer in an update release of the Software or Services which has not been installed by Customer, or
- (d) Any problems with data on tape, disk or diskettes which have been caused by defects by hardware manufacturers programming, or
- (e) Failure of Customer to load hardware manufacturers operational/system software new Releases and/or Program Temporary Fixes (PTFs), or
- (f) Errors or problems which are the result of improper operator handling or use.
- (g) As part of its provision of standard Maintenance, JH will not provide retrofitting, reintegration, and recoding of any customization(s) which have been made to the Software or Services in order for the customizations to work with any then-current release version of the Software or Services. Any Professional Services to perform those activities which are agreed between JH and Customer shall be documented in the Exhibit or Schedule or a Statement of Work or services order executed between JH and Customer which includes the project details, scope of services deliverables, and services fees applicable to the Professional Services.

8. OWNERSHIP

8.1 All Software and Services and other intellectual property provided by JH to Customer shall be and remain the exclusive property of JH and its licensors, subject to the licenses and rights granted to the Customer as defined in the Master Agreement and these Standard Terms and Conditions. All Software provided by JH to Customer under this Agreement is licensed and not sold.

8.2 All software programs, data, technology and any other intellectual property owned by Customer and its licensors and provided or made accessible to JH under this Agreement shall be and remain the exclusive property of Customer and its licensors.

9. TRADE SECRETS

9.1 Customer hereby acknowledges that the Software provided by JH under this Agreement incorporates trade secrets of JH and its licensors, and as such is protected by civil and criminal law, is very valuable to JH and its licensors, and that its use must be carefully and continuously controlled. Customer shall use the highest standard of diligence to protect the confidentiality of the Software, but in no event exercising not less than reasonable care, and shall prohibit the unauthorized access to, use or duplication of any of the Software in its possession. Customer shall keep all machine-readable Software in a secure place which is as secure as Customer provides for its most confidential materials of like nature and importance. Customer shall notify JH immediately of any unauthorized disclosure, possession or use of any item supplied by JH under the Master Agreement by any person or organization not authorized by the Master Agreement to have such possession or use. Customer shall promptly furnish JH full details of such possession, use or knowledge, and shall cooperate fully with JH in any litigation against third parties deemed necessary by JH to protect its proprietary rights. Customer's compliance with the above shall not be construed in any way as a waiver of JH's right to recover damages or obtain other relief against Customer for its negligent or intentional harm to the proprietary rights of JH or its licensors or for Customer's breach of its contractual obligations to protect the confidentiality of the Software or Services.

9.2 If Customer attempts or allows others to attempt to use, copy, duplicate, transcribe or convey the items supplied by JH pursuant to the Master Agreement, in a manner contrary to the terms of the Master Agreement or these Standard Terms and Conditions in derogation of JH's proprietary rights, whether these rights are explicitly herein stated, determined by law, or otherwise, JH shall have, in addition to any other remedies available to it at law or equity, the right to seek injunctive relief enjoining such actions. Customer acknowledges that in such instances irreparable harm will occur to JH and its licensors and that other remedies are inadequate.

10. CONFIDENTIAL INFORMATION

10.1 All information communicated by one party to the other party regardless of whether marked as confidential or not, including the terms and conditions of this Agreement ("Confidential Information"), whether before the effective date or during the term of this Agreement, shall be received in strict confidence and shall be used only for the purposes of this Agreement. Confidential Information shall not be disclosed by the recipient party, its agents or employees without prior written consent of the disclosing party. Each party agrees to take all reasonable precautions to prevent the disclosure to third parties of such information, except as may be necessary by reason of legal, accounting or regulatory requirements beyond the reasonable control of JH or Customer, as the case may be. The receiving party shall apply the same

standard of care with respect to the disclosing party's Confidential Information that it applies to its own Confidential Information of like nature and importance, but in no event applying less than a standard of reasonable care. If Third Party Software or Third Party Services are specified in the Exhibit or Schedule, then JH shall be authorized to disclose the terms and conditions of the Exhibit or Schedule to the owner of the Third Party Software or Third Party Services to fulfill its contract reporting obligations to the third party owner.

10.2 The receiving party shall be under no obligation with respect to Confidential Information which (a) was in the public domain prior to the receipt of the information by the receiving party, or subsequently becomes part of the public domain by publication or otherwise, except disclosure by or the wrongful act of the receiving party, its owners, officers, directors, employees, agents or representatives; (b) was in the lawful possession of the receiving party prior to its receipt from the disclosing party and was not acquired by the receiving party directly or indirectly from the disclosing party or any of disclosing party's Customers, and the sources of such information had not obtained the information wrongfully and had no obligations of confidentiality or secrecy with respect thereto; (c) was independently developed by the receiving party without access to the Confidential Information; (d) is provided by the disclosing party to another person or party without being subject to an obligation of confidentiality by the other person or party with respect to the information; or (e) is disclosed by the receiving party pursuant to a government or court order requiring such disclosure, provided that the receiving party has first notified the disclosing party of its receipt of the government or court order to disclose the disclosing party's Confidential Information and has given the disclosing party an opportunity to seek a protective order limiting such disclosure without confidentiality obligations. The receiving party has the burden of proving that the Confidential Information was subject to one or more of the above listed exceptions.

10.3 All information and materials disclosed to Customer at JH's User Group conferences shall be treated as JH's Confidential Information. Nothing in this Section shall be interpreted to preclude or impede Customer's participation in any User Group conference.

11. DATA PRIVACY AND SECURITY

11.1 In accordance with data privacy laws and regulations applicable to this Agreement, which may include but not be limited to the Gramm-Leach-Bliley Act ("GLBA") and the Health Insurance Portability and Accountability Act ("HIPAA"), JH shall not disclose or permit access to or use of the non-public personal information of Customer or its consumers made available by Customer to JH for any purposes other than those specifically required to fulfill JH's contractual obligations with Customer. JH shall not sell the information regarding Customer's consumers for any reason. In connection with providing services to Customer, JH shall take all commercially reasonable steps to ensure the privacy and security of Customer's and its consumers' information and protect against anticipated threats and hazards to the security of such information. JH shall take all commercially reasonable steps to prevent unauthorized access to or use of such information that could result in substantial harm or inconvenience to Customer or its consumers. JH has implemented policies and procedures to ensure the proper disposal of consumer information in accordance with applicable Federal and State requirements. In the event any court or regulatory agency seeks to compel disclosure of the information, JH shall, if legally permissible, promptly notify Customer of the disclosure requirement and will cooperate so that Customer may at its expense seek to legally prevent this disclosure of the information.

11.2 JH has separately published its data privacy and security compliance commitment to its customers, which corresponds at a minimum to the provisions of this Section 11 as of the effective date of this Agreement. To the extent that additional commitments by JH are reflected in future published versions of this policy, these additional commitments shall be incorporated as part of this Agreement without further actions by the parties. In no event shall a future published data privacy and security compliance statement issued by JH lessen or eliminate any of the commitments by JH stated in [this Section 11](#).

11.3 If a breach of security results in an unauthorized intrusion into JH's systems which directly and materially affects Customer or its consumers, JH will take appropriate measures to stop the intrusion; report on the intrusion to Customer within a reasonable time after discovery of the intrusion; subsequently report the corrective action taken by JH in response to the intrusion; and provide reasonable assistance to Customer to support any mandatory disclosures about the intrusion by Customer to its consumers required by law. If JH has notified law enforcement agencies about the intrusion, JH may delay its notification of the intrusion to Customer until authorized to do so by the law enforcement agencies.

12. DELIVERY OF SOFTWARE AND SERVICES

If Customer has not contracted with JH to install the Software or Services at Customer's location, delivery of the Software or Services to Customer shall occur within thirty (30) days following (a) the execution of the Exhibit or Schedule, with respect to the Software or Services initially licensed or acquired under the Exhibit or Schedule, and (b) the execution of any follow-on addendum to the Master Agreement, with respect to additional Software or Services licensed or acquired under the Master Agreement.

13. PROFESSIONAL SERVICES

13.1 Installation Services. If Customer has contracted for JH to install the Solution at Customer's location, JH will install the Solution at Customer's designated data processing center or JH's data processing or hosted service data center (as applicable) so that the Solution will properly operate as specified in the Exhibit or Schedule. Prior to commencement of the project, JH and Customer may enter into a separate Statement of Work document which describes the project details and the specifications and requirements applicable to JH's professional services delivery. Customer shall be responsible for providing all hardware, other third party software, and internet/network/infrastructure components necessary to install and operate the Solution in its production environment, which shall be installed by Customer and operational as of the scheduled commencement date of the Solution installation project. Customer will furnish data needed and requested by JH and will co-operate with and assist JH personnel in the installation and testing of the Solution.

13.2 Training Services. If Customer has contracted for JH to perform training of Customer's personnel in the use and operation of the Solution, JH will perform the training at the site indicated in the Exhibit or Schedule. The training session will be scheduled to occur on a mutually agreeable date. If the training is to be conducted at Customer's location, Customer will provide JH with the necessary space, equipment and a suitable training environment in which to perform the training session. For the training fee quoted to Customer, up to twelve (12) of Customer's personnel may attend a single training session conducted at Customer's location.

14. INVOICING AND PAYMENT TERMS

14.1 Unless different payment terms are specified in the Exhibit or Schedule, JH will invoice Customer for the Solution and Professional Services upon delivery, and Customer shall pay JH for all amounts due under the Exhibit or Schedule within thirty (30) days from the date of JH's correct and valid invoice.

14.2 To the extent such charges are permitted under applicable law, if Customer becomes delinquent in the timely payment of a correct and valid invoice received from JH, Customer will become liable to pay JH an additional amount equal to the lower of (a) 1.5% interest per month (18% annually) or (b) the highest interest rate chargeable by applicable law, to be charged until the delinquent amount has been fully paid. JH reserves the right to halt the delivery of any Solution, Maintenance or Professional Services if Customer becomes delinquent in the payment of any amounts due JH, except where such amounts are legitimately being disputed in good faith by Customer.

15. LIMITATION OF LIABILITY

15.1 Neither party shall be liable to the other party or to any other person, firm or company, for failure to fulfill its obligations hereunder due to the occurrence of an event beyond its reasonable control, including but not limited to acts of God, public disaster, fire, flood, riot, war, terrorism, labor strikes/disputes involving its suppliers, judicial orders/decrees, government laws/regulations, or interruptions of communications, transportation or electricity.

15.2 Any liability of JH for any loss, damage, or cost hereunder shall be limited to actual direct damages incurred by Customer, but in no event shall the aggregate of JH's liability under the Master Agreement exceed the cumulative amount of fees paid by Customer to JH under the Exhibit or Schedule during the preceding three (3) year period, nor shall any amount of the liability include any indirect, consequential, punitive or special damages incurred by Customer, to the extent that such limitation or exclusion of damages is permitted by applicable law.

16. TERMINATION

16.1 If Customer or JH elects not to renew the license or usage right term of the Software or the subscription term of the Services as provided in Section 4 above, then the Software or Services subject to such non-renewal shall automatically terminate as of the expiration date of the then-current license, usage right or subscription term, without further action or notice required by either party.

16.2 Either party may terminate the Master Agreement for cause by written notice to the other party, upon the occurrence of a breach of this Agreement which has not been cured by the other party following thirty (30) days prior written notice of such breach. If the breach is due to Customer's failure to pay a correct and valid invoice when due without legitimate dispute, this cure period shall be reduced to ten (10) days following receipt of notice of the delinquency from JH.

16.3 Either party may terminate the Master Agreement for cause upon written notice to the other party, in the event that the other party undergoes voluntary or involuntary bankruptcy.

16.4 Within ten (10) business days following the effective date of termination of the Master Agreement, or any applicable Exhibit or Schedule, Customer shall cease using the Software and Services, uninstall the Software and Services from all locations, and return the Software copies to JH or destroy the Software copies and certify this destruction to JH in writing by an official or senior manager of Customer.

17. GENERAL PROVISIONS

17.1 Any notice under the Master Agreement shall be in writing and shall be deemed delivered when actually received, or five days after it is sent by United States Postal Service certified mail, return receipt requested, or by overnight express mail, with proof of delivery retained, when addressed to the other party at its address shown in the Master Agreement, which may be changed by written notice. A copy of any written notice of breach or termination of the Master Agreement given by Customer to JH shall be delivered to the attention of JH's Legal Department at the JH address identified in the Master Agreement.

17.2 No action arising out of the Master Agreement may be brought by a party against the other party more than two (2) years after the cause of action has accrued and the injured party has actual knowledge of the accrual. Unless otherwise prohibited by applicable law, the prevailing party in any litigation conducted in relation to the Master Agreement shall be entitled to recover its reasonable attorneys' fees from the other party.

17.3 This Master Agreement shall be modified or altered only by a written instrument signed by authorized representatives of both parties.

17.4 The Master Agreement shall be binding upon and inure to the benefit of the parties and their respective assigns and successors.

17.5 Except as provided below, the Master Agreement shall not be transferable or assignable by either party to a third party without the prior written consent by the non-assigning party. JH may assign the Master Agreement in its entirety to a successor entity which has acquired controlling ownership interest in JH and is contractually bound to enjoy all of the rights and perform all of the liabilities and responsibilities of JH under the Master Agreement.

17.6 The Master Agreement shall be governed by and construed in accordance with the laws of the home state of Customer, without reference to its conflict of laws provisions, and applicable U.S. federal laws and regulations.

17.7 The provisions of Sections 5, 8, 10, 11, 14, 15, 16.4 and 17 shall survive the expiration or termination of the Master Agreement.

17.8 If any of the provisions of the Master Agreement shall be ruled by a court of law with competent jurisdiction to be invalid under any applicable statute or rule of law, the affected provisions shall be, to that extent, be deemed to be omitted. Such omission shall not change the intent or binding nature of any or all of the rest of the Master Agreement.

Exhibit A Order Form

Payment Solutions

Description	Order Type	Solution Type	Net Price	Frequency
RemitPlus Software – up to 100,000 annual items Quantity: 1	New	Software Maintenance	\$1,690.00	Yearly
RemitPlus Additional Implementation/Project Quantity: 1	New	Software Maintenance	\$1,872.00	Yearly
RemitPlus Scanform API Quantity: 2	New	Software Maintenance	\$800.00	Yearly
Parascript CheckPlus SW (CAR/LAR) – up to 500,000 annual items Quantity: 1	New	Software Maintenance	\$1,000.00	Yearly
Electronic Deposit Quantity: 1	New	Software Maintenance	\$150.00	Yearly

Yearly Total
\$5,512.00

Solution Section(s)

Payment Solutions

RemitPlus®

1. The RemitPlus Software is a Software License. Its components are licensed by JH to Customer for installation and internal use in Customer's production environment on Customer's computer system.
2. The RemitPlus Software contains Third-Party Software provided by Parascript, LLC ("Parascript"). Customer's use of such Third-Party Software is subject to the following:
 - a. The Parascript Software (for which JH is an authorized reseller) is owned by Parascript and sublicensed by JH to Customer for Customer's use solely in conjunction with the JH Software and Services. The Parascript Software is licensed based on the following licensing metrics:
 - i. The hardware platform upon which the Parascript Software will be installed and used (e.g. on a workstation or a server computer);
 - ii. The number of copies of the Parascript Software to be installed by Customer on the designated hardware platform for use with JH Software; and
 - iii. The number of Counts processed by Customer using the Parascript Software during each Year, calculated in accordance with the formula set forth below.
 - b. The term "Count" used in this licensing metric is defined and tracked by Parascript and means a single instance in which the Parascript Software is used to read a field or document and results in a billable unit. A billable unit may also be a preset quantity of "Counts" (e.g. a volume tier). Parascript has assigned Count values for individual field types which may be read on a document of a debit or credit being processed. Parascript's schedule of Count values will be communicated to Customer in a written document if requested by Customer. The term "Year" used in this licensing metric is defined as a 12-month calendar year, beginning on the date the license key is issued which period is set by Parascript in its license key for the Parascript Software.
 - c. Each copy of the Parascript Software is licensed for Customer's use solely with the JH Software or Services in this Solution Section. Customer's installation and use of the Parascript Software with any other JH or non-JH Software product will require Customer's purchase of a separate Parascript Software license for such use.
 - d. The Parascript Software is designed to be used for reading U.S. checks and fields only, or those compliant with the requirements. Customer acknowledges that the Parascript Software will not be used by Customer or its End-Users to read non-U.S. checks or fields, and that neither JH nor Parascript will have any responsibility or provide any maintenance support for errors caused from using the Parascript Software for reading non-U.S. checks or fields.
 - e. Parascript and JH will have no liability for any damages resulting from loss of data or profits, or for any special, indirect, incidental, punitive or consequential damages arising out of or in connection with the use, promotion, distribution of the Software or Documentation, or any enhancements or modifications thereto.
 - f. JH will provide the following basic Maintenance Services for the Parascript Software:
 - i. The JH customer support organization will receive and process error incident reports submitted by Customer regarding the operation of the Parascript Software, during the same hours of operation published for other JH Software support. JH will perform a basic level of error troubleshooting and resolution activities with respect to errors determined by JH to be caused by the Parascript Software and escalate the error incident to the owner of the Parascript Software for handling and resolution if the error requires access to the source code of the Parascript Software or advanced technical expertise with the Parascript Software programs which is beyond JH's technical competency to resolve.
 - ii. JH will provide to Customer periodic standard update Releases of the Parascript Software issued by the owner of the Third-Party Software to JH, which have been tested and certified to interoperate with the JH Software in this Solution Section.
3. Customer Responsibilities. The Software requires the use of Third-Party Software, such as client and server operating systems, relational database systems, communications/networking systems, and internet browsers to be fully functional. In addition, the Software requires appropriate computer hardware with an adequate amount of memory as indicated in the Software Documentation. Customer is responsible for obtaining and maintaining such hardware and Third-Party Software for use with the JH Software.
4. Professional Services. JH will perform the installation of the Software at Customer's location first identified above, commencing on a date mutually agreed by the parties (the "Implementation Date"). Customer will be responsible for providing all hardware, other third-party software, and internet/network/infrastructure components necessary to install and operate the Software in its production environment, which will be installed by Customer and operational as of the Implementation Date of the Software installation project. If contemporaneously with this Solution Section, Customer has acquired hardware from JH under a separate hardware purchase agreement upon which the Software will be installed, JH will install this hardware as part of the Software implementation and Fees quoted in the Order Form.