

**NOTICE OF MEETING OF THE COMMISSIONERS' COURT OF
HOCKLEY COUNTY, TEXAS**

Notice is hereby given that a Special Meeting of the above named Commissioners' Court will be held on the 31st day of July, 2019 at 10:00 a.m. in the Commissioners' Courtroom, Hockley County Courthouse, Levelland, Texas, at which time the following subjects will be discussed to-wit:

1. Read for approval the minutes of the Special Meeting of the Commissioners' Court held on Wednesday, July 24, 2019.
2. Read for approval all monthly bills and claims submitted to the court and dated through July 29, 2019.
3. Consider and take necessary action to Nunc Pro Tunc item 4 of the minutes from the Special Meeting of the Commissioners' Court dated July 24, 2019 to read as follows: Consider and take necessary action to approve the Treasurer's Quarterly Financial Report.
4. Consider and take necessary action to approve the Continuing Education Certificates of County Treasurer, Denise Bohanan.
5. Consider and take necessary action to approve or reject bids for a security system submitted by Justice of the Peace, Precinct 1.
6. Consider and take necessary action to approve the Master Service Agreement and Assurance with Cyber Defense by and between CTSI and Hockley County.

COMMISSIONERS' COURT OF HOCKLEY COUNTY, TEXAS.

Filed for Record
at _____ o'clock _____ M.

BY: Sharla Baldrige
Sharla Baldrige, Hockley County Judge

JUL 25 2019

Jennifer Palermo
County Clerk, Hockley County, Texas

I, the undersigned County Clerk, do hereby certify that the above Notice of Meeting of the above named Commissioners' Court, is a true and correct copy of said Notice on the bulletin board at the Courthouse, and at the east door of the Courthouse of Hockley County, Texas, as place readily accessible to the general public at all times on the 25th day of July, 2019, and said Notice remained so posted continuously for at least 72 hours preceding the scheduled time of said meeting.

Dated this 25th day of July, 2019.

Jennifer Palermo
Jennifer Palermo, County Clerk, and Ex-Officio
Clerk of Commissioners' Court, Hockley County, Texas



SPECIAL MEETING
July 31, 2019

Be it remembered that on this the 31st day of July A.D. 2019, there came on to be held a Special meeting of the Commissioners' Court, and the Court having convened in Special session at the usual meeting place thereof at the Courthouse in Levelland, Texas, with all the following members present to-wit:

Sharla Baldrige	County Judge
Curtis D. Thrash	Commissioner Precinct No. 1
Larry Carter	Commissioner Precinct No. 2
J. L. "Whitey" Barnett	Commissioner Precinct No. 3
Thomas R "Tommy" Clevenger	Commissioner Precinct No. 4

Jennifer Palermo, County Clerk, and Ex-Officio Clerk of Commissioners' Court when the following proceedings were had, to-wit:

Motion by Commissioner Barnett, second by Commissioner Thrash, 4 Votes Yes, 0 Votes No, that the Minutes of a Special meeting of the Commissioners Court held on Wednesday July 24, 2019 A.D., be approved and stand as read.

Motion by Commissioner Carter, second by Commissioner Clevenger, 4 Votes Yes, 0 Votes No, that Commissioners Court approved all monthly claims and bills, submitted to the court, and dated through July 29, 2019, A.D. be approved and stand as read.

Motion by Judge Baldrige, second by Commissioner Barnett, 5 Votes Yes, 0 Votes No, that Commissioners Court approved to take necessary action to Nunc Pro Tunc item 4 of the minutes from the Special Meeting of the Commissioners Court dated July 24, 2019 to read as follows: Consider and take necessary action to approve the Treasurer's Quarterly Financial Report. Treasurer's 2nd Qtr. 2019 Financial Report recorded below. Originally heard Treasurer's 2nd Qtr. 2019 Financial Report in Commissioners Court dated July 24, 2019.

TREASURER'S 2ND Qtr. 2019 FINANCIAL REPORT

THE STATE OF TEXAS
COUNTY OF HOCKLEY
AFFIDAVIT

The Treasurer's Quarterly Report includes, but is not limited to, money received and disbursed; debts due to (if known) and owed By the county; and all other proceedings in the treasurer's office that pertain to the Financial Standing of Hockley County. {LGC 114.026(a)(b)}

The Treasurer's Books and the Auditor's General Ledger agree. The Bank Statements have been reconciled; any adjustments Have been noted.

The affidavit must state the amount of the cash and other assets that are in the custody of the county treasurer at the time of The examination. {LGC 114.026 (d)} **\$21,190,337.65 Quarter's Ending Balance**

Any interest earned that is posted by financial institutions to our accounts on the last business day of the month is included In the combined statement of receipts and disbursements. **\$149,644.53 Quarter's Interest Earned**

The Treasurer's Quarterly Report has been submitted and the Bank Reconciliation is pending review by Auditor. {LGC 114.026(b)}

All investments are in compliance with both the Public Funds Investment Act and the Hockley County Investment Policy. The investment strategy is passive, which maintains a liquid cash flow and safety of the investment as priority. {LGC 2256.023}

Therefore, Denise Bohannon, County Treasurer of Hockley County, Texas, who being fully sworn, upon oath says that the within And foregoing report is true and correct to the best of her knowledge.

Filed with accompanying vouchers this the 24 day of July, 2019


Denise Bohannon, Treasurer, Hockley County


Commissioners' Court having reviewed the Treasurer's Report as presented, having taken reasonable steps to ensure its accuracy and based upon presentations of the Treasurer's Office approve the report, subject to the independent auditor's Review and request that it be filed with the official minutes of this meeting. {LGC 114.026(c)}


In addition, the below signatures affirm that the Treasurer's Report complies with statutes as referenced. {LGC 114.026(d)}

 7/24/19
Shirley Penner, Auditor, Hockley County / Date


Sharla Baldrige, County Judge



Curtis Thrash, Comm. Pct. #1

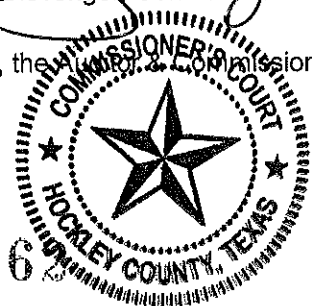

Larry Carter, Comm. Pct. #2


Whitey Barnett, Comm. Pct. #3


Tommy Clevenger, Comm. Pct. #4

Sworn to & Subscribed to Before Me, by the County Treasurer, the _____ Commissioners Court on this 24 day of July, 2019.

By  - Deputy
Jennifer Palermo, County Clerk



Treasurer's Financial Report
Prepared by Denise Bohannon, Hockley County Treasurer

SECTION 1 – Cash Flow

Pages 1-5 Combined Statement of Cash Receipts and Disbursements
Includes Interest and Bank Service Charge

Pages 6-11 Bank Collateral
Pledged Securities the Banks have pledged on behalf of Hockley County

Page 12 Certificates of Deposit

SECTION 2 – Investments Long Term

Per the Public Funds Investment Act and the Hockley County Investment Policies, the Investments Report is required on a Quarterly Basis. However, in an effort to keep the Commissioners' Court informed *available* Information is provided on a Monthly basis.

All investments are in compliance with both the Public Funds Investment Act and the Hockley County Investment Policy. The investment strategy is passive, which maintains a liquid cash flow and safety of The investment as priorities. {GC 2256.023}

Investments – Funds are not immediately available – must wait until maturity

DATE 07/19/2019 11:22

COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS FROM APRIL

TO JUNE

GEL103 PAGE

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ACCOUNT NAME	BEGINNING CASH BALANCE	CASH RECEIPTS	CASH DISBURSEMENTS	ENDING CASH BALANCE
GRAND TOTALS	<u>23,370,935.89</u>	<u>12,361,530.31</u>	<u>14,542,128.55-</u>	<u>21,190,337.65</u>

ACCOUNT NAME	BEGINNING CASH BALANCE	CASH RECEIPTS	CASH DISBURSEMENTS	ENDING CASH BALANCE
2019 083 CA THEFT OF SERVICE	5,523.57	3,242.23	2,774.76	5,991.04
CASH	5,523.57	3,242.23	2,774.76	5,991.04
FUND TOTALS				
2019 084 SHERIFF WORK RELEASE PROGRAM	1,958.87	13.23	.00	1,972.10
CASH	1,958.87	13.23	.00	1,972.10
FUND TOTALS				
2019 085 HOCKLEY CO GRANTS FUND	12,768.07	63,735.74	5,010.73	71,493.08
CASH	12,768.07	63,735.74	5,010.73	71,493.08
FUND TOTALS				
2019 087 HC JUVENILE PROBATION FEES	17,062.38	311.43	.00	17,373.81
CASH/AIM	17,062.38	311.43	.00	17,373.81
FUND TOTALS				
2019 088 PAYROLL CLEARING ACCOUNT	2,959.17	887,610.39	887,374.11	3,195.45
CASH/ASB	2,959.17	887,610.39	887,374.11	3,195.45
FUND TOTALS				
2019 089 SEIZURE PROCEEDS FUND	44,116.01	1,764.44	7,896.35	37,984.10
CASH/ASB	44,116.01	1,764.44	7,896.35	37,984.10
FUND TOTALS				
2019 090 JUVENILE PROBATION FUND	81,159.64	48,810.33	52,153.61	77,816.36
CASH/AIM	81,159.64	48,810.33	52,153.61	77,816.36
ACCOUNTS RECEIVABLE	97.75	.00	.00	97.75
FUND TOTALS	81,061.89	48,810.33	52,153.61	77,718.61
2019 091 JUVENILE PROBATION RESTITUTION	38,952.73	7,474.14	.00	46,426.87
CASH	38,952.73	7,474.14	.00	46,426.87
FUND TOTALS				
2019 092 HOCKLEY COUNTY COMMUNITY SUPER	135,449.82	93,440.29	89,677.14	139,212.97
CASH/ASB	135,449.82	93,440.29	89,677.14	139,212.97
FUND TOTALS				
2019 093 HOCKLEY COUNTY MEDICAL FUND	3,756.40	25.45	.00	3,781.85
CASH/ASB	3,756.40	25.45	.00	3,781.85
FUND TOTALS				
2019 094 COUNTY ATTORNEY RESTITUTION	31,570.03	1,135.24	540.30	32,164.97
CASH/ASB	31,570.03	1,135.24	540.30	32,164.97
FUND TOTALS				
2019 095 D A RESTITUTION FUND	5,170.45	35.01	.00	5,205.46
CASH/ASB	5,170.45	35.01	.00	5,205.46
FUND TOTALS				
2019 096 CA/DA PRE-TRIAL DIVERSION FUND	112,861.92	2,676.91	3,053.04	112,485.79
CASH	112,861.92	2,676.91	3,053.04	112,485.79
FUND TOTALS				
2019 098 CLEARING FUND	.09	3,656,180.67	3,656,180.67	.09
CASH	.09	3,656,180.67	3,656,180.67	.09
FUND TOTALS				

ACCOUNT NAME	FUND TOTALS	BEGINNING CASH BALANCE	CASH RECEIPTS	CASH DISBURSEMENTS	ENDING CASH BALANCE
2019 054 JUSTICE OF PEACE #4	CASH	2,587.95	7,759.00	8,749.30-	1,597.65
	FUND TOTALS	2,587.95	7,759.00	8,749.30-	1,597.65
2019 055 JUSTICE OF PEACE #5	CASH	20,393.47	53,580.83	63,781.36-	10,192.94
	FUND TOTALS	20,393.47	53,580.83	63,781.36-	10,192.94
2019 056 SHERIFF FEE ACCOUNT	CASH	1.50	.00	.00	1.50
	FUND TOTALS	1.50	.00	.00	1.50
2019 057 SO DONATIONS FUND	CASH/ASB	2,251.72	15.24	.00	2,266.96
	FUND TOTALS	2,251.72	15.24	.00	2,266.96
2019 060 I&S FUND: '68 HOSPITAL BOND	CASH/ASB	998.56	260.23	.00	1,258.79
	TODA - CD BALANCE	37,728.69	.00	.00	37,728.69
	FUND TOTALS	38,727.25	260.23	.00	38,987.48
2019 065 MPEC INTEREST & SINKING FUND	CASH	.00	.00	.00	.00
	BUSINESS ELITE SAVINGS ACCT	65,819.59	2,300.08	.00	68,119.67
	TDOA - INVESTMENT BALANCE	.00	.00	.00	.00
	FUND TOTALS	65,819.59	2,300.08	.00	68,119.67
2019 070 PERMANENT IMPROVEMENT FUND	CASH/ASB	1,209,438.46	7,487.87	334,133.45-	882,792.88
	FUND TOTALS	1,209,438.46	7,487.87	334,133.45-	882,792.88
2019 071 HOCKLEY CO ROAD BOND FUND	CASH/AIM	22,288.07	151.13	.00	22,439.20
	TDOA/ASB	.00	.00	.00	.00
	FUND TOTALS	22,288.07	151.13	.00	22,439.20
2019 072 MAILLET OPERATING FUND	CASH/AIM	369,916.67	91,845.54	180,070.05-	281,692.16
	FUND TOTALS	369,916.67	91,845.54	180,070.05-	281,692.16
2019 079 DA FEDERAL FORFEITED FUNDS	CASH	11,730.98	77.54	.00	11,808.52
	FUND TOTALS	11,730.98	77.54	.00	11,808.52
2019 080 EM & LR FUND	CASH/AIM	4,719.48	31.97	.00	4,751.45
	FUND TOTALS	4,719.48	31.97	.00	4,751.45
2019 081 DA TRUST ACCOUNT	CASH/AIM	8,855.54	4,890.00	4,890.00-	8,855.54
	FUND TOTALS	8,855.54	4,890.00	4,890.00-	8,855.54
2019 082 DA FORFEITURE FUND	CASH	18,172.90	2,764.25	250.00-	20,687.15
	FUND TOTALS	18,172.90	2,764.25	250.00-	20,687.15

ACCOUNT NAME	BEGINNING CASH BALANCE	CASH RECEIPTS	CASH DISBURSEMENTS	ENDING CASH BALANCE
ADDIT CASH ON HAND	19,127.44	19,268.03	18,512.30	19,883.17
FUND TOTALS	16,961.98	1,133.35	1,044.03	17,051.30
2019 030 LAW LIBRARY FUND	16,961.98	1,133.35	1,044.03	17,051.30
CASH/AIM	16,961.98	1,133.35	1,044.03	17,051.30
FUND TOTALS	16,961.98	1,133.35	1,044.03	17,051.30
2019 035 LIBRARY FUND	194,684.85	6,198.71	49,751.67	151,131.89
CASH/AIM	194,684.85	6,198.71	49,751.67	151,131.89
FUND TOTALS	194,684.85	6,198.71	49,751.67	151,131.89
2019 039 DISTRICT CLERK PRESERVATION	15,271.65	600.77	.00	15,872.42
CASH/AIM	15,271.65	600.77	.00	15,872.42
FUND TOTALS	15,271.65	600.77	.00	15,872.42
2019 040 COUNTY CLERK PRESERVATION FUND	48,896.71	10,603.34	34,579.20	24,920.85
CASH/AIM	48,896.71	10,603.34	34,579.20	24,920.85
TDOA - CD BALANCE - ASB	.00	.00	.00	.00
FUND TOTALS	48,896.71	10,603.34	34,579.20	24,920.85
2019 041 RECORDS MANAGEMENT OFFICER	20,807.31	2,034.22	530.73	22,310.80
CASH/AIM	20,807.31	2,034.22	530.73	22,310.80
FUND TOTALS	20,807.31	2,034.22	530.73	22,310.80
2019 042 R&B EXTRA FEE ACCOUNT	139,085.19	64,030.47	.00	203,115.66
CASH/ASB	139,085.19	64,030.47	.00	203,115.66
FUND TOTALS	139,085.19	64,030.47	.00	203,115.66
2019 043 COURTHOUSE SECURITY FUND	53,477.40	3,628.59	313.00	56,792.99
CASH/AIM	53,477.40	3,628.59	313.00	56,792.99
FUND TOTALS	53,477.40	3,628.59	313.00	56,792.99
2019 044 JUSTICE COURT TECHNOLOGY FUND	41,594.09	2,642.27	1,566.61	42,669.75
CASH	41,594.09	2,642.27	1,566.61	42,669.75
FUND TOTALS	41,594.09	2,642.27	1,566.61	42,669.75
2019 045 SHERIFF CASH BOND ACCOUNT	78,959.42	2,750.00	5,300.00	76,409.42
CASH	78,959.42	2,750.00	5,300.00	76,409.42
FUND TOTALS	78,959.42	2,750.00	5,300.00	76,409.42
2019 046 COUNTY CLERK CASH BOND ACCT	55,485.02	100.00	.00	55,585.02
CASH	55,485.02	100.00	.00	55,585.02
FUND TOTALS	55,485.02	100.00	.00	55,585.02
2019 047 JP5 CASH BOND ACCOUNT	4,884.71	.00	300.00	4,584.71
CASH	4,884.71	.00	300.00	4,584.71
FUND TOTALS	4,884.71	.00	300.00	4,584.71
2019 048 COUNTY CLERK	29,094.05	90,369.04	89,870.09	29,593.00
CASH	29,094.05	90,369.04	89,870.09	29,593.00
FUND TOTALS	29,094.05	90,369.04	89,870.09	29,593.00
2019 051 JUSTICE OF PEACE #1	7,312.00	16,498.87	17,667.50	6,143.37
CASH	7,312.00	16,498.87	17,667.50	6,143.37
FUND TOTALS	7,312.00	16,498.87	17,667.50	6,143.37
2019 052 JUSTICE OF PEACE #2	942.86	5,040.80	4,208.20	1,775.46
CASH	942.86	5,040.80	4,208.20	1,775.46

ACCOUNT NAME	BEGINNING CASH BALANCE	CASH RECEIPTS	CASH DISBURSEMENTS	TO JUNE CASH BALANCE	ENDING CASH BALANCE
2019 010 GENERAL FUND	3,332,484.75	1,448,981.34	1,873,745.97-	2,907,720.12	
CASH/AIM	.00	.00	.00	.00	
AUDIT CASH ON HAND	.00	.00	.00	.00	
TDOA/CD/ASB	3,332,484.75	1,448,981.34	1,873,745.97-	2,907,720.12	
FUND TOTALS					
2019 011 AD VALOREM TAX ACCOUNT	109,221.01	721.97	.00	109,942.98	
CASH/AIM	2,868,513.47	3,397,232.89	2,020,000.00-	4,245,746.36	
CASH/TO AD VAL EXCESS	.00	.00	.00	.00	
CASH/BE SAVINGS	11,133,839.40	68,257.81	3,019,764.87-	8,182,332.34	
TDOA - CD/AIM BANK	.00	.00	.00	.00	
TDOA - CD/ PLAT	14,111,573.86	3,466,212.67	5,039,764.87-	12,538,021.68	
FUND TOTALS					
2019 012 OFFICERS SALARY FUND	745,668.91	1,154,867.42	1,159,619.25-	740,917.08	
CASH/AIM	.00	.00	.00	.00	
AUDIT CASH ON HAND	745,668.91	1,154,867.42	1,159,619.25-	740,917.08	
FUND TOTALS					
2019 013 AUTO REGISTRATION FUND	366,664.84	30,943.32	.00	397,608.16	
CASH/AIM	366,664.84	30,943.32	.00	397,608.16	
FUND TOTALS					
2019 014 INDIGENT HEALTH CARE FUND	171,837.17	1,049.69	65,387.08-	107,499.78	
CASH/AIM	171,837.17	1,049.69	65,387.08-	107,499.78	
FUND TOTALS					
2019 016 HOCKLEY COUNTY: LEOSE FUND	29,633.39	200.93	.00	29,834.32	
CASH/AIM	29,633.39	200.93	.00	29,834.32	
FUND TOTALS					
2019 017 JURY FUND	154,368.87	5,546.61	116,664.51-	43,250.97	
CASH/AIM	.00	.00	.00	.00	
AUDIT CASH ON HAND	154,368.87	5,546.61	116,664.51-	43,250.97	
FUND TOTALS					
2019 021 ROAD & BRIDGE #1	144,370.69	254,475.46	249,180.14-	150,666.01	
CASH/AIM	67,384.11	.00	.00	67,384.11	
CASH/LAT1 AIM	211,754.80	254,475.46	249,180.14-	218,050.12	
FUND TOTALS					
2019 022 ROAD & BRIDGE #2	122,017.76	556,422.46	164,098.14-	514,342.08	
CASH/AIM	121,151.87	.00	.00	121,151.87	
CASH/LATRD2/AIM	243,169.63	556,422.46	164,098.14-	635,493.95	
FUND TOTALS					
2019 023 ROAD & BRIDGE #3	752,803.37	25,849.02	143,043.84-	635,608.55	
CASH/ASB	81,938.79	.00	.00	81,938.79	
CASH/LATRD3	834,742.16	25,849.02	143,043.84-	717,547.34	
FUND TOTALS					
2019 024 ROAD & BRIDGE #4	107,852.45	254,463.75	211,446.55-	150,869.65	
CASH/ASB	66,485.38	.00	.00	66,485.38	
CASH/LATRD4	174,337.83	254,463.75	211,446.55-	217,355.03	
FUND TOTALS					
2019 025 ROAD & BRIDGE #5	19,127.44	19,268.03	18,512.30-	19,883.17	
CASH/AIM					

Pledge Inventory Report

Arbitrage
Lithfield, TX
FROM 4/1/2019 TO 4/30/2019

Customer ID: 33984
Report Date: 4/25/2019
PMS Report: 4/25/2019
Account Rep: Scott Adams

Ticket	Description	Location Code/Name	Maturity Date	Group	Innt	Coupon	S&P	Moody	Market Price	Yield	Original Face	Par	Book Value	Market Value
319842203	RVA 2012-2018 A2	HOCKLEY COUNTY	04/25/2022	CRS	ARS	2.46200	NR		4/23/2019	2.99	1,742,000.00		1,355,023.07	
1149486	TIB - The Independent Bankers Bank				ARS						1,309,264.18		1,304,777.87	
313782042	FHMS 1030 A2		04/25/2023	CRS	ARS	3.25900	NR		4/23/2019	3.99	2,000,000.00		2,094,100.29	
1149502	TIB - The Independent Bankers Bank				ARS						2,000,000.00		2,043,696.18	
313784016	FHMS 1032 A2		05/25/2023	CRS	HTM	3.31000	NR		4/23/2019	4.07	2,880,000.00		2,957,699.80	
1149503	TIB - The Independent Bankers Bank				HTM						2,880,000.00		2,928,007.91	
313642204	FHM1201 NB		11/25/2025	CRS	HTM	3.00000	NA		4/23/2019	26.59	5,000,000.00		4,289,404.14	
1149297	TIB - The Independent Bankers Bank				HTM						4,314,178.99		4,320,138.09	
312884277	FHLM GOLD POOL FIG18		12/01/2029	MBS	HTM				4/23/2019	10.80	4,800,000.00		1,893,699.66	
1149479	TIB - The Independent Bankers Bank				HTM						4,314,178.99		1,853,468.19	
313261917	FHLM GOLD POOL FIG1		07/01/2032	MBS	HTM	3.00000			4/23/2019	13.18	5,000,000.00		4,099,618.39	
1149483	TIB - The Independent Bankers Bank				HTM						1,912,250.82		4,028,928.40	
313214828	FHLM GOLD POOL FIG1		09/01/2033	MBS	HTM	3.50000			4/23/2019	14.35	7,175,000.00		3,642,288.38	
1149484	TIB - The Independent Bankers Bank				HTM						3,593,190.98		3,601,652.34	
312844641	FHMA POOL #4H552		02/01/2026	MBS	ARS	3.50000			4/23/2019	6.76	2,100,000.00		382,210.84	
1149520	TIB - The Independent Bankers Bank				ARS						345,344.66		350,882.72	
312844641	FHMA POOL #4H552		02/01/2027	MBS	ARS	3.50000			4/23/2019	7.76	2,225,000.00		352,881.97	
1149523	TIB - The Independent Bankers Bank				ARS						335,889.93		342,808.01	
312844641	FHMA POOL #4H552		02/01/2027	MBS	ARS	3.50000			4/23/2019	7.76	3,250,000.00		516,015.40	
1149524	TIB - The Independent Bankers Bank				ARS						491,148.98		474,979.81	
313665818	FHMA POOL #4L571		03/01/2026	MBS	ARS	4.00000			4/23/2019	6.84	2,500,000.00		484,161.64	
1149525	TIB - The Independent Bankers Bank				ARS						459,050.55		474,979.81	
314061643	FHMA POOL #BC128		12/01/2030	MBS	ARS	3.00000			4/23/2019	11.80	1,500,000.00		934,343.59	
1149539	TIB - The Independent Bankers Bank				ARS						995,789.84		912,407.96	
314061640	FHMA POOL #CA198		05/01/2033	MBS	HTM	4.00000			4/23/2019	14.01	500,000.00		469,064.70	
1149544	TIB - The Independent Bankers Bank				HTM						457,266.29		473,963.27	

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FTN Financial PASPORT
Page 9

Pledge Inventory Report

Arbank
Llano, TX
FROM 4/1/2019 TO 4/30/2019

Customer ID: 33284
Report Date: 4/23/2019
PAS Rep: Tracy Kukulowski
Account Rep: Scott Adams

Cash Ticket	Description Location Code/Name	Maturity Date Group	Intent Coupon	S&P Moody	Market Price D1 Maturity (Y)	Original Face Par	Market Value Bank Value
Pledge: HOCK - HOCKLEY COUNTY							
31410L79	RMVA POOL #89073	09/01/2035	HTM		4/23/2019	3,000,000.00	2,292,498.99
145947	TB - The Independent Bankers Bank	MBS	3.0000		17.35	2,190,380.29	2,176,027.59
31418AF78	RMVA Pool #MA1039	06/01/2032	AFS		4/23/2019	2,850,000.00	929,799.62
145950	TB - The Independent Bankers Bank	MBS	4.0000		13.10	769,777.73	797,169.41
31419AV35	RMVA POOL #AE779	01/01/2025	AFS		4/23/2019	2,100,000.00	393,349.55
145955	TB - The Independent Bankers Bank	MBS	4.0000		6.88	339,522.29	346,641.51
31419K069	RMVA POOL #AE724	12/01/2040	AFS		4/23/2019	5,000,000.00	1,646,987.14
145957	TB - The Independent Bankers Bank	MBS	4.0000		21.61	1,757,562.78	1,623,031.96
17	Total Pledged: HOCK - HOCKLEY COUNTY					54,599,500.00	28,656,765.86
						27,999,107.43	28,383,414.01

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Pledge Inventory Report

Airbank
Littlefield, TX
FROM 5/1/2019 TO 5/31/2019

Customer ID: 33564
Report Date: 5/28/2019
PAS Rep: Tracy Kwiatkowski
Account Rep: Scott Adams

Ticket	Description Location Code/Name	Maturity Date Group	Intent Coupon	S&P Moody	Market Price Df Maturity (Yr)	Original Face Par	Book Value Market Value
Pledged: HOCKEY - HOCKLEY COUNTY							
3136A7ZD3	FNA 2012-M9 A2	04/25/2022	AFS	NR	5/23/2019	1,742,000.00	1,331,617.67
1149485	TIB - The Independent Bankers Bank	CMB	2,48200		2.90	1,306,676.70	1,306,146.54
3137B3NA2	FHMS K030 A2	04/25/2023	AFS	NR	5/23/2019	2,000,000.00	2,062,658.42
1149502	TIB - The Independent Bankers Bank	CMB	3,25000	Aaa	3.90	2,000,000.00	2,059,857.64
3137B4GY6	FHMS K032 A2	05/25/2023	HTM	NR	5/23/2019	2,860,000.00	2,955,547.25
1149503	TIB - The Independent Bankers Bank	CMB	3,31000		3.99	2,860,000.00	2,955,815.41
3136AXZB4	FNMA17061 NB	11/25/2045	HTM	NA	5/23/2019	5,000,000.00	4,214,363.64
1167397	TIB - The Independent Bankers Bank	CMO	3,00000	NR	26.51	4,269,295.05	4,327,232.42
3128MMSZ7	FHLMC GOLD POOL #G18	12/01/2029	HTM		5/23/2019	4,800,000.00	1,928,342.37
1149479	TIB - The Independent Bankers Bank	MBS	3,50000		10.51	1,877,848.70	1,927,818.31
3132KF3F7	FHLMC GOLD POOL #V61	07/01/2032	HTM		5/23/2019	5,000,000.00	4,028,260.18
1149483	TIB - The Independent Bankers Bank	MBS	3,00000		13.10	3,943,647.85	3,994,994.22
3132LMBZ8	FHLMC GOLD POOL #K91	09/01/2033	HTM		5/23/2019	7,175,000.00	3,604,864.56
1149484	TIB - The Independent Bankers Bank	MBS	3,50000		14.27	3,487,163.44	3,595,160.89
3138A45N1	FNMA POOL #AH3552	02/01/2026	AFS		5/23/2019	2,100,000.00	352,087.79
1149520	TIB - The Independent Bankers Bank	MBS	3,50000		6.68	336,979.10	345,629.36
3138E4YC9	FNMA POOL #AK0706	02/01/2027	AFS		5/23/2019	2,222,500.00	338,143.83
1149523	TIB - The Independent Bankers Bank	MBS	3,50000		7.68	321,769.35	330,035.60
3138E4YC9	FNMA POOL #AK0706	02/01/2027	AFS		5/23/2019	3,250,000.00	494,371.06
1149524	TIB - The Independent Bankers Bank	MBS	3,50000		7.68	470,528.86	482,616.75
3138EGSH8	FNMA POOL #AL0519	03/01/2026	AFS		5/23/2019	2,500,000.00	471,705.91
1149525	TIB - The Independent Bankers Bank	MBS	4,00000		6.76	447,464.95	464,200.13
3140EUEA3	FNMA POOL #BC0128	12/01/2030	AFS		5/23/2019	1,600,000.00	913,965.69
1149539	TIB - The Independent Bankers Bank	MBS	3,00000		11.51	887,052.93	898,504.78
3140Q9A60	FNMA POOL #CA1828	05/01/2033	HTM		5/23/2019	500,000.00	462,382.03
1149544	TIB - The Independent Bankers Bank	MBS	4,00000		13.93	450,769.18	468,038.15

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Pledge Inventory Report

Aimbank
Littlefield, TX
FROM 5/1/2019 TO 5/31/2019

Customer ID: 33584
Report Date: 5/28/2019
PAS Rep: Tracy Kwiatkowski
Account Rep: Scott Adams

Cusip Ticket	Description Location Code/Name	Maturity Date Group	Intent Coupon	S&P Moody	Market Price Dt Maturity (Yr)	Original Face Par	Book Value Market Value
Pledged: HOCKC - HOCKLEY COUNTY							
31410LT69	FNMA POOL #890773	09/01/2036	HTM		5/23/2019	3,000,000.00	2,164,278.41
1149547	TIB - The Independent Bankers Bank	MBS	3.00000		17.27	2,150,496.84	2,163,872.97
31418AF78	FNMA Pool #MA1089	06/01/2032	AFS		5/23/2019	2,850,000.00	805,717.52
1149550	TIB - The Independent Bankers Bank	MBS	4.00000		13.01	750,231.26	780,653.14
31419AY35	FNMA POOL #AE0729	01/01/2026	AFS		5/23/2019	2,100,000.00	342,957.89
1149555	TIB - The Independent Bankers Bank	MBS	4.00000		6.59	326,718.61	338,493.54
31419KD69	FNMA POOL #AE8224	12/01/2040	AFS		5/23/2019	6,000,000.00	1,831,480.34
1149557	TIB - The Independent Bankers Bank	MBS	4.00000		21.52	1,742,905.50	1,818,303.52
17	Total Pledged: HOCKC - HOCKLEY COUNTY					54,599,500.00	28,302,744.56
						27,629,548.32	28,257,373.37

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Pledge Inventory Report

AlmBank
Littlefield, TX
FROM 6/1/2019 TO 6/30/2019

Customer ID: 33584
Report Date: 6/26/2019
PAS Rep: Tracy Kwiatkowski
Account Rep: Scott Adams

Cusip	Description	Maturity Date	Group	Intent	S&P	Market Price Dt	Original Face	Book Value
Ticket	Location Code/Name			Coupon	Moody	Maturity (Yr)	Par	Market Value
Pledged: HOCKC - HOCKLEY COUNTY								
3136A7ZD3	FNA 2012-M9 A2	04/25/2022	CMB	AFS	Nr	6/21/2019	1,742,000.00	1,300,482.23
1149485	TIB - The Independent Bankers Bank			2.48200		2.82	1,276,327.48	1,286,556.73
3137B3NA2	FHMS K030 A2	04/25/2023	CMB	AFS	NR	6/21/2019	2,000,000.00	2,061,213.71
1149502	TIB - The Independent Bankers Bank			3.25000	Aaa	3.82	2,000,000.00	2,081,484.84
3137B4GY6	FHMS K032 A2	05/25/2023	CMB	HTM	Nr	6/21/2019	2,860,000.00	2,953,490.65
1149503	TIB - The Independent Bankers Bank			3.31000		3.90	2,860,000.00	2,987,084.01
3136AXZB4	FNM17061 NB	11/25/2045	CMO	HTM	NA	6/21/2019	5,000,000.00	4,169,349.49
1167397	TIB - The Independent Bankers Bank			3.00000	Nr	26.42	4,223,443.25	4,321,632.39
3128MMSZ7	FHLMC GOLD POOL #G18	12/01/2029	MBS	HTM		6/21/2019	4,800,000.00	1,897,591.77
1149479	TIB - The Independent Bankers Bank			3.50000		10.43	1,848,139.82	1,913,767.32
3132KF3F7	FHLMC GOLD POOL #V61	07/01/2032	MBS	HTM		6/21/2019	5,000,000.00	3,985,607.29
1149483	TIB - The Independent Bankers Bank			3.00000		13.01	3,902,340.20	3,991,352.50
3132LMBZ8	FHLMC GOLD POOL #K91	09/01/2033	MBS	HTM		6/21/2019	7,175,000.00	3,550,426.42
1149484	TIB - The Independent Bankers Bank			3.50000		14.18	3,434,502.74	3,561,544.89
3138A45N1	FNMA POOL #AH3552	02/01/2026	MBS	AFS		6/21/2019	2,100,000.00	343,835.58
1149520	TIB - The Independent Bankers Bank			3.50000		6.60	329,216.79	339,382.99
3138E4YC9	FNMA POOL #AK0706	02/01/2027	MBS	AFS		6/21/2019	2,222,500.00	326,998.72
1149523	TIB - The Independent Bankers Bank			3.50000		7.60	311,301.64	321,095.20
3138E4YC9	FNMA POOL #AK0706	02/01/2027	MBS	AFS		6/21/2019	3,250,000.00	478,077.62
1149524	TIB - The Independent Bankers Bank			3.50000		7.60	455,221.75	469,543.04
3138EGSH8	FNMA POOL #AL0519	03/01/2026	MBS	AFS		6/21/2019	2,500,000.00	459,269.94
1149525	TIB - The Independent Bankers Bank			4.00000		6.67	435,879.63	457,486.19
3140EUEA3	FNMA POOL #BC0128	12/01/2030	MBS	AFS		6/21/2019	1,500,000.00	899,871.82
1149539	TIB - The Independent Bankers Bank			3.00000		11.43	873,668.76	894,942.58
3140Q9AB0	FNMA POOL #CA1828	05/01/2033	MBS	HTM		6/21/2019	500,000.00	453,918.09
1149544	TIB - The Independent Bankers Bank			4.00000		13.85	442,527.68	466,123.26

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Pledge Inventory Report

Airbank
Littlefield, TX
FROM 6/1/2019 TO 6/30/2019

Customer ID: 33584
Report Date: 6/26/2019
PAS Rep: Tracy Kwiatkowski
Account Rep: Scott Adams

Cusip Ticket	Description Location Code/Name	Maturity Date Group	Intent Coupon	S&P Moody	Market Price Dt Maturity (Yr)	Original Face Par	Book Value Market Value
Pledged: HOCKC - HOCKLEY COUNTY							
31410L T69	FNMA POOL #890773	09/01/2036	HTM		6/21/2019	3,000,000.00	2,149,701.41
1149547	TIB - The Independent Bankers Bank	MBS	3.00000		17.19	2,136,284.93	2,170,402.44
31418AF78	FNMA Pool #MA1089	06/01/2032	AFS		6/21/2019	2,850,000.00	791,779.32
1149550	TIB - The Independent Bankers Bank	MBS	4.00000		12.93	737,498.15	769,748.95
31419AY35	FNMA POOL #AE0729	01/01/2026	AFS		6/21/2019	2,100,000.00	332,114.68
1149555	TIB - The Independent Bankers Bank	MBS	4.00000		6.51	316,494.65	329,078.47
31419K D69	FNMA POOL #AE8224	12/01/2040	AFS		6/21/2019	6,000,000.00	1,799,136.66
1149557	TIB - The Independent Bankers Bank	MBS	4.00000		21.44	1,712,126.04	1,802,269.46
17	Total Pledged: HOCKC - HOCKLEY COUNTY					54,599,500.00	27,952,865.40
						27,294,953.51	28,163,495.26

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Treasurer's Financial Report
 Prepared by Denise Bohannon, Hockley County Treasurer

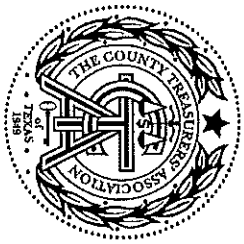
CDS

2ND Qtr	Purchase Date	Account	Bank	Beginning Amount	Maturity Date	APR	Interest Paid	Month's Interest Earned	Current Balance
APR	11/28/2011	060-I&S Hosp. Bd.	Aim	\$36,481.21	11/28/2019	2.66%	Monthly	\$87.49	\$38,814.74
MAY	11/28/2011	060-I&S Hosp. Bd.	Aim	\$36,481.21	11/28/2019	2.66%	Monthly	\$84.86	\$38,899.60
JUN	11/28/2011	060-I&S Hosp. Bd.	Aim	\$36,481.21	11/28/2019	2.66%	Monthly	\$87.88	\$38,897.48
APR	2/14/2017	011-AdvValorem	Aim	4,000,000.00	2/14/2020	2.66%	Monthly	\$9,306.53	\$4,128,737.08
MAY	2/14/2017	011-AdvValorem	Aim	4,000,000.00	2/14/2020	2.66%	Monthly	\$9,026.66	\$4,137,763.74
JUN	2/14/2017	011-AdvValorem	Aim	4,000,000.00	2/14/2020	2.66%	Monthly	\$9,347.94	\$4,147,111.68
APR	2/19/2019	011-AdvValorem	Aim	3,000,000.00	8/19/2019	2.66%	Monthly	\$9,055.15	\$4,017,217.34
MAY	2/19/2019	011-AdvValorem	Aim	3,000,000.00	8/19/2019	2.66%	Monthly	\$8,782.85	\$4,026,000.19
JUNE	2/19/2019	011-AdvValorem	Aim	3,000,000.00	8/19/2019	2.66%	Monthly	\$9,095.45	\$4,035,095.64
APR	2/19/2019	011-AdvValorem	Aim	4,000,000.00	5/19/2019	2.66%	Monthly	\$6,791.37	\$3,012,913.01
MAY	2/19/2019	011-AdvValorem	Aim	4,000,000.00	5/19/2019	2.66%	Monthly	\$6,851.86	\$3,019,764.87

Quarter	Investment	Totals
		\$68,518.04

Motion by Commissioner Carter, second by Commissioner Clevenger, ^{4 Votes}, Yes, 0 Votes No, that the Commissioners Court approved the continuing education certificates of County Treasurer, Denise Bohanan. As per certificate recorded below.

County Treasurers' Association of Texas



Certificate of Attendance
presented to
Denise Bohannon
Hockley County

for completion of 20 hours of educational instruction during the

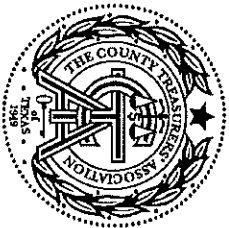
47th Annual County Treasurers' Continuing Education Seminar

April 15-18, 2019 • Sheraton Austin Hotel at the Capitol • Austin, Texas

Honorable Jan Hartl, President
County Treasurers' Association of Texas

Honorable Alan Dierschke, Chair
Certification and Validation Committee

County Treasurers' Association of Texas



Certificate of Attendance

presented to

Denise Bohannon
Hockley County

for completion of 5 hours of instruction specific to the statutory requirements of the Texas

Government Code Chapter 2256.008 of the Public Funds Investment Act

47th Annual County Treasurers' Continuing Education Seminar

April 15-18, 2019 • Sheraton Austin Hotel at the Capitol • Austin, Texas

Honorable Jan Hartl, President
County Treasurers' Association of Texas

Honorable Alan Dierschke, Chair
Certification and Validation Committee

Motion by Judge Baldrige, second by Commissioner Thrash, 5 Votes Yes, 0 Votes No, that the Commissioners Court rejected bids for a security system submitted by Justice of the Peace, Precinct 1. As per letter from Justice of the Peace, Sue Coker recorded below.

**Justice of the Peace
Sue Coker
Box 203
Ropesville, Texas 79358**

7/24/2019

Hockley County Judge
Sharla Baldrige
802 Houston
Levelland, Texas 79336

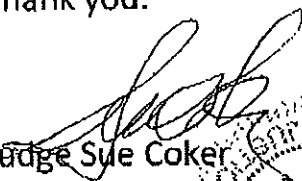
Re: Bids for Security

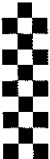
Dear Mrs. Baldrige:

I talked with Mr. Thrash today, he asked me to call you to get these bids on the next meeting for consideration.

FYI the Post Office was broke into this week, so I would like to see what I can do to get one of these systems.

Thank you.


Judge Sue Coker



Prepared For Hockley County



Your Trusted Technology Partner

Tuesday, July 30, 2019

Sharla Baldrige
Hockley County
802 Houston Street
Levelland, TX 79336
Email: sbaldrige@hockleycounty.org

Dear Sharla Baldrige,

I have prepared a proposed solution that includes the services we believe to be best suited to meet your business needs.

Please take a look at the proposal, and let me know if you have any questions or concerns. I'll be contacting you in a few days to see how you would like to proceed from here.

If you are comfortable with what I have proposed and are ready to get started, simply fill in the acceptance information on the proposal, or click the "Accept" button on the web page link I e-mailed to you. This will notify me of your acceptance so we can get the work scheduled with CSI.

Have a wonderful day, and thank you for considering CTSI for your technology needs!

Thank you,

John Leiter

Computer Transition Services, Inc.
P: 806-793-8961 F: 806-793-8968
jleiter@ctsinet.com

Prepared For

Hockley County
 Sharla Baldridge
 802 Houston Street
 Levelland, TX 79336
 Email:
 sbaldridge@hockleycounty.org
 Web: www.co.hockley.tx.us

Prepared By

John Leiter
 Phone: 806-793-8961
 Email: jleiter@ctsinet.com



Product	Price	Qty	Extended
<i>Hockley County Ropesville JP Office</i>			
CSI Lubbock 1 x 8-Channel 4K NVR with 8-Port Built-in POE Hard Drive Capacity: 2 Bays Up to 16TB Video Outputs - 1 HDMI and 1 VGA Output Resolution - 4K 100Mbps Throughput - Supports Up to 4K on each channel Plug and Play with Auto IP Assignment	\$2,971.85	1	\$2,971.85
1x 5.0 MP Resolution H.265/ H.264, 2.8-12mm Motorized Varifocal Lens, Smart IR Up to 200 Feet			
3x H.265 4MP IP Wide Angle Camera with POE (IR Dome, 3.6mm, Audio In/Out, SD card, BNC, 12VDC Output)			
10x Modular Plug Kit, 8P/8C, unshielded, round, 5.1 mm max cable jack OD, 8-position			
.5x Bolide Cat5e Riser Gray 1000			
1x 5-Port 10/100 MBPS POE Switch			
Security Labor and Training			
Product Subtotal			\$2,971.85

Recap		Amount
	Product	\$2,971.85
	Subtotal	\$2,971.85
	Total	\$2,971.85



Microsoft Partner
Silver Midmarket Solution Provider

Elite Partner
Small Medium Business 



 **LUBBOCK**
CHAMBER OF COMMERCE
WORKING FOR BUSINESS. BELIEVING IN LUBBOCK.



Acceptance

Hockley County

Computer Transition Services, Inc.

Signature

Signature

Sharla Baldrige

John Leiter

Printed Name

Printed Name

Title

Title

Date

Date

Please do not pay from this proposal. Invoices will be issued from CTSI based on the information presented here, but at a later date. Because proposed solutions often include estimated services and/or expenses (depicted as Estimated), the actual amount billed will normally vary from what appears above.

I understand the nature of CTSI's engagement for professional services and for the purchase and installation of computer equipment. I confirm to you that the information and arrangements outlined in this proposal are in accordance with my understanding and are agreeable to me.

Payment Terms:

Hardware & Software Products: I understand that CTSI requires full payment for the hardware and software product within twenty (20) days of the invoice date for the same and that this invoice will be generated once all hardware and software product has been received by CTSI. Insurance and security responsibility will pass to client upon delivery to the client's location.

Professional Services: I understand that professional services, mileage and other expense charges are billed weekly as delivered and that payment is due within twenty (20) days of the date on the invoice.

Past Due Amounts: If payment is not received within twenty (20) days of the invoice date, CTSI may add a "finance charge" fee at the rate of 1½ % per month on the unpaid amount, and/or suspend further services.

HI-TECH

AUDIO-VIDEO & SECURITY SOLUTIONS

X-Hi-Tech Solutions - TX Lic # B-16880
 7415 US Highway 62
 Unit 6
 Lubbock, TX 79407
 Phone: (806) 416-2064
 Website: www.hitechavs.com
 Email: info@hitechavs.com

Estimate

5646

Customer SUE COKER
 107 MAIN ST
 ROPESVILLE, TX 79358

Customer Contact SUE COKER
Phone (Main) (806) 562-3531
Work Number
Home Number
Mobile Number
Email

Issue Date 5/16/19
Expiration Date 6/15/19
Sales Rep(s)

Job Name IPCAMERAS

Terms 75% DOWN 25% ON COMPLETION

Charge Name	Description	Quantity	Unit	Charge
HIK VISION 8 CHANNEL NVR KIT	3 IP CAMERAS, 1 NVR, CAT5, RJ45 CONNECTORS, AND LABOR INCLUDED	1.00		
CCTV-HIK-IP-KIT-I7608N2TP	HIKVISION NVR 3 X 4MP OUT TURRET CAMERAS KIT 2.8MM LENS, 8-CH NVR, POE, 5MPH.264+, 2TB HDD	1.00	EACH	\$1,400.00
CABLE-RJ45 ENDS	RJ45 ENDS	14.00	None	\$14.00
CABLE-CAT5E	CAT 5E CABLE	400.00	FOOT	\$48.00
LABOR-COMMERCIAL-SECURITY	COMMERCIAL LABOR/HOUR	10.00	HOUR	\$950.00
CCTV-IPCAM-HIK-DS-2CD2522FWD-IS	HIK VISION 2 Megapixel High Resolution COLOR CAMERA WITH BUILT IN MIC AUDIO	4.00	EACH	\$956.00
IT-WAP-TRENDNET-TEW-740APB02K	TRENDNET 10 dBi Wireless N300 Outdoor PoE Preconfigured Point-to-Point Bridge Kit	1.00	KIT	\$393.00
NET-SWITCH-TREND-TPETG50G	TRENDNET 5 PORT SWITCH 4 PORT GIG-POE+/ 1 GIG-PORT/ 31WATTS	1.00	EACH	\$126.00

Subtotal \$3,827.00
Tax \$0.00

Charge Name	Description	Quantity	Unit	Charge
-------------	-------------	----------	------	--------

Total \$3,827.00

ESTIMATES ARE GOOD FOR 30 DAYS FROM THE DATE ON THE ESTIMATE. 75% DOWN AND SIGNATURE ON THIS ESTIMATE MAKE THIS A BINDING CONTRACT.

I hereby acknowledge this is an estimate and can only change with both parties agreement. By signing this document I authorize the said company to perform the work listed in this estimate at the stated price.

SIGNATURE _____ DATE _____



TEXAS HOMELAND SECURITY & SOUND
 7415 US Highway 62
 Suite 6
 Lubbock, TX 79407
 806-771-6810

Created on: Jul. 23, 2019

Account #3951
 CITY OF ROPESVILLE

Estimate

Service Location Information

Account [3951] CITY OF ROPESVILLE **Service Contact** SUE COKER, JUSTICE OF THE PEACE
Service Address 107 Hackley Street
 Ropesville, TX 79368

Service Information

Services	Qty	Rate	Price	Initials
TIME & MATERIAL SERVICE - COMMERCIAL: One Time with an expected duration of 8:00 for 1 technicians	1	\$95.00 / hour	\$760.00	
TIME & MATERIAL SERVICE COMMERCIAL				
— Product: CCTV-IPCAM-HIK-DS-2CD2522FWD-IS HIK VISION 2 Megapixel High Resolution COLOR CAMERA WITH BUILT IN MIC AUDIO	4	\$239.00 / Ea	\$956.00	
— Product: CCTV-NVR-HIK-DS-7608NI-E2/8P HIK NVR 8CH NVR POE 2SATA HDMI 2TB	1	\$730.95 / Ea	\$730.95	
— Product: CCTV-IPCAM-HIK-ECI-T24F2 HIKVISION Turret Dome Camera, 4MP, H264, 2.8mm, Day/Night, DWDR, EXIR 2.0 Up To 30m, IP67, PoE/12VDC	3	\$140.00 / Ea	\$420.00	
— Product: CABLE-CAT5E CAT 5E CABLE	300	\$0.12 / Ea	\$36.00	
— Product: CABLE-RJ45 ENDS RJ45 ENDS	20	\$1.00 / Ea	\$20.00	
— Product: IT-WAP-TRENDNET-TEW-740APB02K TRENDNET 10 dBi Wireless N300 Outdoor PoE Preconfigured Point-to-Point Bridge Kit	1	\$333.00 / Ea	\$333.00	
— Product: NET-SWITCH-TREND-TPES50 5-PORT 10/ 100 MBPS POE SWITCH, 31 WATT	1	\$60.00 / Ea	\$60.00	

Subtotal:	\$3,315.95
Tax:	\$0.00
Total:	\$3,315.95

Company Authorization Signature: _____ Date: _____

Customer Authorization Signature: _____ Date: _____

Acceptance of Estimate - The above prices, specifications, and conditions are hereby accepted. The Company is authorized to perform the work specified. Upon acceptance, please sign, date, and return a copy to our office.

Thank you for the opportunity to serve you!

Motion by Commissioner Carter, second by Commissioner Barnett, 4 Votes Yes, 0 Votes No, that the Commissioners Court approved the Master Service Agreement and Assurance with Cyber Defense by and between CTSI and Hockley County. As per Assurance with Cyber Defense and Master Agreement recorded below.



Assurance with Cyber Defense

A Statement of Work under CTSI's Master Service Agreement

Prepared for:

Hockley County

Version 2019.2c • 7/9/2019

The mission of Computer Transition Services, Inc. is to improve the life and business success of Clients by providing integrated solutions and professional services to meet their technological and organizational needs.

Computer Transition Services, Inc.

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Lubbock, TX 79423

www.ctsinet.com

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Last edited: 06/18/2019

Statement of Work

This Assurance with Cyber Defense Statement of Work ("SOW") is governed under the Master Service Agreement (the "Agreement") between Computer Transition Services, Inc. ("CTSI", "we", "us" or "our"), and Hockley County, the client whose name and authorized signatory appear in the signature block of this SOW ("Client", "you" or "your"), below.

Scope of Services

The services described below (collectively, "Services") will be provided to you under this SOW. Services that are not specifically described in this SOW will be out of scope and will not be provided to you unless otherwise agreed to by us in writing.

Transition Services

Transition services are intended to prepare and transition the System for our ongoing services (described below). Transition services are comprised of:

- Initial audit to determine System readiness and functional capability
- Audit of current vendor service / warranty agreements for System hardware and software
- Remediate issues (if any) discovered in assessment phase
- Any changes to firewall device in preparation for firewall and security-related services
- Installation and configuration of on premise probe computer into Client's local area network (LAN) used for ongoing device management and monitoring, remote access to Client systems, and various security related tools

If deficiencies are discovered during the transition services, such as outdated or misconfigured equipment, or unlicensed software, we will bring those issues to your attention and discuss the impact of the deficiencies on the Client and our provision of the Services, in addition to providing you with options to correct the deficiencies.

Ongoing Services

The following services will begin immediately after the transition services are completed, and will continue during the term of this SOW.

Standard Services

The Services listed below will be provided to you under this SOW. All Services are provided during CTSI's normal business hours only.

Service - General	Description
Customer Portal	<ul style="list-style-type: none"> • 24x7 access to CTSI's service request management website.
Client Access to Monitoring Systems	<ul style="list-style-type: none"> • Client login to CTSI's monitoring systems for access to Status, Alerts, History and Reporting on Client Covered Devices, if desired
Priority Response	<ul style="list-style-type: none"> • Client's service requests will be prioritized over all non-program client requests.
Designated CTSI Account Manager & Assigned Team	<ul style="list-style-type: none"> • We assign a designated CTSI technical account manager and a specific support team to Client's account to help ensure optimum performance and effective virtual IT management services.
Onsite Host Computer with Virtual Server	<ul style="list-style-type: none"> • CTSI-installed computer that provides for 24x7 collection of availability and performance data for Covered Devices plus monitoring and security tool licenses for Covered Devices, as required.
Remediation Support Services (onsite and remote)	<ul style="list-style-type: none"> • Remediation support services provided for all Client IT Users and Covered Devices.

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|--|---|
| <p>Replacement Installation Services</p> | <ul style="list-style-type: none"> • We will provide the labor to install new equipment acquired through CTSI that replaces existing Covered Devices. Please note: <ul style="list-style-type: none"> ○ Shipping and travel expenses, if any, are not covered. ○ Additional charges may apply if the replacement equipment is materially different from what is being replaced (such as firewalls from different manufacturers). ○ If the replaced equipment is not removed (i.e., if it is re-provisioned back into the Client's System) this increases CTSI responsibilities as an additional device covered by this SOW and the associated monthly fee may increase. Services to re-deploy replaced equipment are not covered by this SOW and will be billed to Client at the then-current CTSI Hourly Rates. |
| <p>Automated Email/Text Notifications</p> | <ul style="list-style-type: none"> • Alerts for System issues detected, can be emailed or sent by text to Client, at Client's discretion. (Client needs to call CTSI after-hours answering service if remediation service is desired outside of CTSI's normal business hours.) |
| <p>Triage of Monitoring System Alerts by CTSI Technical Support Staff</p> | <ul style="list-style-type: none"> • Weekdays, excluding holidays: (7am-10pm CT) CTSI technical support review of critical issue notifications (based on availability from covered device) and client contact (if desired) with recommended action. (After-Hours rates apply on remediation services provided outside of CTSI's normal business hours.) • Weekends and holidays: (8am-10pm CT) CTSI technical support review of critical issue notifications (based on availability from the covered device) and client contact (if desired) with recommended action. (After-Hours rates apply on remediation services provided outside of CTSI's normal business hours.) |

Service - Security	Description
<p>24x7x365 Security Monitoring Advanced Email Protection</p>	<ul style="list-style-type: none"> • Monitoring of all Endpoint Protection (including virus/malware activity) on all Covered Devices, as well as device availability and performance. • Inbound and outbound mail filtering, signature based antivirus, data loss prevention (DLP) filtering, URL defense, social media protection, on-demand email encryption, 30 days of emergency inbox, and instant replay.
<p>Advanced Malware Protection (AMP)</p>	<ul style="list-style-type: none"> • Next generation, real-time, cloud-based endpoint security solution for Windows servers and workstations which prevents, detects, and responds to advanced cyber threats. • Automatically identifies ransomware, viruses, and other advanced threats before they reach your endpoints using global threat intelligence, advanced sandboxing, real-time malware blocking and continuously analyzing file activity across your network.
<p>Weekly Vulnerability Scan for Windows-based Devices Daily Detection & Policy Monitoring</p>	<ul style="list-style-type: none"> • Includes weekly internal automated security scans of Microsoft Windows-based devices that identify anomalies and threats that are prioritized by threat level and severity and reported in a weekly summary email. • Software appliance-driven service managed by CTSI that uses a unique combination of machine learning and intelligent tagging to identify suspicious anomalies, suspicious activity, changes and threats behind the business firewall(s) to identify and expose real and potential vulnerabilities inside the network.
<p>URL Protection</p>	<ul style="list-style-type: none"> • Deployment, licensing, and management of security tools used in protecting the network from rogue or malicious websites (Cisco Umbrella.)
<p>Network Access Control & Port Security</p>	<ul style="list-style-type: none"> • Provides centralized Authentication, Authorization, and Accounting (AAA) for wireless, remote access, virtual private network (VPN) connections, and networking equipment.
<p>Server Patch Management</p>	<ul style="list-style-type: none"> • Daily monitoring for outstanding CTSI approved Microsoft Windows Server Operating System, Exchange Server, SQL Server, and MS Office "important" updates and service packs. • At least weekly installation of CTSI-approved Microsoft Windows Server Operating System, Exchange Server, SQL Server, and Office updates classified as "important" service packs based on CTSI review of potential issues, urgency of issues being corrected, and potential disruption during installation.
<p>Virtualization Host and SAN Patch Management</p>	<ul style="list-style-type: none"> • Periodic review of Host and SAN systems for potential updates and installation of same, when recommended by CTSI

Workstation/Laptop Patch Management

- Daily monitoring for, and at least weekly installation of, CTSI-approved MS Windows Operating System and MS Office important updates, service packs, and critical updates on selected products for covered workstations and laptops.

Service – Fully Covered Server Description

<p>Remediation Services</p> <p>Monitoring Services (daily, recurring)</p> <p>Monitoring Services (monthly, recurring)</p>	<ul style="list-style-type: none"> • Remediation services provided for all servers included under Covered Devices. • 24x7x365 monitoring of: <ul style="list-style-type: none"> o Server availability o Physical and virtual memory utilization on server o Server's disk storage: disk(s) status, available space and utilization o Server processor(s) utilization for performance limits o Event logs for errors on servers o HP and Dell server hardware; fans, drives, processors, temps, power, etc. o Critical business-specific server services for operational status (Citrix, Exchange, Terminal Server, SQL Server, Internet Information Service, etc.) o Windows Active Directory on server o Email system availability when hosted on a Covered Device o Various specific services and items used on the server, such as Ethernet errors, FTP, etc. • Review of server event logs for trends, repetition, confirmation of no unreported issues - saved to file for archive, then cleared • Emptying of server's recycle bin • Removal of temporary files from server • Check Disk verification on all server partitions to confirm that the disk volume(s) and file structure(s) are valid • Defragmentation analysis of server's storage volumes, where recommended by the manufacturer, to confirm optimum performance and defragmentation processing • Verification that no unnecessary users are listed in the Administrator's Active Directory groups • Verification that no unnecessary privileges are allowed on server's root and user shares
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Service – Server Based Application Support & Assistance

- Remediation and technical support for the specified server-based applications identified in this SOW (software must reside on a Covered Device) and listed under Application Support.
- Provision of server-related assistance on line-of-business applications (software must be listed under Application Assistance) by providing technical assistance to the vendors or manufacturers of the Client's business critical applications, if requested. Such assistance would typically consist of local technical expertise concerning the Client's IT hardware, infrastructure, security, file structure, shared folders, login scripts, and Windows environment.

Service – UPS Monitoring

- 24x7 monitoring of UPS for events, battery strength, reserve time, battery temps, battery age, when available.
- Monthly verification of APC UPS functionality, self-test schedule, logs and run UPS self-test if not scheduled and manufacturer recommended.

Service – Network Management

- 24x7 Monitoring of:
 - o Internet Access availability
 - o Internet Domain Name Services
 - o Firewall or Router CPU, Memory, Traffic, Ethernet errors, SYSLOG and SNMP, when available
 - o Switch Connectivity, CPU, Memory, SNMP and Traffic, when available
- Monthly backup of configuration on covered firewall, routers and switches

- Semi-annual configuration review of covered firewall(s) for valid rules, tables, VPN settings, and administrative access settings
- Installation of CTSI approved OS and firmware updates to covered infrastructure network devices during CTSI Business Hours, when recommended

Service – Workstation Management

- Remediation and technical support for workstations listed under Covered Devices.
- 24x7 Monitoring of:
 - Physical and virtual memory utilization on workstations.
 - Monitoring of disk storage: disk(s) status (SMART-health when available), available space and utilization.
 - Processor(s) utilization for performance limits.
 - Endpoint protection console for status and "threat" activity.
- Monthly services including:
 - Monthly emptying of each workstation's recycle bin.
 - Monthly removal of temporary files.
 - Monthly Check Disk verification on all workstation internal drive partitions to confirm that the disk volume(s) and file structure(s) are valid.
 - Monthly defragmentation analysis of workstation's internal storage volumes to confirm optimum performance and defragmentation processing, when recommended.

Service – Mobile Device Assistance for Key Employees

- General assistance to the client with mobile device issues.
- Assistance provided to the manufacturer or maintenance plan provider with mobile device issues (device repairs are not included).

Service – Networked Printer or Networked Scanner Assistance

- Help users with simple issues as well as download and install new device drivers, when available and recommended for printers and scanners that are covered devices.
- Note: Due to the large variation in printer and scanner functions, CTSI provides limited assistance with the networked printers or scanners as listed under Covered Devices. Printer consumables and repairs or remediation for these devices are not covered under this SOW.

Service – Consulting

- Provide annual assistance with IT budget planning, budgeting, and IT development roadmap.
- Participate in quarterly IT business review meetings to consider CTSI's performance, Client's System performance, issues, security, business changes, IT changes, projects, concerns, trends, and recommendations for improved productivity.
- Monthly reporting of IT systems availability, performance and monitoring and discussions on Client's Systems.
- Ongoing hardware and software maintenance plan and warranty management on all Covered Devices.

Service – Security Awareness Training, Assessment, and Consulting

- This service provides the latest annual on-line, web-based, cyber-security training and individual assessment exam designed to better educate Client's users to be cyber-security aware, protect data, and avoid taking actions that might compromise the Client's network, data, or IT devices. *(An advanced version of this service is also available that includes weekly on-going micro-training and a monthly security newsletter in addition to the base annual training described above.)*
- Client's overall IT security posture is also assessed annually, utilizing an assessment tool based on the National Institute of Standards and Technology (NIST) Cyber Security Framework. This assessment is used to develop, implement, and maintain a sustainable IT security risk assessment process and documentation for the Client's organization.

Optional Services Selected

The following Optional Services have been included and will be provided as indicated under this SOW.

Optional Service – Thin Client Image and Console Management
CTSI will manage the Thin Client Console, providing updates to the console system as needed and will also manage the process of building / updating the image used by the Client's thin client devices and the deployment of those images to the thin clients, for 81 thin client devices.

Managed Equipment / Hardware / Software

The Services will be applied to the following equipment / hardware ("Covered Devices"):

The Services which apply to Windows servers, will be provided to all of Client's Windows servers unless the device is listed below under *Excluded Devices* or listed below under *Monitored Only Servers and Devices*. At the start of this SOW the number of fully managed Servers (including VM Hosts and SANs) connected to the Client's network to be covered by this SOW and managed by CTSI has been determined to be **34**. The initial number of Client Users being supported under this SOW is **98**. As the number of Client IT Servers, Hosts, SANs or Users increases or decreases, the Client's monthly fee will change (see "Assumptions / Minimum Requirements / Exclusions").

Initial Quantities:

Fully Managed Windows Servers.....	<u>23</u>
VM Host Hardware	<u>9</u>
SAN Hardware Devices.....	<u>2</u>
Firewalls	<u>4</u>
Routers/Layer 3 Switches	<u>3</u>
Wireless LAN Controllers	<u>0</u>
Switches	<u>18</u>
Standalone Wireless Access Points.....	<u>0</u>
UPSs	<u>3</u>
Terminal Server Apps.....	<u>0</u>
Workstations/Laptops.....	<u>22</u>
Users	<u>98</u>

("Users" are defined as the greater of either the sum of all people using the Client's Systems, or the sum of User objects in the Client's Windows Active Directory created for use by a person and is included in the quantity covered by this SOW if that user has logged into the Active Directory within the past 30 days.)

Application Support

Application "Support" services will be provided during CTSI Normal Business Hours for the following applications which reside on fully managed servers:

- (none)

Application Assistance

Application "Assistance" service to be provided during CTSI Normal Business Hours for the following applications on fully managed servers:

- (none)



Monitoring Only Servers and Devices

The devices in the list below typically do not use the Microsoft Windows operating system so cannot be fully managed by CTSI; instead, they will be monitored only to ensure basic function and to notify those responsible for the management of these servers if a monitored metric falls out of tolerance. The monitoring tools and notification services noted below, are covered by this SOW.

GENERAL Monitoring Only Notification Services

- 24x7 Monitoring of:
 - Internet Access availability
 - Internet Domain Name Services
 - Firewall or Router CPU, Memory, Traffic, Ethernet errors, SYSLOG and SNMP, when available
 - Switch Connectivity, CPU, Memory, SNMP and Traffic, when available

SERVER Monitoring Only Notification Services

- 24x7 Monitoring for availability
- 24x7 Monitoring of virtual memory utilization, if applicable
- 24x7 Monitoring of disk storage: disk(s) status, available space and utilization, when applicable
- 24x7 Monitoring of processor(s) utilization for performance limits, when applicable
- 24x7 Monitoring of various specific services and items used on the device, when available (for example: SQL Server, FTP, HTTP/HTTPS, SNMP, traffic, Telnet, SMTP, etc.)

Any remediation services or assistance related to these Monitored Only servers or devices are NOT covered by this SOW. Replacement Labor services for these Monitored Only devices are NOT covered by this SOW. All Remediation and replacement services for these Monitored Only devices will be billed separately at the CTSI applicable hourly rates

Monitored Only, Servers or Devices:

- (none)

Changes in IT Systems

Client agrees that changes to any of the quantities or items listed above may impact the monthly fee for the Services provided in this SOW in subsequent monthly invoices. CTSI will automatically adjust the monthly fee for the Services in this SOW for changes to the number of users or servers (the two most common changes), as indicated in **Fees: Changes to Monthly Fee Due to Client Changes.**

Term; Termination

The Services will commence, and billing will begin, on the date on which the Services are implemented and operational ("Commencement Date".) The target Commencement Date has been set to **August 1, 2019.**

To meet the target Commencement Date for implementation and due to fluctuations in market pricing, CTSI must receive your signed version of this SOW by **July 18, 2019.** We reserve the right to adjust the pricing and/or the "Commencement Date" noted above if CTSI has not received your signed version of this SOW by **July 18, 2019.**

Duration; Term

No Term is defined for this SOW, but it is designed to serve the Client for at least **one** year from the Commencement Date. Client and CTSI agree that this SOW will begin on the Commencement Date and continue indefinitely until terminated as described below.

Termination Due to Replacement

If Client and CTSI enter into a new statement of work designed to replace this SOW, then this SOW will be replaced and therefore terminated by the replacement SOW as of the commencement date of that replacement SOW.

Termination by Client

- If Client desires to terminate this SOW for any reason, Client agrees to provide CTSI with advance written notice requesting termination of this SOW. The written notice requesting termination must be received by CTSI at least 60 days prior to the desired SOW termination date.
- Client agrees to be responsible for payment of the SOW monthly fees, any other agreed upon services provided by CTSI, and all reimbursable costs incurred on Client's behalf by CTSI up to the date of termination.
- There being no defined Term or Expiration Date associated with this SOW, Client will not be responsible for any further "expected" amounts related to this SOW other than those items noted in this "Termination by Client" section.
- For the purposes of clarity, you and we agree that the terms of this section ("Termination By Client") overrules any directly conflicting terms on the Master Service Agreement. All remaining paragraphs of the **Master Service Agreement** section **Term; Termination** remain in force and unaffected by this SOW.

Termination by CTSI

This SOW may be terminated by CTSI upon ^{sixty (60) SB}~~thirty (30)~~ days written notice to the Client.

Assumptions / Minimum Requirements / Exclusions

Assumptions

The scheduling, fees and provision of the Services are based upon the following:

• Service outside of CTSI Normal Business Hours

Services provided by CTSI outside of CTSI's Normal Business Hours are not covered by this SOW and will be billed to Client separately; provided, however, that all such services are subject to technician availability and CTSI's approval. (See **Schedule A, Additional Provisions** for details of CTSI Normal Business Hours.)

If a critical issue is detected on the Client's system outside of CTSI's Normal Business Hours, the Client authorizes CTSI to provide and bill up to two hours of After-Hours or Premium After-Hours remediation services on that issue to maximize availability of Client's system during business hours. If it appears that more than two hours of services may be required to resolve the issue, Client's permission will be obtained before exceeding this two hour limit.

Minimum Requirements

The minimum requirements listed below must be maintained by Client at all times. Services required to bring Client's System(s) up to these standards are not included in this SOW and will be billed to Client separately.

- An outside static IP address assigned to a network device, allowing secure remote access from CTSI's network to the client's network, is required.
- CTSI needs administrative access to fully managed Client devices covered by this SOW.
- CTSI needs SNMP access and credentials to all Client network devices being monitored.
- Client's environment must have a current, vendor-supported and CTSI-approved antivirus solution with current vendor maintenance protecting all covered servers and workstations.
- Client's environment must have a licensed, vendor-supported and CTSI-approved hardware firewall with current vendor maintenance, between the internal network and the Internet.
- Client's environment must have a licensed, vendor-supported and CTSI-approved backup solution with software maintenance in force.
- CTSI must be involved in any business plans of Client that impact or may impact Client's System.
- Physical space plus CTSI access is required at Client's facility for the CTSI owned security/monitoring/remote access host server:
 - At least 2 network connections and internal IP addresses for use on the Client's local area network
 - 120v AC power and reasonable cooling

- For Email protection, provide administrator level access to CTSI for all email domains that will be protected and keep CTSI informed of all critical domains and email addresses that need to be white-listed
- All managed devices covered by this SOW (see **Managed Equipment / Hardware / Software**), must utilize Microsoft-supported Windows operating systems, and all software installed on such equipment must be properly licensed and supported by their respective manufacturers.
- All of the latest Microsoft service packs and critical updates must be installed on the fully managed devices, including those for Microsoft server applications such as Microsoft Exchange and Microsoft SQL.

Exclusions

Services that are not expressly described in this SOW will be out of scope and will not be provided to Client unless otherwise agreed, in writing, by CTSI. Without limiting the foregoing, the following services are expressly excluded under this SOW, and if required to be performed, must be agreed upon by CTSI in writing:

- Remediation of issues occurring or existing prior to commencement of this SOW, unless this SOW replaces an active CTSI Assurance SOW or Assurance Agreement
- Customization of third party applications, or programming of any kind
- Support for operating systems, applications, or hardware no longer supported by the manufacturer
- Data/voice wiring or cabling services of any kind
- The migration from one system to another if both systems are not using the same software - (For example, a migration from Microsoft Exchange email system to Office 365 hosted email system is not covered by this SOW)
- Equipment relocation involving a physical address change
- The cost to bring the System up to the Minimum Requirements (unless otherwise noted in "Scope of Services" above)
- The cost of repairs to hardware or any supported equipment or software, or the costs to acquire parts or equipment, or shipping charges of any kind
- Devices located outside the United States cannot be included in this SOW.
- Website hosting, development, management, or maintenance
- Services provided outside of CTSI's Normal Business Hours (see **Schedule A**)

- **Excluded Devices**

At the Client's request, the following IT Devices will NOT be included or covered by this SOW in any manner. Any CTSI services or assistance with these devices will be billed to the Client separately and in addition to this monthly SOW fee at CTSI's applicable hourly rates. Any remediation services provided by CTSI on Fully Covered devices that are the result of issues created by these Excluded Devices (at CTSI's discretion) will not be covered by this SOW and will be billed separately to Client at CTSI's applicable hourly rate.

- (none)

Service Levels

Monitoring will occur on a 24x7x365 basis; repair and remediation services (if applicable) will be provided only during business hours unless otherwise specifically stated in this SOW. We will respond to problems, errors or interruptions in the provision of the Services, as soon as possible but within the timeframe(s) described below. Severity levels will be determined by CTSI in our reasonable discretion. All remediation services will be started remotely when feasible, but CTSI will provide onsite service if remote remediation is ineffective (at CTSI discretion.) (Travel time and mileage to locations outside of Lubbock are not covered by this SOW.)

Trouble / Severity	Assurance with Cyber Defense SOW	A La Carte / Services not Covered by this SOW
Critical problem: Service not available (all users and functions unavailable)	Remediation efforts will begin within one (1) business hour after notification. *	Response within one (1) hour.
Significant degradation of service (large number of users or business critical functions affected)	Remediation efforts will begin within two (2) business hours after notification. *	Response within two (2) hours
Limited degradation of service (limited number of users or functions affected, business process can continue).	Remediation efforts will begin within eight (8) business hours after notification. *	Best efforts.
Small service degradation (business process can continue, one user affected).	Remediation efforts will begin within two (2) business days after notification. *	Best efforts.

* All time frames are calculated as of the time that CTSI is notified of the applicable issue/problem/request by Client through CTSI's designated support contact methods listed here:

- Via email to Help@ctsinet.com (monitored during business hours)
- Online by creating a service request on our Managed Services Customer Portal website at <https://connect.ctsinet.com/support> (monitored during business hours)
- Talking to a CTSI Dispatcher or Help Desk technician via telephone by calling our Technical Support Help Desk at 806-793-8961 (or 800-687-2874) and choosing the technical support option
- For support outside of CTSI Business Hours, calling the above number will connect you to CTSI's After-Hours paging service who will page the On-Call technician to return your call. Client understands that support services provided outside of CTSI Business Hours are not covered by this SOW.

Notifications received in any manner other than described herein may result in a delay in the provision of remediation efforts. Support provided outside of our normal CTSI Business hours will be billed to Client at the CTSI applicable hourly rate for the services involved. Client understands that leaving voice messages or sending email directly to individual technical support members at CTSI is discouraged because this may delay the resolution of the issue.

Fees

The **monthly fee** for participation in this SOW will be \$ **9,659.01** plus applicable tax, invoiced to Client in advance. This monthly fee is subject to change if Client changes the IT Systems, Options, or Users covered by this SOW (see **Changes to Monthly Fee Due to Client Changes**) and is also subject to an annual increase (see **Annual Increase to Monthly Fee**.)

Client agrees to pay a **one-time Implementation Fee** of \$ **1,670.16** plus applicable tax. This one-time fee will be invoiced once the Services defined in this SOW are put in place and become operational. (This one-time implementation fee includes fees for implementation travel time and mileage if Client's site is located outside of Lubbock.)

The prices for the Services indicated in this Statement of Work are based on Client using payment methods of ACH or check. Other payment methods are available upon request, but may increase the price for Services.

Changes to Monthly Fee Due to Client Changes

The monthly fee for this SOW is determined based on the quantity of Client Devices, Users, and selected Options as this SOW is commenced (see **Initial Quantities** under **Managed Equipment / Hardware / Software**.) When Client makes changes to the IT Systems, many of these changes impact CTSI's responsibilities as dictated in this SOW. Therefore, CTSI may change the monthly fee for this SOW as Client makes changes to its IT Systems which impact CTSI responsibilities. The most common changes in IT Systems occur in the quantity of Client Users (with consideration for user workstations) and Servers (including VM Hosts or SANs.) Client understands that when they add or reduce the number of Users or Servers, that the monthly fee for this SOW will change by the amounts indicated below for each User or Server. These quantities will be reviewed monthly and the total monthly SOW fee adjusted accordingly.

- **\$ 73.00 / month** (plus tax) per Client User during the 1st year of this SOW. (This rate is based on the combined total dollars for Client Users and Workstations at the beginning of this SOW. If Client adds a User, the total monthly fee for this SOW will increase by \$ 73.00, based on this first year rate.)
- **\$ 137.00 / month** (plus tax) per Client Server device during the 1st year of this SOW. (If Client retires a Server which is not replaced, the monthly fee for this SOW will decrease by \$ 137.00, based on this first year rate.)

The two rates above are also subject to the **Annual Increase to Monthly Fee** as defined below, so will increase proportionately each year

Client changes to other IT System devices (such as firewalls, routers, etc. and the Client selected Optional Services in this SOW can also impact this monthly fee, but are much less frequent. If the monthly fee for this SOW increases due to changes in other Client Systems or Options covered by this SOW (excluding Users and Servers) by more than 4%, CTSI will provide 30 days advance notice to the Client of the increase.

Annual Increase to Monthly Fee

This SOW includes an automatic annual rate increase in the monthly fee billed to the Client for the services defined in the SOW. The monthly fee increase will occur once each year on the anniversary of this SOW Commencement Date. The increased fee will become the new monthly SOW fee billed during the 12 months following the anniversary of this SOW's start date, adjusted by any other Client changes to IT Systems impacting CTSI responsibilities in this SOW during that year.

The annual increase in the monthly fee for this SOW will be based on the monthly amount billed for this SOW just prior to the SOW's anniversary.

To illustrate, the first annual increase will occur one year from the commencement of this SOW. Beginning in the 13th month of the SOW, presuming no changes have occurred in quantities of Covered Devices or Users during the first year, the monthly fee for this SOW will increase beginning in the 2nd year by **\$ 386.36** for a new monthly amount of **\$10,045.37** plus applicable tax.

If changes in quantities of Covered Devices or Users have occurred during the preceding year, the annual increase will be adjusted proportionately, reflecting those changes. This monthly fee will be increased every year by the same percentage on the anniversary of this SOW.

Payment Terms

All amounts billed to client under this Assurance SOW will be due 30 days from the invoice date (Net 30.)

For the purposes of clarity, you and we agree that the terms of this Statement of Work section "Payment Terms" referring to "30 days" overrules the directly conflicting terms showing "20 days" in the **Master Service Agreement** section 3) FEES; PAYMENT, in both paragraphs a) **Schedule** and b) **Nonpayment**. All remaining statements and paragraphs of the **Master Service Agreement** section 3) FEES; PAYMENT remain in force and unaffected by this SOW.

Additional Terms

Additional terms, are attached as **Schedule A** to this SOW.

Advanced Security Options

CTSI offers several more sophisticated security services that provide additional levels of protection to organizations that demonstrate a need for higher levels of Cyber Security as recommended by the National Institute of Standards and Technology (NIST) Cyber Security Framework.

Client understands that declining any advanced security services available in this SOW reduces protections available to Client's System. Client will be responsible for the CTSI remediation services (including those services covered by this SOW) and/or materials involved in resolving the effects of a security event which could have been prevented (at CTSI discretion) by any of the Declined Advanced Securities Services listed below.

The following security services are available; please confirm your acceptance or rejection of each service below, by initialing the action on each Advanced Security Service option.

Advanced Security Services

Advanced Security Service – Breach Prevention Platform (BPP) Services

SB Accepted by Client

*The **Breach Prevention Platform** provides Client with a set of tools for managing and maintaining the security policies, security assessments, on-line security policy storage, and security awareness training needed by most small to medium size businesses that face today's growing security threat landscape. In addition to an annual Security Risk Assessment for the Client based on the NIST Cyber Security Framework, the following are provided for all Client users:*

- Weekly 2-3 minute end-user security training video and 4 question test for comprehension*
- Simulated phishing assessments (6 times per year) testing each Client user's discernment of potentially dangerous email messages*
- Dark Web scans twice per year for Client email addresses*
- Monthly Security Newsletter emailed to Client staff for additional education*
- Employee Vulnerability Assessment scoring system based on the above results*

Advanced Security Service – SIEM/SOC Services*SB* **Declined by Client**

A comprehensive combined **Security Information and Event Management (SIEM)** as-a-Service with a **Security Operations Center (SOC)** as-a-Service solution hosted by an organization whom CTSI partners with to provide cyber security solutions with endpoint and data protection focus. This means your cyber security team includes the most advanced technology and deepest experience in the industry offering a truly holistic approach to information security, with 100% US staff.

With this service, Client receives a dedicated team of security analysts who manage real-time collection of security related data, automated ticket creation (within 3-5 minutes) of any activity indicating a policy violation, execution violation, unexpected login activity, unexpected changes, virus/malware activity, unexpected network traffic, etc., and perform daily reviews of all monitored infrastructure device (Firewalls, Servers, Routers, Wireless Lan Controllers) logs and security event notifications, 7 days a week, 365 days a year with CTSI remediation services. This service provides cost-efficient monitoring and response that meets regulatory requirements such as PCI, FFIEC, and HIPAA.

Advanced Security Service – Annual Comprehensive Vulnerability Scan*SB* **Declined by Client**

The **Annual Comprehensive Vulnerability Scan** service delivers a point-in-time assessment solution to Client for identifying the vulnerabilities, configuration issues, and malware that attackers use to penetrate a network. This service is designed to quickly identify and provide information useful in resolving the latest vulnerabilities detected on your internal network devices, including software flaws, missing patches, malware, and device misconfigurations, across a variety of operating systems, devices and applications. The results of each annual vulnerability scan are provided to the Client in report format showing vulnerabilities by host and suggested measures for remediation.

Advanced Security Service – Annual Security Policies Development Workshop*SB* **Declined by Client**

The **Annual Security Policies Development Workshop** is an annual workshop facilitated by a CTSI security specialist with the Client's security team or committee to assist with developing, maintaining, and disseminating corporate security policy documents tailored to the Client's unique security needs and regulatory requirements.

Authorized Contact(s)

In addition to the signatory to this SOW, the following person(s) shall be an Authorized Contact for this Client:

Contact Name	Contact Details
Name: <u>Shirley Penner</u> Title: <u>Hockley County Auditor</u>	Email: <u>Spenner@hockleycounty.org</u> Direct Ph: <u>806-894-6070</u> Mobile Ph: <u>806-544-3894</u>
Name: _____ Title: _____	Email: _____ Direct Ph: _____ Mobile Ph: _____

(If more Authorized Contacts need to be listed, please attach additional pages to this SOW)

Locations Covered by Services

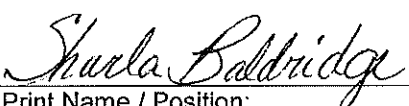
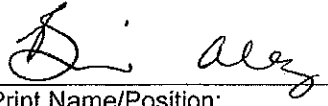
The Services will be provided to the Client at the following location(s):

Primary Location: **Hockley County**
802 Houston Street
Levelland, Texas 79336

Location Name	Location Details
Name: Hockley County Sheriff's Office	Address: 1310 Ave H #6, Levelland, TX 79336
Name: Hockley County Annex	Address: 624 Avenue H, Levelland, TX 79336
Name: Hockley County Juvenile Probation	Address: 613 Avenue G, Levelland, TX 79336

(If more Locations need to be listed, please attach additional pages to this SOW)

Acceptance of this Assurance with Cyber Defense SOW

Client Hockley County	CTSI Computer Transition Services, Inc.
Date: 7-31-19	Date: 7/31/19
Signature: 	Signature: 
Print Name / Position: Sharla Baldrige, Hockley County Judge	Print Name/Position: Brian Alley, SP

Additional Locations

- Mallet Event Center / 2320 S. St. Hwy 385, Levelland, Texas 79336
- Justice of the Peace #1 / 105 Hockley Main, Ropesville, Texas 79358
- Justice of the Peace #2 / 209 E. Richardson, Sundown, Texas 79336
- Justice of the Peace #4 / 6054 Hwy 84, Anton, Texas 79313

SCHEDULE A

Additional Provisions

CTSI Normal Business Hours

Normal Business Hours are defined as the hours of 8:00 am – 5:00 pm, Central Time, Monday through Friday, excluding holidays as observed by CTSI. The holidays observed by CTSI are:

- New Year's Day (January 1)
- Memorial Day (last Monday in May)
- Independence Day (July 4)
- Labor Day (first Monday in September)
- Thanksgiving (fourth Thursday in November)
- Day after Thanksgiving
- Christmas Eve (December 24)
- Christmas (December 25)

CTSI Service Rates

Standard Hourly Rates

*As this document was prepared, the standard hourly rates associated with CTSI support roles for service provided during CTSI's normal business hours vary from **\$75 to \$199**. These rates are subject to change. The standard hourly rates are used to bill the Client for services provided which are not covered by this SOW.*

Every CTSI employee providing IT support services is assigned to one of more than a dozen support roles. The support role of the person providing services is what determines the standard hourly rate for the services provided. Each of these support roles have education, certification and experience requirements which must be completed before a person is eligible to work in that role. As our staff increase their education and certification levels, by completing training and certification exams provided by our manufacturing partners, the person may move into a higher level support role at CTSI. This can impact the hourly rate used for the person's support services from that point forward. We work diligently to balance providing a prompt response from CTSI with a person in an appropriate support role, to minimize the client's support costs for work not covered by this SOW.

After Hours Services

- All services provided to Client outside of CTSI's Normal Business Hours as indicated below will be billed at 1.5 times CTSI's Standard Hourly Rates
- These After Hours Services will be billed in addition to the monthly SOW fees.
- After Hours rates apply:
 - Monday – Friday except holidays: 5pm to midnight and 6am to 8am
 - Saturday: 6am to midnight

Premium After-Hours Services

- All services provided to Client outside of CTSI's Normal Business Hours and CTSI's After Hours times are considered Premium After Hours services and will be billed at 2 times CTSI's Standard Hourly Rates.
- These Premium After Hours Services will be billed in addition to the monthly SOW fees.
- Premium After Hours rates apply:
 - Monday – Saturday: midnight to 6am
 - Holidays: All Times
 - Sunday: All Times

Travel Outside of Lubbock

- Travel and mileage charges to locations outside of the city of Lubbock are not covered by this SOW.
- When travel outside of the city of Lubbock is required to provide services to the Client, the Client will be billed at ½ the Standard, After Hours, or Premium After Hours rates as applicable, for all travel time, plus mileage at the current federal mileage rate, for travel both to and from the place of service and CTSI's offices.

Remediation

Unless otherwise provided in this SOW, remediation services will be provided in accordance with the recommended practices of the managed services industry and the (NIST) Cybersecurity Framework. Client understands and agrees that remediation services are not intended to be, and will not be, a warranty or guarantee of the functionality of any particular device, or a service plan for the repair of any particular managed hardware or software.

Monitoring Services; Alert Services

Unless otherwise indicated in this SOW, all monitoring and alert-type services are limited to detection and notification functionalities only. Monitoring levels will be set by CTSI, and Client shall not modify these levels without CTSI's prior written consent.

Modification of System

The Services rely upon physical and virtual configurations of the System as known to, and (if applicable) determined by, CTSI. Changes made to the System without our prior authorization or knowledge may have a substantial, negative impact on the provision and effectiveness of the Services. Client agrees to refrain from moving, modifying, or otherwise altering any portion of the System without our prior knowledge and consent. For the purposes of illustration, Client shall not add or remove hardware from the System, install applications on the System, or modify the configuration or log files of the System without CTSI's prior knowledge and, on each occasion, written consent.

Anti-Virus; Anti-Malware

CTSI's End Point Protection solution will generally protect the Client's system from becoming infected with new viruses and malware ("Viruses") in addition to providing protection via global threat intelligence, advanced sandboxing, and real-time malware blocking, plus continuously analyzing file activity across your network; however, Viruses that exist on the Client's system at the time that the security solution is implemented may not be capable of being removed without additional services, for which a charge may be incurred.

You understand and agree that no security solution is one hundred percent effective, and any security paradigm may be circumvented and/or rendered ineffective by certain Viruses or malware, such as ransomware or rootkits, that were previously unknown to the manufacturers of the software solution, and/or which are purposely or intentionally downloaded or installed onto your System. You are strongly advised to refrain from downloading files that are sent by unknown users, and/or users or files whose origination cannot be verified. CTSI does not warrant or guarantee that all Viruses and malware will be capable of being avoided or removed, or that all forms of Viruses and malware will be timely detected or removed, or that any data corrupted or encrypted by Viruses or malware will be recoverable.

In order to improve security awareness, you agree that CTSI or its designated third party affiliate may transfer information about the results of processed files, information used for URL reputation determination, security risk tracking, and statistics for protection against spam and malware. Any information obtained in this manner does not and will not contain any personal or confidential information.

Exchange / Email

Client is solely responsible for the security, confidentiality and integrity of all email, and the content of all email, received, transmitted or stored through the Client's Email systems.

SPAM / Junk Mail Filtering

CTSI's Assurance with Cyber Defense SOW provides email scanning for incoming unsolicited commercial or potentially dangerous email. Using proprietary algorithms and other technologies, the service scans incoming email for designated keywords, attachments, senders, and known blacklisted sites, and filters or quarantines the email accordingly. From time to time the service may filter email that is not SPAM or junk mail, or may block email from legitimate sources. Client is advised to pay close attention to notices about filtered or quarantined email or periodically review these lists to ensure that relevant emails are not being filtered improperly, and will notify CTSI in the event that these SPAM filter settings require adjustment.

Patch Management

CTSI shall keep all managed infrastructure equipment and Windows based operating system software covered by this SOW current with critical patches and updates ("Patches"), generally as such Patches are released by the manufacturers of the applicable hardware or software. Patches and updates are developed by third party vendors and, on rare occasions, may make the System, or portions of the System, unstable, or cause the managed equipment or software to fail to operate properly even when the Patches are installed correctly. CTSI shall not be responsible for any downtime or losses arising from or related to the installation or use of any Patch. CTSI reserves the right, but not the obligation, to refrain from installing a Patch if CTSI is aware of potential technical problems caused by a Patch, or believes that a Patch may render the System, or any portion of the System, unstable.

Quarterly Business Review; IT Strategic Planning

Suggestions and advice rendered to Client are provided in accordance with relevant industry practices, based on Client's specific needs. By suggesting a particular service or solution, CTSI is not endorsing any particular manufacturer or service provider. CTSI is not a warranty service or repair center, and does not warrant or guarantee the performance of any third party service or solution.

Diagnostic / Auditing Services

Any diagnostic or auditing services performed by CTSI may require CTSI to install a small amount of code ("Diagnostic Code") on one or more of the devices attached to the System. The Diagnostic Code is deleted in its entirety after the testing process concludes. No personal information or personal data reviewed or copied by CTSI at any time during the testing process. No files will be erased, modified, opened, reviewed or copied at any time during the testing process. The Diagnostic Code will not install or create any disabling device, or any backdoor or hidden entryway into the System. The results of the diagnostic testing will be kept confidential by CTSI.

You grant CTSI permission to access the System for the purpose of conducting the diagnostic testing, and agree to hold CTSI harmless from and against any and all incidents or damages that may occur during or as a result of the testing process, regardless of the cause of such damages including but not limited to data loss due to events beyond CTSI's reasonable control, network or communication outages, and deficiencies or errors in any of hardware or equipment that may interrupt or terminate the diagnostic testing process.

The testing process is for diagnostic purposes only. The process is not intended, and will not be used, to correct any problem or error in the System. CTSI does not warrant or represent that the testing process will result in any particular outcome, or that any particular issue, hardware or software configuration will be correctly detected or identified.

Sample Policies, Procedures

From time to time, CTSI may provide Client with sample (i.e., template) policies and procedures for use in connection with Client's business ("Sample Policies"). The Sample Policies are for Client's informational use only, and do not constitute or comprise legal or professional advice. The Sample Policies are not intended to be a substitute for the advice of competent counsel. Client should seek the advice of competent legal counsel prior to using the Sample Policies, in part or in whole, in any transaction. CTSI does not warrant or guarantee that the Sample Policies are complete, accurate, or suitable for Client's specific needs, or that Client will reduce or avoid liability by utilizing the Sample Policies in its business operations.

Penetration Testing; Vulnerability Assessment

From time to time, depending on service plans and options elected by Client, CTSI may perform Penetration or Vulnerability Assessments of a Client's IT System. Client understands and agrees that security devices, alarms or other security measures, both physical and virtual, may be tripped or activated during penetration testing processes, despite CTSI's efforts to avoid such occurrences. Client shall be responsible for notifying any monitoring company and all law enforcement authorities of the potential for "false alarms" due to the provision of the penetration testing services, and shall take all steps necessary to ensure that false alarms are not reported or treated as "real alarms" or credible threats against any person, place or property. Some alarms and advanced security measures, when activated, may cause the partial or complete shutdown of the Client's System, causing substantial downtime and/or delay to Client's business activities. CTSI shall not be responsible for, and shall be held harmless and indemnified by Client against, any claims, costs, fees or expenses incurred by Client that arise or result from (i) any response to the penetration testing services by any monitoring company or law enforcement authorities, or (ii) the partial or complete shutdown of Client's System by any alarm or security monitoring device.

Domain Name Services

If Client registers, renews or transfers a domain name through CTSI, CTSI will submit the request to its domain name services provider (the "Registrar") on Client's behalf. CTSI's sole responsibility is to submit the request to the Registrar. CTSI is not responsible for any errors, omissions or failures of the Registrar. Client's use of domain name services is subject to the applicable legal terms of the Registrar. Client is responsible for closing any account with any prior reseller or registrar for the requested domain name, and Client is responsible for responding to any inquiries sent to Client by the Registrar.

Unsupported Configuration Elements or Services

If Client requests a configuration element (hardware or software) or hosting service in a manner that is not customary at CTSI, or that is in "end of life" or "end of support" status, CTSI may designate the element or service as "unsupported," "non-standard," "best efforts," "reasonable endeavor," "one-off," "EOL," "end of support," or with like term in the service description (an "Unsupported Service"). CTSI makes no representation or warranty whatsoever regarding any Unsupported Service, and Client agrees that CTSI will not be liable to Client for any loss or damage arising from the provision of an Unsupported Service. Deployment and service level guarantees shall not apply to any Unsupported Service.



Master Service Agreement

Prepared for:

Hockley County

Version 2019.2 • Prepared: 7/15/2019

The mission of Computer Transition Services, Inc. is to improve the life and business success of clients by providing integrated solutions and professional services to meet their technological and organizational needs.

Computer Transition Services, Inc.

3223 S. Loop 289, Suite 556

Lubbock, TX 79423

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Tel: 806-793-8961 Fax: 806-793-8968

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Last edited 03/25/2019

Computer Transition Services, Inc. Master Service Agreement

This Master Service Agreement (this "Agreement") is between **Computer Transition Services, Inc.**, a Texas corporation with offices located at 3223 South Loop, Suite 556, Lubbock, Texas 79423 ("us", "our", "we" or "CTSI"), and **Hockley County**, the entity who accepts this document by signing, either physically or electronically, in the signature block, below ("you", "your" or "Client"). This Agreement is effective as of the latest date of the signatures of the parties below ("Effective Date").

- 1) **SCOPE OF SERVICES; SOW.** This Agreement governs all products or services that we perform or provide to you (collectively, the "Services"). The Services will be described in one or more proposals or statements of work that we provide to you (each, a "SOW"). Once you and we mutually agree to a SOW (either by signing it or by electronic acceptance), the SOW will become a part of, and governed under the terms of this Agreement. If there is a material difference between the language in a SOW and the language in this Agreement, then the language of the SOW will control, except in situations involving warranties, limitations of liability, or termination of this Agreement. Under those limited circumstances, the terms of this Agreement will control unless the SOW expressly states that it is overriding the conflicting provisions of this Agreement.
- 2) **GENERAL REQUIREMENTS.**
 - a) *System.* For the purposes of this Agreement, "System" means, collectively, any computer network, computer system, peripheral or device installed, maintained, monitored, or operated by us pursuant to a SOW. To avoid a delay or negative impact on our provision of the Services, during the term of each SOW you agree to refrain from modifying or moving the System, or installing software on the System, unless we are notified and agree that such modifications or installation will not negatively impact the System or our ability to provide the Services required under any SOW in effect.
 - b) *Requirements.* At all times, all software on the System must be genuine and licensed, and you agree to provide us with proof of such licensing upon our request. If we require you to implement certain minimum hardware or software requirements in a SOW ("Minimum Requirements"), you agree to do so as an ongoing requirement of CTSI providing its Services to you.
 - c) *Maintenance; Updates.* If patches and other software-related maintenance updates ("Updates") are provided under a SOW, we will install the Updates only if we have determined, in our reasonable discretion, that the Updates will be compatible with the configuration of the System and materially beneficial to the features or functionality of the affected software or hardware. CTSI will not be responsible for any downtime or losses arising from or related to the installation or use of any Update, provided that the Update was installed in accordance with the manufacturer's or applicable vendor's instructions.
 - d) *Third Party Support/Troubleshooting.* If, in CTSI's discretion, a hardware or software issue requires vendor or OEM support to resolve a Client IT System issue, we may contact the vendor or OEM (as applicable) on your behalf and pass through to you, any fees and costs incurred in that process. If such fees or costs are anticipated in advance or exceed \$200, we will obtain your permission before incurring such expenses on your behalf unless exigent circumstances require otherwise. CTSI normally involves you as we engage any other organization for support or troubleshooting assistance and will always document access by any Third Party Organization. Recognizing that Client may be required to limit access by Third Party Support organizations to only those specifically approved by Client, the statement below can be initialed by the Client to accommodate this requirement. If Client initials the statement below, CTSI will not provide access to Client's IT System for any organizations in troubleshooting Client's IT System without prior Client approval. If the following statement is not initialed, CTSI for expediency may (at its discretion) engage CTSI Partner Vendors providing Third Party Support in order to achieve the best outcome for the Client without necessarily obtaining Client permission.

SB As the person executing this MSA on behalf of the Client, my initials on this statement indicate that ***even though it may impact the time to resolve an issue*** on Client's IT System, CTSI **must obtain Client approval** before allowing any Third Party Support organization not previously approved by Client, to have access to any Client IT Systems. For purposes of meeting this obligation and expediency, verbal approval provided to a CTSI representative by Client management is acceptable to Client and will be recorded in CTSI records at the time. If written (including email) approval by Client is required, Client will also initial here: SB.

- e) *Advice; Instructions.* From time to time, and depending on the SOW you agree to, we may provide you with specific advice and directions related to our provision of the Services or the maintenance or administration of the System. (For example, our advice or directions may include corrections to issues that create security risks, increasing the System's server or hard drive capacity or replacing obsolete equipment that is no longer supported.) You agree to promptly follow and implement any directions we provide to you related to the Services which, depending on the situation, may require you to make additional purchases or investments in the System or the environment in which the System is maintained, at your sole cost. CTSI will not be responsible for any problems or issues (including but not limited to System downtime or security-related issues) caused by your failure to promptly follow CTSI's advice or directions. If your failure to follow or implement our advice renders part or all of the Services economically or technically unreasonable to provide, in CTSI's discretion, then CTSI may terminate the applicable SOW for cause by providing notice of termination to you, or if feasible, we may remove the offending device or system from coverage under the SOW. Unless specifically and expressly stated in a SOW, any services required to remediate issues caused by your failure to follow CTSI's advice or directions, or your unauthorized modification of the System, as well as any services required to bring the System up to or maintain the Minimum Requirements, are not covered under any SOW and will be out-of-scope.
- f) *Prioritization.* Unless otherwise stated in a SOW, all Services will be performed on a schedule, and in a prioritized manner, as determined by CTSI.
- g) *Authorized Contact(s).* CTSI will be entitled to rely on any directions or consent provided by your personnel or representatives who are authorized in a SOW to provide such directions or consent ("Authorized Contacts"). If no Authorized Contact is identified in an applicable SOW, then your Authorized Contact will be the person(s) (i) who signed this Agreement, and/or (ii) who signed the applicable SOW. If you desire to change your Authorized Contact(s), please notify CTSI of such changes in writing which, unless exigent circumstances are stated in the notice, will take effect three (3) business days thereafter.
- h) *Insurance.* If you are supplied with CTSI Equipment (defined below), you agree to acquire and maintain, at your sole cost, insurance for the full replacement value of that equipment during the term of the applicable SOW. Upon CTSI's request, you agree to provide proof of insurance to CTSI, including proof of payment of any applicable premiums or other amounts due under the insurance policy.
- 3) **FEES; PAYMENT.** You agree to pay the fees described in each SOW. If the SOW does not include a fee schedule, then you agree to pay CTSI on an hourly basis pursuant to CTSI's standard hourly rate schedule.
- a) *Schedule.* Unless otherwise stated in a SOW, or on a specific invoice, all undisputed fees will be due and payable at CTSI 20 days after the invoice date.
- b) *Nonpayment.* Fees that remain unpaid for more than twenty (20) days after the date on the invoice will be subject to interest on the unpaid amount(s) until and including the date payment is received, at the lower of either 1.5% per month or the maximum allowable rate of interest permitted by applicable law. CTSI reserves the right, but not the obligation, to suspend part or all of the Services without prior notice to you in the event that any portion of undisputed fees are not timely received by CTSI. Notice of disputes related to fees must be received by us within sixty (60) days after the applicable Service is rendered or the date on which you pay an invoice, whichever is later; otherwise, you waive your right to dispute the fee thereafter. A re-connect fee may be charged to you if we suspend the Services due to your nonpayment. Time is of the essence in the performance of all payment obligations by you.
- c) *Travel.* If CTSI personnel are required to travel outside of the city of Lubbock in order to deliver the Services to your requested location(s), we will bill you and you agree to pay, travel related expenses to and from the remote location including but not limited to (i) mileage, (ii) travel time, and (iii) reasonable motel/hotel and meal expense when overnight stay is required (at CTSI discretion.)
- d) *Taxes.* You agree to be responsible for and pay all applicable federal, state, or local taxes on the Services provided by CTSI. If you are, or become, exempt from any such taxes, you agree to provide CTSI with a valid tax exemption certificate recognized by the taxing entity. Upon receipt, CTSI will reverse any exempt taxes which had been billed in the prior 30 days and exempt you from those same taxes going forward as long as the exemption certificate remains valid.

- 4) **ACCESS.** You hereby grant to CTSI the right to monitor, diagnose, manipulate, communicate with, retrieve information from, and otherwise access the System, on a 24x7x365 basis, for the purpose of enabling us to provide the Services. It is your responsibility to secure, at your own cost and prior to the commencement of any Services, any necessary rights of entry, licenses (including software licenses), permits or other permissions necessary for CTSI to provide Services to the System and, if applicable, at your designated premises, both physically and virtually. Proper and safe environmental conditions must be provided and assured by you at all times. CTSI shall not be required to engage in any activity or provide any Services under conditions that pose or may pose a safety or health concern to any personnel, or that would require extraordinary or non-industry standard efforts to achieve.
- 5) **LIMITED WARRANTIES; LIMITATIONS OF LIABILITY.**
- a) *Hardware / Software Purchased Through CTSI.* Unless otherwise stated in a SOW, all hardware, software, peripherals or accessories purchased through CTSI ("Third Party Products") are nonrefundable once the applicable purchase order is placed in CTSI's queue for delivery. We will use reasonable efforts to assign, transfer and facilitate all warranties (if any) and service level commitments (if any) for the Third Party Products to you, but will have no liability whatsoever for the quality, functionality or operability of any Third Party Products, and we will not be held liable as an insurer or guarantor of the performance, uptime or usefulness of any Third Party Products. Unless otherwise expressly stated in a SOW, all Third Party Products are provided "as is" and without any warranty whatsoever as between CTSI and you (including but not limited to implied warranties).
- b) *Warranty Application.* Notwithstanding any provision to the contrary in this Agreement, any warranty offered and provided directly by CTSI for any product shall be deemed null and void if the applicable product is (i) altered, modified or repaired by persons other than CTSI, including, without limitation, the installation of any attachments, features, or devices not supplied or approved by CTSI; (ii) misused, abused, or not operated in accordance with the specifications of CTSI or the applicable manufacturer or creator of the hardware or product, or, (iii) subjected to improper site preparation or maintenance by persons other than CTSI or persons approved or designated by CTSI.
- c) *Liability Limitations.* **This paragraph limits the liabilities arising under this Agreement or any SOW and is a bargained-for and material part of this Agreement.** You acknowledge and agree that CTSI would not enter into this Agreement unless it could rely on the limitations described in this paragraph. In no event shall either party be liable for any indirect, special, exemplary, consequential, or punitive damages, such as lost revenue, loss of profits (except for fees due and owing to CTSI), savings, or other indirect or contingent event-based economic loss arising out of or in connection with this Agreement, any SOW, or the Services, or for any loss or interruption of data, technology or services, or for any breach hereof or for any damages caused by any delay in furnishing Services under this Agreement or any SOW, even if a party has been advised of the possibility of such damages; however, reasonable attorneys' fees awarded to a prevailing party (as described below) shall not be limited by the foregoing limitation. Except for your payment obligations and your indemnification obligations described in this Agreement, a responsible party's ("Responsible Party's") aggregate liability to the other party ("Aggrieved Party") for damages from any and all claims or causes whatsoever, and regardless of the form of any such action(s), that arise from or relate to this Agreement (collectively, "Claims"), whether in contract, tort, indemnification, or negligence, shall be limited solely to the amount of the Aggrieved Party's actual and direct damages, not to exceed the amount of fees paid by you to CTSI for the specific Service upon which the applicable claim(s) is/are based during the six (6) month period immediately prior to the date on which the cause of action accrued. The foregoing limitations shall not apply to the extent that the Claims are caused by a Responsible Party's willful or intentional misconduct, or gross negligence. Similarly, a Responsible Party's liability obligation shall be reduced to the extent that a Claim is caused by, or the result of, the Aggrieved Party's willful or intentional misconduct, or gross negligence.

- 6) **INDEMNIFICATION.** Each party (an "Indemnifying Party") agrees to indemnify, defend and hold the other party (an "Indemnified Party") harmless from and against any and all losses, damages, costs, expenses or liabilities, including reasonable attorneys' fees, (collectively, "Damages") that arise from, or are related to, the Indemnifying Party's breach of this Agreement. The Indemnified Party will have the right, but not the obligation, to control the intake, defense and disposition of any claim or cause of action for which indemnity may be sought under this section. The Indemnifying Party shall be permitted to have counsel of its choosing participate in the defense of the applicable claim(s); however, (i) such counsel shall be retained at the Indemnifying Party's sole cost, and (ii) the Indemnified Party's counsel shall be the ultimate determiner of the strategy and defense of the claim(s) for which indemnity is provided. No claim for which indemnity is sought by an Indemnified Party will be settled without the Indemnifying Party's prior written consent, which shall not be unreasonably delayed or withheld.
- 7) **TERM; TERMINATION.** This Agreement begins on the Effective Date and continues until terminated as described in this Agreement. Each SOW will have its own term and will be terminated only as provided herein, unless otherwise expressly stated in the applicable SOW. The termination of one SOW shall not, by itself, cause the termination of (or otherwise impact) this Agreement or the status or progress of any other SOW between the parties.
- a) *Termination Without Cause.* Unless otherwise agreed by the parties in writing or otherwise permitted under this Agreement, no party will terminate this Agreement without cause if, on the date of termination, a SOW is active or in progress. In addition, no party will terminate a SOW without cause prior to the SOW's natural expiration date. Notwithstanding the foregoing, if CTSI decides to cease providing a service to all of its customers generally, then CTSI may terminate an applicable SOW without cause by providing no less than one hundred and twenty (120) days prior written notice to you. If you terminate a SOW without cause and without CTSI's consent, then you will be responsible for paying the termination fee described in Section 7(b), below. If no SOW is active or in progress, then either party may terminate this Agreement without cause by providing the other party with five (5) days prior written notice.
- b) *Termination For Cause.* In the event that one party (a "Defaulting Party") commits a material breach under a SOW or under this Agreement, the non-Defaulting Party will have the right, but not the obligation, to terminate immediately this Agreement or the relevant SOW (a "For Cause" termination) provided that (i) the non-Defaulting Party has notified the Defaulting Party of the specific details of the breach in writing, and (ii) the Defaulting Party has not cured the default within twenty (20) days (ten (10) days for non-payment by Client) following receipt of written notice of breach from the non-Defaulting Party. If CTSI terminates this Agreement or any SOW For Cause, or if you terminate any SOW without cause prior to such SOW's expiration date, then CTSI shall be entitled to receive, and you hereby agree to pay to CTSI,
- i) all amounts that would have been paid to CTSI had this Agreement or SOW (as applicable) remained in effect, and
- ii) all expenses incurred by CTSI in its preparation and provision of the Services to you, e.g., licensing fees incurred by CTSI, non-mitigatable hard costs, etc.
- iii) If you terminate this Agreement or a SOW for cause, then you will be responsible for paying only for those services that were properly delivered and accepted by you up to the effective date of termination.
- c) *Client Activity As A Basis for Termination.* In the event that (i) any Client-supplied equipment, hardware or software, or any action undertaken by you, causes the System or any part of the System which is covered by a CTSI SOW, to malfunction consequently requiring remediation by CTSI on three (3) occasions or more ("System Malfunction"), and if under those circumstances, you fail to remedy, repair or replace the System Malfunction as directed by CTSI (or you fail to cease the activity causing the System Malfunction, as applicable), or (ii) you or any of your staff, personnel, contractors, or representatives engage in any unacceptable act or behavior that renders it impracticable, imprudent, or unreasonable to provide the Services to you, then CTSI will have the right, upon ten (10) days prior written notice to you, to terminate this Agreement or the applicable SOW For Cause or, at CTSI's discretion and if applicable, amend the applicable SOW to eliminate from coverage any System Malfunction or any equipment or software causing the System Malfunction.
- d) *Consent.* You and we may mutually consent, in writing, to terminate a SOW or this Agreement at any time.

- e) *Equipment / Software Removal.* Upon termination of this Agreement or applicable SOW for any reason, you will provide CTSI with access, during normal business hours, to your premises or any other locations at which CTSI-owned equipment or software (collectively, "CTSI Equipment") is located to enable CTSI to remove all CTSI Equipment from the premises. If you fail or refuse to grant CTSI access as described herein, or if any of the CTSI Equipment is missing, broken or damaged (normal wear and tear excepted) or any of CTSI-supplied software is missing, or you do not allow CTSI access to uninstall CTSI owned software and associated licenses, CTSI will have the right to invoice you for, and you hereby agree to pay immediately, the full replacement value of any and all missing or damaged items and CTSI licenses that you would not allow to be uninstalled.
- f) *Transition; Deletion of Data.* In the event that you request CTSI's assistance to transition away from CTSI's services, CTSI will provide such assistance if (i) all fees due and owing to CTSI are paid to CTSI in full prior to CTSI providing its assistance to you, and (ii) you agree to pay CTSI its then-current hourly rate for such assistance, with up-front amounts to be paid to CTSI as may be required by CTSI. For the purposes of clarity, it is understood and agreed that the retrieval and provision of passwords, log files, administrative server information, or conversion of data are transition services, and are subject to the preceding requirements. **Unless otherwise expressly stated in a SOW, CTSI will have no obligation to store or maintain any Client data in CTSI's possession or control beyond fifteen (15) calendar days following the termination of this Agreement.** CTSI will be held harmless for, and indemnified by you against, any and all claims, costs, fees, or expenses incurred by either party that arise from, or are related to, CTSI's deletion of your data beyond the time frames described in this Section 7(f).

8) RESPONSE; REPORTING.

- a) *Response.* CTSI warrants and represents that CTSI will provide the Services, and respond to any notification received by CTSI of any error, outage, alarm or alert pertaining to the System, in the manner and within the time period(s) designated in an applicable SOW ("Response Time"), except for (i) those periods of time covered under the Onboarding Exception (defined below), or (ii) periods of delay caused by Client-Side Downtime (defined below), Vendor-Side Downtime (defined below) or (iii) periods in which CTSI is required to suspend the Services to protect the security or integrity of your System or CTSI's equipment or network, or (iv) delays caused by a force majeure event.
- i) Scheduled Downtime. For the purposes of this Agreement, Scheduled Downtime will mean those hours, as determined by CTSI (with consideration of your System needs) but which will not occur between the hours of 8:00 AM and 5:00 PM CST (or CDT, as applicable), Monday through Friday without your authorization or unless exigent circumstances exist, during which time CTSI will perform scheduled maintenance or adjustments to its network. We will use our best efforts to provide you with at least twenty-four (24) hours of notice prior to scheduling Scheduled Downtime.
- ii) Client-Side Downtime. We will not be responsible under any circumstances for any delays or deficiencies in the provision of, or access to, the Services to the extent that such delays or deficiencies are caused by your actions or omissions ("Client-Side Downtime").
- iii) Vendor-Side Downtime. We will not be responsible under any circumstances for any delays or deficiencies in the provision of, or access to, the Services to the extent that such delays or deficiencies are caused by third party service providers, third party licensors, or "upstream" service or product vendors.
- iv) Remedies; Limitations. Except for the Onboarding Exception, if CTSI fails to meet its service level commitment in a given calendar month and if, under such circumstances, our failure is not due to your activities, omissions, or inactivity, then upon receiving your written request for credit, we will issue you a pro-rated credit in an amount equal to the period of time of the outage and/or service failure. All requests for credit must be made by you no later than forty-five (45) days after you either (i) report the outage or service failure to us, or (ii) if applicable, receive a monthly report showing the outage and/or failure. The remedies contained in this paragraph and in Section 7(b) are in lieu of (and are to the exclusion of) any and all other remedies that might otherwise be available to you for our failure to meet any service level commitment during the term of this Agreement.
- b) *Onboarding Exception.* You acknowledge and agree that for the first thirty (30) days following the commencement date of a SOW, the Response Time commitments described in the SOW will not apply to CTSI, it being understood that there may be unanticipated downtime or delays due to CTSI's initial startup activities with you (the "Onboarding Exception").

9) CONFIDENTIALITY.

- a) *Defined.* For the purposes of this Agreement, Confidential Information means any and all non-public information provided to us by you, including but not limited to your customer data, customer lists, internal documents, and related information. Confidential Information will not include information that: (i) has become part of the public domain through no act or omission of CTSI, (ii) was developed independently by us, or (iii) is or was lawfully and independently provided to us prior to disclosure by you, from a third party who is not and was not subject to an obligation of confidentiality or otherwise prohibited from transmitting such information.
- b) *Use.* We will keep your Confidential Information confidential, and will not use or disclose such information to any third party for any purpose except (i) as expressly authorized by you in writing, or (ii) as needed to fulfill CTSI's obligations under this Agreement. If we are required to disclose the Confidential Information to any third party as described in part (ii) of the preceding sentence, then we will ensure that such third party is required, by written agreement, to keep the information confidential under terms that are at least as restrictive as those stated in this Section 9.
- c) *Due Care.* We will exercise the same degree of care with respect to the Confidential Information it receives from you as we normally take to safeguard and preserve its own confidential and proprietary information, which in all cases will be at least a commercially reasonable level of care.
- d) *Compelled Disclosure.* If we are legally compelled (whether by deposition, interrogatory, request for documents, subpoena, civil investigation, demand or similar process) to disclose any of the Confidential Information, we will immediately notify you in writing of such requirement so that you may seek a protective order or other appropriate remedy and/or waive our compliance with the provisions of this Section 9. We will use its best efforts, at your expense, to obtain or assist you in obtaining any such protective order. Failing the entry of a protective order or the receipt of a waiver hereunder, we may disclose, without liability hereunder, that portion (and only that portion) of the Confidential Information that we have been advised, by written opinion from our counsel, that we are legally compelled to disclose.

10) ADDITIONAL TERMS; THIRD PARTY SERVICES.

- a) *EULAs.* Portions of the Services may require you to accept the terms of one or more third party end user license agreements ("EULAs"). EULAs may contain service levels, warranties and/or liability limitations that are different than those contained in this Agreement. You agree to be bound by the terms of such EULAs, and will look only to the applicable third party provider for the enforcement of the terms of such EULAs. If, while providing the Services, CTSI is required to comply with a third-party EULA and the third party EULA is modified or amended, CTSI reserves the right to modify or amend any applicable SOW with you to ensure CTSI's continued compliance with the terms of the third party EULA.
- b) *Third Party Tools & Services.* CTSI is constantly evaluating any number of Third Party Service providers for the best and most effective solution available to augment CTSI services and fulfill CTSI responsibilities to the Client. Therefore, portions of the Services may be acquired from, or rely upon the services of, third party manufacturers or providers of IT tools, software, services or hardware. Examples of these are data hosting services, SIEM/SOC providers, domain registration services, and offsite backup data storage services ("Third Party Service"). Not all Third Party Services may be expressly identified as such in a SOW, and at all times CTSI reserves the right to utilize the services of any third party tool or service provider or to change third party providers in its sole discretion as long as the change does not diminish the Services to be provided to you under a SOW. CTSI monitors the performance of all utilized Third Party Service providers to ensure proper delivery of Services as promised in all CTSI SOWs and will make prompt adjustments to these Third Party Service providers to properly meet our obligations. However, we will not be responsible, and will be held harmless by you, for the failure of any third-party provider or manufacturer to provide Third Party Services to CTSI or to you.
- c) *Data Loss.* Under no circumstances will we be responsible for any data lost, corrupted or rendered unreadable due to (i) communication and/or transmissions errors or related failures, (ii) equipment failures (including but not limited to silent hardware corruption-related issues), or (iii) CTSI's failure to backup or secure data from portions of the System that were not expressly designated in the applicable SOW as requiring backup or recovery services. Unless expressly stated in a SOW, CTSI does not warrant or guarantee that any maintained storage device or functionality, data backup device or functionality, or load balancing functionality will operate in an error-free manner.

- d) **BYOD.** You hereby represent and warrant that CTSI is authorized to access all devices, peripherals and/or computer processing units, including mobile devices (such as notebook computers, smart phones and tablet computers) that are connected to the System, regardless of whether such device(s) are owned, leased or otherwise controlled by you. CTSI will not be obligated to provide the Services to any mobile device or temporarily-connected device unless that obligation is specifically stated in an applicable SOW. Further, unless otherwise stated in a SOW, devices will not receive or benefit from the Services while the devices are detached from, or unconnected to, the System.
- 11) **OWNERSHIP.** Each party is, and will remain, the owner and/or licensor of all works of authorship, patents, trademarks, copyrights and other intellectual property owned or licensed by such party ("Intellectual Property"), and nothing in this Agreement or any SOW shall be deemed to convey or grant any ownership rights or goodwill in one party's Intellectual Property to the other party.
- 12) **ARBITRATION.** Any dispute, claim or controversy arising from or related to this Agreement, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by arbitration before one arbitrator to be mutually agreed upon by the parties. The arbitration shall be administered and conducted by JAMS pursuant to its Streamlined Arbitration Rules and Procedures (the "Rules"). In the event of any inconsistency between the Rules and the procedures set forth below, the procedures set forth below will control. The arbitrator will be experienced in contract, intellectual property and information technology transactions. If the parties cannot agree on an arbitrator within fifteen (15) days after a demand for arbitration is filed, JAMS shall select the arbitrator. The arbitration shall take place in the venue described in Section 13, below. The arbitrator shall determine the scope of discovery in the matter, however, it is the intent of the parties that any discovery proceedings be limited to the specific issues in the applicable matter, and that discovery be tailored to fulfill that intent. The cost of the arbitration shall be split evenly between the parties; however, the party prevailing in the arbitration shall be entitled to an award of its reasonable attorneys' fees and costs.
- 13) **MISCELLANEOUS.**
- a) **Disclosure.** You warrant and represent that you know of no law or regulation governing your business that would impede or restrict our provision of the Services, or that would require us to register with, or report our provision of the Services (or the results thereof), to any government or regulatory authority. Similarly, you represent that your business is not subject to the provisions of the Federal Acquisition Regulation (FAR), or any similar regulatory acquisition process or procedure. You agree to promptly notify us if you become subject to any of the foregoing which, in our discretion, may require a modification to the scope or pricing of the Services.
- b) **Assignment.** Neither this Agreement nor any SOW may be assigned or transferred by a party without the prior written consent of the other party. This Agreement will be binding upon and inure to the benefit of the parties hereto, their legal representatives, and permitted successors and assigns. Notwithstanding the foregoing, CTSI may assign its rights and obligations hereunder to a successor in ownership in connection with any merger, consolidation, or sale of substantially all of the assets of the business of CTSI, or any other transaction in which ownership of more than fifty percent (50%) of CTSI's voting securities are transferred; provided, however, that such assignee expressly assumes CTSI's obligations hereunder.
- c) **Amendment.** Unless otherwise expressly permitted under this Agreement, no amendment or modification of this Agreement or any SOW will be valid or binding upon the parties unless such amendment or modification is originated in writing by CTSI, specifically refers to this Agreement, and is accepted in writing by one of your Authorized Contacts.
- d) **Severability.** If any provision hereof or any SOW is declared invalid by a court of competent jurisdiction, such provision will be ineffective only to the extent of such invalidity, illegibility or unenforceability so that the remainder of that provision and all remaining provisions of this Agreement or any SOW will be valid and enforceable to the fullest extent permitted by applicable law.
- e) **Other Terms.** CTSI will not be bound by any terms or conditions printed on any purchase order, invoice, memorandum, or other written communication supplied by you unless such terms or conditions are incorporated into a duly executed SOW, or unless CTSI has expressly acknowledged the other terms and, thereafter, expressly and specifically accepted such other terms in writing.
- f) **No Waiver.** The failure of either party to enforce or insist upon compliance with any of the terms and conditions of this Agreement, the temporary or recurring waiver of any term or condition of this Agreement, or the granting of an extension of the time for performance, will not constitute an Agreement to waive such terms with respect to any other occurrences.

- g) *Merger.* This Agreement, together with any and all SOWs, sets forth the entire understanding of the parties and supersedes any and all prior agreements, arrangements or understandings related to the Services, and no representation, promise, inducement or statement of intention has been made by either party which is not embodied herein. Any document that is not expressly and specifically incorporated into this Agreement or SOW will act only to provide illustrations or descriptions of Services to be provided and will not modify this Agreement or provide binding contractual language between the parties. CTSI will not be bound by any agents' or employees' representations, promises or inducements not explicitly set forth herein.
- h) *Force Majeure.* CTSI will not be liable to you for delays or failures to perform CTSI's obligations under this Agreement or any SOW because of circumstances beyond CTSI's reasonable control. Such circumstances include, but will not be limited to, any intentional or negligent act committed by you, or any acts or omissions of any governmental authority, natural disaster, act of a public enemy, acts of terrorism, riot, sabotage, disputes or differences with workmen, power failure, communications delays/outages, delays in transportation or deliveries of supplies or materials, cyberwarfare, cyberterrorism, or hacking, malware or virus-related incidents that circumvent then-current anti-virus or anti-malware software, or acts of God.
- i) *Non-Solicitation.* Client understands that CTSI has made a significant investment in hiring and training outstanding personnel and likewise, CTSI understands that the Client has done the same for the Client's employees. Therefore, during the term of this Agreement and for a period of one (1) year thereafter, neither party shall employ nor solicit for employment, either directly or indirectly (whether as an employee, independent contractor, consultant or otherwise), any person who is a current employee of the other party or who has been employed by the other party, for a period of one (1) year after last date of employment, unless acceptable to both CTSI and Client. Client and CTSI agree that failure to abide by this section will cause financial damage to the other party, which considering it would be difficult or impracticable to determine, will be agreed as the sole and exclusive remedy therefore, as liquidated damages and not as a penalty, to be an amount equal to seventy-five percent (75%) of all compensation received during the prior 12 months by the person, based on the rate paid by the first party. In addition to and without limitation of the foregoing, any solicitation or attempted solicitation for employment directed to any of the employees of the other party will be deemed to be a material breach of this Agreement, in which event the damaged party shall have the right, but not the obligation, to terminate this Agreement or any then-current SOW immediately For Cause.
- j) *Survival.* The provisions contained in this Agreement that by their context are intended to survive termination or expiration of this Agreement will survive. If any provision in this Agreement is deemed unenforceable by operation of law, then that provision shall be excised from this Agreement and the balance of this Agreement shall be enforced in full.
- k) *Insurance.* CTSI and you will each maintain, at each party's own expense, all insurance reasonably required in connection with this Agreement or any SOW, including but not limited to, workers compensation (or equivalent), and general liability. We agree to maintain a general liability policy with a limit not less than \$1,000,000 per occurrence. All of the insurance policies described herein will not be canceled, materially changed or renewal refused until at least thirty (30) calendar days written notice has been given to the other party by certified mail.
- l) *Governing Law; Venue.* This Agreement and any SOW will be governed by, and construed according to, the laws of the state of Texas. You hereby irrevocably consent to the exclusive jurisdiction and venue of the state courts in Lubbock County, Texas, for any and all claims and causes of action arising from or related to this Agreement.
- m) *No Third Party Beneficiaries.* The Parties have entered into this Agreement solely for their own benefit. They intend no third party to be able to rely upon or enforce this Agreement or any part of this Agreement.
- n) *Usage in Trade.* It is understood and agreed that no usage of trade or other regular practice or method of dealing between the Parties to this Agreement will be used to modify, interpret, supplement, or alter in any manner the terms of this Agreement.
- o) *Business Day.* If any time period set forth in this Agreement expires on a day other than a business day in Lubbock County, Texas, such period will be extended to and through the next succeeding business day in Lubbock County, Texas.



- p) *Notices; Writing Requirement.* Where notice is required to be provided to a party under this Agreement, such notice may be sent by U.S. mail, overnight courier, fax or email as follows: notice will be deemed delivered three (3) business days after being deposited in the United States Mail, first class mail, certified or return receipt requested, postage prepaid, or one (1) day following delivery when sent by FedEx or other overnight courier, or one (1) day after notice is delivered by fax or email. Notice sent by email will be sufficient only if (i) the sender emails the notice to the last known email address of the recipient, and (ii) the sender includes itself in the "cc" portion of the email and preserves the email until such time that it is acknowledged by the recipient. Notwithstanding the foregoing, any notice from you to CTSI regarding (a) any alleged breach of this Agreement by CTSI, or (b) any request for indemnification, or (c) any notice of termination of this Agreement or any SOW, must be delivered to CTSI either by U.S. mail or fax, unless such requirement is expressly and specifically waived by CTSI. All electronic documents and communications between the parties will satisfy any "writing" requirement under this Agreement.
- q) *Independent Contractor.* CTSI is an independent contractor, and is not your employer, employee, partner, or affiliate.
- r) *Subcontractors.* Generally, CTSI does not utilize subcontractors; however, should CTSI elect to subcontract a portion of the Services, CTSI shall guarantee all work performed by any CTSI-designated subcontractor as if CTSI performed the subcontracted work itself.
- s) *Data Access/Storage.* Depending on the Service provided, a portion of your data may occasionally be accessed or stored on secure servers located outside of the United States. Generally, CTSI utilizes offsite facilities and providers so that this situation is avoided, but it is possible. You agree to notify us, in writing, if your company requires us to modify our standard access or storage procedures.
- t) *Counterparts.* The parties intend to sign and deliver this Agreement and any SOW in any number of counterparts, and each of which will be deemed an original and all of which, when taken together, will be deemed to be one agreement. Each party may sign and deliver this Agreement (or any SOW) electronically (e.g., by digital signature and/or electronic reproduction of a handwritten signature), and the receiving party will be entitled to rely upon the apparent integrity and authenticity of the other party's signature for all purposes.

AGREED AND ACCEPTED:

Date: 7-31-2019

Date: 7/31/2019

CLIENT
Hockley County
802 Houston Street
Levelland, Texas 79336

CTSI
COMPUTER TRANSITION SERVICES, INC.
3223 S. Loop 289, Suite 556
Lubbock, Texas 79423

By: Sharla Baldrige

By: Brian Alley

Print Name / Position

Print Name / Position

Sharla Baldrige, Hockley County Judge

Brian Alley, UP

Contact Information for person signing:

(Addr) 802 Houston St., Ste 103

(City, St Zip) Levelland, TX 79336

(Phone) 806-894-6856



Rescue
**Data Backup and Disaster
Recovery (BDR) Service**

A Statement of Work under CTSI's Master Service Agreement

Prepared for:

Hockley County

Version 2019.2 • 7/30/2019

The mission of Computer Transition Services, Inc. is to improve the life and business success of Clients by providing integrated solutions and professional services to meet their technological and organizational needs.

Computer Transition Services, Inc.

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Last edited: 05/24/2019

Statement of Work

*This Rescue Data Backup and Disaster Recovery Statement of Work ("Rescue SOW") is governed under the Master Service Agreement (the "Agreement") between **Computer Transition Services, Inc. ("CTSI", "we", "us" or "our")**, and **Hockley County ("Client", "you" or "your")**, the client whose name and authorized signatory appear in the signature block of this Rescue SOW, below.*

Scope of Services

The services described below (collectively, "Services") will be provided to you under this Rescue SOW. Services that are not specifically described in this Rescue SOW will be out of scope and will not be provided to you unless otherwise agreed to by us in writing.

Transition Services

Transition services are intended to prepare and transition the System (described in the Agreement, and generally, any Client IT device or component involved in this Rescue SOW) for our ongoing Services (described below). Transition services are comprised of:

- Procurement and preparation of CTSI supplied Backup Disaster Recovery Server device (BDR), for Client's IT System environment
- Physical installation of the BDR into the Client's System
- Obtaining from Client administrative access to, and IP addresses for, each Client IT Device covered by this Rescue SOW (see **Managed Equipment/Hardware**)
- Installation of CTSI Supplied BDR solution software (coordinated with Client) on Client's IT devices covered by this Rescue SOW and initial backup image creation from each onto the BDR
- Implementation of ongoing backup schedules of these same Client devices to the BDR
- Initial test virtualization of each Client server covered by this Rescue SOW
- For those devices selected for offsite backup (see "To Cloud" or "Site to Site" listed in the device name under **Covered Devices**), propagation of the initial backup images and the most recent daily backup images from the BDR to the secondary location

If deficiencies are discovered during the transition services, such as outdated or misconfigured equipment, or access/routing issues, we will bring those issues to your attention and discuss the impact of the deficiencies on the Client and our provision of the Services, in addition to providing you with options to correct the deficiencies.

The Transition Services outlined above will normally span one week for a 2-3 server implementation. Depending on the number of Client IT System devices involved, the amount of data they contain, the Client's IT Infrastructure, and the Client's cooperation in providing CTSI with access to Client systems, the Transition Services could extend to several weeks or more.

Ongoing Services

The following services will begin immediately after the transition services are completed, and will continue during the term of this Rescue SOW.



Standard Services

The Services listed below will be provided to you under this Rescue SOW. All Services are provided during CTSI's normal business hours only.

Service - General	Description
CTSI Provided Backup Disaster Recovery Device	<ul style="list-style-type: none"> An on-site Network attached backup server provided by CTSI that serves as local data backup storage and as a temporary virtual server in the event of the failure of a Client server device covered by this Rescue SOW. This backup server is referred to as the Backup Disaster Recovery (BDR) Device. (CTSI retains ownership of this BDR Device at all times.)
Full Management of BDR Device Systems	<ul style="list-style-type: none"> All software and licensing including the Windows Operating system software and the BDR Solution software installed on this BDR Device Advanced Malware Protection (Cisco AMP) for the BDR Device CTSI will be completely responsible for the management and functionality of the BDR device, including the BDR hardware, firmware updates, operating system and BDR Software solution updates, and remediation of any failures or problems with the BDR device. In the case of a BDR Device component failure, replacements will be provided by CTSI as quickly as reasonably possible. Client will be notified if any failure could prevent backups from occurring for more than 1 business day.
Software License for Client Devices	<ul style="list-style-type: none"> BDR solution software and associated licenses will be provided by CTSI for every server and workstation covered by this Rescue SOW as indicated in Covered Devices. (These licenses remain the property of CTSI.)
Priority Response	<ul style="list-style-type: none"> Client's restore or virtualization service requests will be prioritized over all non-program client requests.
Secure Offsite Storage	<ul style="list-style-type: none"> For those Client devices selected for offsite backup data storage (listed as "To-Cloud" in the device name under Covered Devices), offsite storage of the last daily backup image will be provided at a secure and hardened Data Center within the United States, which complies with HIPAA and Statement on Standards for Attestation Engagements (SSAE) standards. For Client devices selected for Site to Site offsite backup data storage (listed as "Site to Site" in the device name under Covered Devices), offsite storage of the last daily backup image will be at a facility provided by the Client who is responsible for the security of that offsite facility. For Client devices not using any offsite storage, (listed with "NO OFFSITE" in the device name under Covered Devices), the data being backed up from this device is AT RISK if a local disaster were to damage both the Client device and the BDR Device which backs it up, because there is no other source for that Client device's data, other than the local BDR!
24x7 Monitoring and Automated Notifications	<ul style="list-style-type: none"> Full management of the BDR device events and data integrity of the locally stored backups: CTSI Monitoring systems will provide automated notifications to CTSI of any hardware, operating system, and backup solution software issues on the BDR device, plus any malfunctions or potential issues with backup jobs from each server or workstation included in this Rescue SOW, any potential backup file integrity issues for all backup jobs For those Client Devices covered by this Rescue SOW and designated with "To Cloud" or "Site to Site" in the Covered Devices section below, CTSI systems will generate alerts to our Ops team on any issues in completing offsite data transfers from the BDR device so they can be resolved promptly.
Triage of Monitoring System Alerts by CTSI Operations Team	<ul style="list-style-type: none"> Weekdays, excluding holidays: (7am-10pm CT) CTSI technical review of critical issue notifications from the BDR Device, its software and any backup related problems as noted above.

Routine Integrity Testing

- Data compression of the backup images also reduces the time and bandwidth required to duplicate the backup images to the offsite storage (when "To Cloud" or "Site to Site" has been indicated for the device.)
- All incremental backups have their integrity confirmed as the image files are saved throughout the day via a checksum mechanism.
- Every day, the last backup image of each volume is recreated virtually on the BDR Device and a virtual version of the server is booted up (in a network "sandbox".) This confirms the validity of not only the last backup image for the day, but every incremental backup image involved in that device volume's backup image.
- A CTSI technician manually mounts every volume from the Client's servers periodically, just as confirmation that automated integrity systems are performing properly.

Security – Ownership of Backup Data

- The encrypted backup data being stored on the BDR and at the Offsite location (if utilized) remains the sole property of the Client. If the Client chooses to terminate services, CTSI will assist the Client in the orderly termination of services. This could involve copying the backup data images to another data storage device or external drive. If requested by Client, the cost of any products or services provided by CTSI during this transition, are not included in this Rescue SOW and will be billed to the client at the time services are provided.

Service – Restore Data	Description
<p>File and Folder Data Restore Services</p> <p>Email Restore Services for on premise Microsoft Exchange Servers</p>	<ul style="list-style-type: none"> • As needed restoration of individual files and folders on Client IT Devices which are protected by this Rescue SOW (see Covered Devices). • If Client uses an on premise (local) Microsoft Exchange server and it is included in this Rescue SOW, individual email messages, calendar entries or entire mailboxes can be restored as needed from the backups made of the Exchange database(s) on the covered Server.
<p>Recovery Time Objective</p>	<ul style="list-style-type: none"> • CTSI will log all restore requests from the Client. • CTSI will attempt to resolve all restore requests or any access, backup or retrieval problems related to backups ASAP but regardless within one business day of the request. CTSI can restore individual files, file folder(s), an entire data volume, and if this Rescue SOW includes a local Exchange server, email, calendar entries or an entire mailbox from that Exchange server, as needed. The amount of time to restore data is dictated by the amount of data to be restored (from just a few minutes to several hours in extreme cases.) Please email your request to help@ctsinet.com or call our help desk for assistance at 806-793-8961 or 800-687-2874 (and choose option 3), or submit a request through our Customer Portal at https://connect.ctsinet.com/support. Always indicate the urgency of your situation.
<p>Recovery from Failed Server or Workstations</p>	<ul style="list-style-type: none"> • In the event of a catastrophe where a Client Server named in Covered Devices fails, the services to restore data from a backup to the repaired server or similar replacement server are included in this Rescue SOW. • If workstations are covered by this Rescue SOW according to Covered Devices, services to perform data restoration of files and folders that were backed up from those covered workstations are included in this Rescue SOW. <ul style="list-style-type: none"> ◦ If the replacement server or workstation is significantly different from the original (at CTSI's discretion), additional charges to restore data may apply. • Charges for any hardware, software and/or services to prepare and install replacement device(s), are not included in this Rescue SOW and will be billed to the client separately as an equipment replacement project. • The BDR with backup data can also be used to perform a bare metal restore to dissimilar hardware which means that when the Client acquires a replacement for a covered device, the BDR data can be used to restore the most current data to the new device hardware without having to install and configure the device's operating system or other software. Additional costs may be required for this service if the replacement device is significantly different from the original (at CTSI's discretion).

Importance of Offsite Storage

The critical importance of Offsite Storage cannot be overstated!

- Typically the BDR Device and Client devices that the BDR is backing up are located in the same facility. Should a facility disaster occur which destroys both a Client Device named in **Covered Devices** and the CTSI BDR Device which was backing up that Client device, then the only way to recover the data from the destroyed Client Device would be if a 2nd copy of the backup data was stored offsite.
- To provide true Disaster Recovery for a Client device, the data from that device must be copied to a secure offsite location, daily.
- Offsite storage of backup data can be accomplished by two of the three choices in this Rescue SOW available for each Client Device covered by this solution; "To Cloud" and "Site to Site".
 - "To Cloud" in the Client device name in **Covered Devices** indicates that backup data from this device will be sent to a Secured Offsite location every day.
 - If the Client has multiple locations with adequate Internet Access and allows CTSI to provide multiple BDR Devices, a daily copy of the most recent backup image can be sent from one of the BDR Devices to a 2nd BDR Device at a different Client location. "Site to Site" included in the name of the Client Device in the **Covered Devices** listing indicates that a daily copy of the backup data for this device will also be stored at another Client location. Obviously geographic separation of these two BDRs at different Client locations is required in order to provide true Disaster Recovery protection.
- "NO OFFSITE" appearing in the name of the Client Device under **Covered Devices**, indicates that the **ONLY COPY OF THE BACKED UP DATA** for this Client Device IS RETAINED ON A SINGLE BDR DEVICE. If both the Client Device and the BDR device providing that Client Device's backup are both destroyed or damaged, the data from that Client device will not be recoverable!
- The Secured Offsite storage facility provided for those devices indicating "To Cloud" in their name under **Covered Devices** provides the following benefits to the Client:
 - Highly redundant storage
 - Connectivity provided by multiple providers with automatic failover capabilities
 - Full physical security at each facility including security cameras, and key card access
 - Fire suppression and environmental control provided
 - Client data is stored (in encrypted form) in one of several secure offsite data backup centers in the continental United States
 - The data center is certified HIPAA and SSAE compliant

Managed Equipment / Hardware

The Services will be provided for the following equipment / hardware ("Covered Devices"):

The Services will be provided as indicated in this Rescue SOW to those devices listed in **Covered Devices**, below. At the commencement of this Rescue SOW the number of Servers being protected by this Rescue SOW has been determined to be **22**. The initial number of Client Workstations (including Laptops) being protected by this Rescue SOW is **0**. As the number of included Client Servers and/or Client Workstations or Laptops increases or decreases, the Client's monthly fee will change (see "Assumptions / Minimum Requirements / Exclusions").

Initial quantities:

Covered Windows Servers..... **22**
Covered Workstations/Laptops **0**

Covered Devices

Client Windows Servers and Windows Workstations/Laptops listed by name below are covered by this Rescue SOW once the **Transition Services** have been completed. (Workstations/Laptops must be connected to the Client's network and powered on in order for the workstation backup processes to occur.)

Offsite (To Cloud) Backup Storage

When the Client device name below is followed by "To Cloud", the device's most recent nightly backup will be stored offsite in addition to being retained on the BDR device. This provides true disaster recovery for data on this device in case both that Client device and the BDR device become inoperable at the same time.

Offsite (Site to Site) Backup Storage

When the Client device name below is followed by "Site to Site", the device's most recent nightly backup will be stored offsite in addition to being retained on the BDR device. This offsite storage location must be provided by the Client who is responsible for the security, power, Internet access, air conditioning, and CTSI's physical access to this offsite storage location. Clients with multiple locations may make use of this capability to save the cost of commercial offsite storage. CTSI will be responsible for the integrity of the offsite backup data stored at this Client offsite facility, presuming that the Client maintains the offsite facility to allow for proper operation of and communication with the CTSI BDR Device operated at that offsite facility. (CTSI can provide specific details of what is needed, which depends on the Client's environment.) Having data stored on both a local BDR device and a distant (at least several miles away) offsite location provides true disaster recovery for data on this device in case both that Client device and the local BDR device become inoperable at the same time.

NO OFFSITE means the BDR device contains the only copy of the backup data

"NO OFFSITE" printed next to the Client's device name listed below should be a warning to the Client. "NO OFFSITE" listed after the name means that there will ONLY BE ONE backup image for this Client device's data and it will be stored on the BDR device. **If "NO OFFSITE" is listed next to the Client device name, should both the Client device and the BDR device become inoperable at the same time, for any reason, there will be no way to recover the Client device's data** – I.E., the data could be lost if the Client device and BDR device both fail or are destroyed. CTSI strongly recommends that the Client allow for offsite storage of the most recent backup of any critical data. Using an offsite location is required to provide true Disaster Recovery capability.

Windows Server Devices being backed up via this Rescue SOW

- TDSERV -> To Cloud
- GS01 -> To Cloud
- VIEWCONSV1 -> To Cloud
- viewsecsv1 -> To Cloud
- DSM -> To Cloud
- DC1 -> To Cloud
- DC2 -> To Cloud
- DLSV1 -> To Cloud
- VIEWCONSV2 -> To Cloud
- ASD5 -> To Cloud
- HCS01 -> To Cloud
- EVENTSERV -> To Cloud
- MDC1 -> To Cloud
- REPLAYSERV2 -> To Cloud
- aismartbench -> To Cloud
- dlweb1 -> To Cloud
- SVD1 -> To Cloud
- SVD2 -> To Cloud
- Socon1 -> To Cloud
- Socon2 -> To Cloud
- Sofs -> To Cloud

- Sosec1 -> To Cloud

Windows Workstation/Laptop Devices being backed up via this Rescue SOW

- (none)

Changes in IT Systems

Client agrees that changes to any of the quantities or offsite choices for items listed above may impact the monthly fee for the Services provided in this Rescue SOW in subsequent monthly invoices. CTSI will automatically adjust the monthly fee for the Services in this Rescue SOW for changes to the servers or workstations, as indicated in **Fees: Changes to Monthly Fee Due to Client Changes.**

Term; Termination

The Services will commence, and billing will begin, on the date on which the majority of Services are implemented and operational ("Commencement Date".) The target Commencement Date has been set to **September 1, 2019**.

Please note, due to fluctuations in market pricing and to meet the target Commencement Date for implementation, that CTSI must receive your signed version of this Rescue SOW by **August 17, 2019**. We reserve the right to adjust the pricing and/or the "Commencement Date" noted above if CTSI has not received your signed version of this Rescue SOW by **August 17, 2019**.

Duration; Term

No Term is defined for this Rescue SOW, but it is designed to serve the Client for at least **one** year from the Commencement Date. Client and CTSI agree that this Rescue SOW will begin on the Commencement Date and continue indefinitely until terminated as described below.

Termination Due to Replacement

If Client and CTSI enter into a new statement of work designed to replace this Rescue SOW, then this Rescue SOW will be replaced and therefore terminated by the replacement SOW as of the commencement date of that replacement SOW.

Termination by Client

- If Client desires to terminate this Rescue SOW for any reason, Client agrees to provide CTSI with advance written notice requesting termination of this Rescue SOW. The written notice requesting termination must be received by CTSI at least 60 days prior to the desired Rescue SOW termination date.
- Client agrees to be responsible for payment of the Rescue SOW monthly fees, any other agreed upon services provided by CTSI, and all reimbursable costs incurred on Client's behalf by CTSI up to the date of termination.
- There being no defined Term or Expiration Date associated with this Rescue SOW, Client will not be responsible for any further "expected" amounts related to this Rescue SOW other than those items noted in this "Termination by Client" section.
- For the purposes of clarity, you and we agree that the terms of this section ("Termination By Client") overrules any directly conflicting terms on the Master Service Agreement. All remaining paragraphs of the **Master Service Agreement** section **Term; Termination** remain in force and unaffected by this Rescue SOW.

Termination by CTSI

This Rescue SOW may be terminated by CTSI upon thirty (30) days written notice to the Client.

Assumptions / Minimum Requirements / Exclusions

Assumptions

The scheduling, fees and provision of the Services are based upon the following:

• **Service outside of CTSI Normal Business Hours**

Services provided by CTSI outside of CTSI's Normal Business Hours are not covered by this Rescue SOW and will be billed to Client separately; provided, however, that all such services are subject to technician availability and CTSI's approval. (See **Schedule A, Additional Provisions** for details of CTSI Normal Business Hours.)

• **Passwords**

Client acknowledges that CTSI must have administrative access to any and all Client systems and resources involved in this Rescue SOW to perform its duties. As such, CTSI must have administrative access to the Client's Windows Active Directory, Servers and Workstations involved and may need various Client user IDs and passwords from time to time during performance of restore processes.

Client understands that the backup data will always be encrypted and not accessible to anyone other than CTSI (who retains the encryption password.)

- **Simultaneous Virtualization of All Covered Servers is Not Possible**

Client acknowledges that that to maintain a reasonable cost and to accommodate the great majority of recovery situations, that this Rescue SOW does not allow for virtualizing more than five (5) Client servers per BDR Device (typically) at the same time. 2 BDR Device(s) has been provisioned in this Rescue SOW. To prepare for the potential of a true facility disaster that impacts more than five covered Client servers, Client must consider priorities in terms of which servers would need to be virtualized first and the functionality of Client systems with just those servers being operational. CTSI can redesign this Rescue Plan to accommodate the simultaneous virtualization of all Client servers, if desired, but this will require more equipment, a new Rescue SOW and an increased monthly fee.

Minimum Requirements

The minimum requirements listed below must be maintained by Client at all times. Services required to bring Client's System(s) up to these standards are not included in this Rescue SOW and will be billed to Client separately.

- 1 GB (minimum) network connection between the BDR Device and the Client Device(s) it will be backing up is required in order for the backup processes to complete in a timely manner and to reduce the amount of time to restore large amounts of data.
- Adequate Internet Access bandwidth to allow for the daily transfer of offsite backup data
- BDR Device must be located in a facility with normal air conditioning and power sources.
- Three (3) network connections are required for the BDR Device.
- Participation is required in one of CTSI's IT Management programs (Assurance, Protect, Watch-IT) so that CTSI connectivity and monitoring of the BDR Device will be available
- Devices being backed up by this Rescue SOW must consist of versions of hardware, software and Windows operating system that are all currently supported by their manufacturers, and must be accessible from the BDR device in order for the backup processes to complete.
- Client Devices being backed up to the BDR must be powered on and connected to the Client's LAN where the BDR is located, in order for the backups to occur.

Exclusions

Services that are not expressly described in this Rescue SOW will be out of scope and will not be provided to Client unless otherwise agreed, in writing, by CTSI. Without limiting the foregoing, the following services are expressly excluded under this Rescue SOW, and if required to be performed, must be agreed upon by CTSI in writing:

- Backup protection for any "Cloud" data used by the Client, such as Microsoft Office365, DropBox, OneDrive, etc.
- The BDR hardware replacement cost and the cost associated with hardware repairs or replacement due to damage, loss or destruction while at Client's location.
- This backup disaster recovery service is not available for devices running on a version of Microsoft Windows Operating System that is not supported by Microsoft. (For example, Microsoft support for Windows Server 2003 ended in July 2015.)
- To reduce the cost of offsite backups and backup data transport traffic from unnecessary backup data, a separate drive partition is typically created on source server(s) and used to store files which do not need to be backed up. The contents of this partition are specifically EXCLUDED from the backup process. Files stored on this partition may include items such as temporary files, downloaded programs which do not need to be backed up, or internal application routine backups such as SQL Server backups of databases, etc. This partition is appropriately labeled and should ONLY be used for files which do not need to be backed up.

Loaned Equipment

The Client agrees that the BDR device(s) deployed by CTSI to the Client's location(s), which are used in the execution of this Rescue SOW, shall remain the property of CTSI. The BDR device(s) must be returned to CTSI when requested.

The combined total replacement price of all equipment belonging to CTSI which is located at the Client site(s) is **\$14,449.98**, plus applicable sales tax. If CTSI equipment located at the Client site (the BDR device(s)) is lost, damaged, or destroyed, the client agrees to pay CTSI for repairs or replacement (at CTSI discretion) plus applicable sales tax, for that specific equipment.

Access to Equipment and Facilities

The Client understands that CTSI may need to utilize certain items of Client's equipment and may require access to certain Client facilities. Client will grant authority for CTSI to access Client's facility and equipment so that CTSI can fulfill its obligations under this Rescue SOW. Facility access may be denied by Client for any reason at any time. However, if CTSI is not allowed access to Client's facilities or equipment, Client could be putting its own backup data and disaster recovery solution at risk. Client understands that if it prevents CTSI's physical access to its equipment or facilities and CTSI's BDR device, Client will continue to pay the monthly fee for this Rescue SOW until such time as it returns CTSI's equipment and software to CTSI's offices, even if this Rescue SOW is subsequently terminated.

Service Levels

We will respond to restore or virtualization requests or interruptions in the provision of the Services as soon as possible but within in the timeframe(s) described below. Severity levels will be determined by CTSI in our reasonable discretion based on our understanding of the Trouble/Severity caused by the need for the restore or virtualization process to be completed. All Services provided by this Rescue SOW will be started remotely when feasible, but CTSI will provide onsite service if remote efforts are ineffective (at CTSI discretion.) (Travel time and mileage to locations outside of Lubbock are not covered by this Rescue SOW.)

Trouble / Severity	Rescue Backup Disaster Recovery Rescue SOW	A La Carte / Services not Covered by this Rescue SOW
Critical problem: Service not available (all users and functions unavailable)	Restore efforts will begin within one (1) business hour after notification. *	Response within two (2) hours
Significant degradation of service (large number of users or business critical functions affected)	Restore efforts will begin within two (2) business hours after notification. *	Response within four (4) hours
Limited degradation of service (limited number of users or functions affected, business process can continue).	Restore efforts will begin within eight (8) business hours after notification. *	Best efforts.
Small service degradation (business process can continue, one user affected).	Restore efforts will begin within two (2) business days after notification. *	Best efforts.

* All time frames are calculated as of the time that CTSI is notified of the restore or virtualization request by Client through CTSI's designated support contact methods listed here:

- Via email to Help@ctsinet.com (monitored during business hours)
- Online by creating a service request on our Managed Services Customer Portal website at <https://connect.ctsinet.com/support> (monitored during business hours)
- Talking to a CTSI Dispatcher or Help Desk technician via telephone by calling our Technical Support Help Desk at 806-793-8961 (or 800-687-2874) and choosing the technical support option
- For support outside of CTSI Business Hours, calling the above number will connect you to CTSI's After-Hours paging service who will page the On-Call technician to return your call. Client

understands that support services provided outside of CTSI Business Hours are not covered by this Rescue SOW.

Notifications received in any manner other than described herein may result in a delay in the provision of requested restore or virtualization services. Services provided outside of our normal CTSI Business hours will be billed to Client at the CTSI applicable hourly rate for the services involved. Client understands that leaving voice messages or sending email directly to individual technical support members at CTSI is discouraged because this may delay the resolution of the request.

Fees

The **monthly fee** for participation in this Rescue SOW will be **\$ 4,432.42** plus applicable tax, invoiced to Client in advance. This monthly fee is subject to change if Client changes the IT Systems or Options covered by this Rescue SOW (see **Changes to Monthly Fee Due to Client Changes**) and is also subject to an annual increase (see **Annual Increase to Monthly Fee**.)

Client agrees to pay a **one-time Implementation Fee** of (**WAIVED**) plus applicable tax. This one-time fee will be invoiced once the Services defined in this Rescue SOW are put in place and become operational. (This one-time implementation fee includes fees for implementation travel time and mileage if Client's site is located outside of Lubbock.)

The prices for the Services indicated in this Statement of Work are based on Client using payment methods of ACH or check. Other payment methods are available upon request, but may increase the price for Services.

Changes to Monthly Fee Due to Client Changes

The monthly fee for this Rescue SOW is based on the quantity and Offsite choices for covered Client System devices as this Rescue SOW is commenced (see **Initial Quantities** under **Managed Equipment / Hardware / Software**.) When Client makes changes to the number of covered devices or the offsite choices for each, covered by this Rescue SOW, these changes can impact CTSI's responsibilities as dictated in this Rescue SOW. Therefore, CTSI may change the monthly fee for this Rescue SOW as Client makes changes to its IT Systems which impact CTSI responsibilities. Client understands that changes in the quantity of Client Servers or Workstations covered by this Rescue SOW, and changes to Offsite storage of backups for existing Client Devices listed in this Rescue SOW, will automatically change the monthly fee for this Rescue SOW. These items will be reviewed monthly and the total monthly Rescue SOW fee adjusted accordingly.

If the monthly fee for this Rescue SOW increases due to changes in Client Systems or Options covered by this Rescue SOW by more than 10%, CTSI will provide 30 days advance notice to the Client of the increase.

Should the Client add servers, workstations, offsite options, or make a significant change in how they utilize their IT systems, the disk space used on the Client servers could grow significantly rendering the initial BDR device storage and/or the amount of secured offsite storage space inadequate. Client understands that these changes could also impact the Internet bandwidth required to transmit the daily backup information offsite.

- o Any of these Client changes could result in increased backup storage requirements for both local and Offsite backups and therefore an increased monthly fee from that date forward, associated with this Rescue SOW.
- o Client agrees to contact CTSI at least 30 days in advance of any planned change to their Systems such as those indicated above. This will allow CTSI to determine if any change in the BDR Device, secured offsite storage, or Internet bandwidth will be required so that these adjustments can be planned prior to the need

Annual Increase to Monthly Fee

This Rescue SOW includes an automatic annual rate increase in the monthly fee billed to the Client for the services defined in the Rescue SOW. The monthly fee increase will occur once each year on the anniversary of this Rescue SOW Commencement Date. The increased fee will become the new monthly

Rescue SOW fee billed during the 12 months following the anniversary of this Rescue SOW's start date, adjusted by any other Client changes to IT Systems impacting CTSI responsibilities in this Rescue SOW during that year.

The annual increase in the monthly fee for this Rescue SOW will be based on the monthly amount billed for this Rescue SOW just prior to the SOW's anniversary.

To illustrate, the first annual increase will occur one year from the commencement of this Rescue SOW. Beginning in the 13th month of the Rescue SOW, presuming no changes have occurred in Coverage during the first year, the monthly fee for this Rescue SOW will increase beginning in the 2nd year by \$ 177.30 for a new monthly amount of \$ 4,609.72 plus applicable tax.

If changes in Coverage have occurred during the preceding year, the annual increase will be adjusted proportionately, reflecting those changes. This monthly fee will be increased every year by the same percentage on the anniversary of this Rescue SOW.

Additional Terms

Additional terms, are attached as Schedule A to this Rescue SOW.

Locations Covered by Services

The Services will be provided to the Client on devices at the following location(s):

Primary Location: **Hockley County**
 802 Houston Street
 Levelland, Texas 79336

Additional Location Name	Location Details
Name: <i>Hockley County Sheriff's Office</i>	Address: <i>1310 Avenue H #6, Levelland, TX 79336</i>
Name:	Address:
Name:	Address:

(If more Locations need to be listed, please attach additional pages to this Rescue SOW)

Acceptance of this Rescue Data Backup and Disaster Recovery SOW

Client <i>Hockley County</i>	CTSI <i>Computer Transition Services, Inc.</i>
Date: <i>7-31-19</i>	Date: <i>7-31-19</i>
Signature: <i>Sharla Baldrige</i>	Signature: <i>Brian Alley</i>
Print Name / Position: <i>Sharla Baldrige Hockley County Judge</i>	Print Name/Position: <i>Brian Alley, VP</i>

SCHEDULE A

Additional Provisions

CTSI Normal Business Hours

Normal Business Hours are defined as the hours of 8:00 am – 5:00 pm, Central Time, Monday through Friday, excluding holidays as observed by CTSI. The holidays observed by CTSI are:

- New Year's Day (January 1)
- Memorial Day (last Monday in May)
- Independence Day (July 4)
- Labor Day (first Monday in September)
- Thanksgiving (fourth Thursday in November)
- Day after Thanksgiving
- Christmas Eve (December 24)
- Christmas (December 25)

CTSI Service Rates

Standard Hourly Rates

As this document was prepared, the standard hourly rates associated with CTSI support roles for service provided during CTSI's normal business hours vary from \$75 to \$199. These rates are subject to change. The standard hourly rates are used to bill the Client for services provided which are not covered by this Rescue SOW.

Every CTSI employee providing IT support services is assigned to one of more than a dozen support roles. The support role of the person providing services is what determines the standard hourly rate for the services provided. Each of these support roles have education, certification and experience requirements which must be completed before a person is eligible to work in that role. As our staff increase their education and certification levels, by completing training and certification exams provided by our manufacturing partners, the person may move into a higher level support role at CTSI. This can impact the hourly rate used for the person's support services from that point forward. We work diligently to balance providing a prompt response from CTSI with a person in an appropriate support role, to minimize the client's support costs for work not covered by this Rescue SOW.

After Hours Services

- All services provided to Client outside of CTSI's Normal Business Hours as indicated below will be billed at 1.5 times CTSI's Standard Hourly Rates
- These After Hours Services will be billed in addition to the monthly Rescue SOW fees.
- After Hours rates apply:
 - Monday – Friday except holidays: 5pm to midnight and 6am to 8am
 - Saturday: 6am to midnight

Premium After-Hours Services

- All services provided to Client outside of CTSI's Normal Business Hours and CTSI's After Hours times are considered Premium After Hours services and will be billed at 2 times CTSI's Standard Hourly Rates.
- These Premium After Hours Services will be billed in addition to the monthly Rescue SOW fees.
- Premium After Hours rates apply:
 - Monday – Saturday: midnight to 6am
 - Holidays: All Times
 - Sunday: All Times

Travel Outside of Lubbock

- Travel and mileage charges to locations outside of the city of Lubbock are not covered by this Rescue SOW.
- When travel outside of the city of Lubbock is required to provide services to the Client, the Client will be billed at ½ the Standard, After Hours, or Premium After Hours rates as applicable, for all travel time, plus mileage at the current federal mileage rate, for travel both to and from the place of service and CTSI's offices.

Modification of System

The Services rely upon physical and virtual configurations of the System as known to, and (if applicable) determined by, CTSI. Changes made to the System without our prior authorization or knowledge may have a substantial, negative impact on the provision and effectiveness of the Services. Client agrees to refrain from moving, modifying, or otherwise altering any portion of the Covered Devices without our prior knowledge and consent. For the purposes of illustration, Client shall not add or remove hardware from the Covered Devices, or modify them without CTSI's prior knowledge. In addition, Client shall not add or remove hardware or software, or modify in any way, or attempt to relocate, or disconnect, or power down the BDR Device since it is the property of CTSI and any changes to this device may impact the ability of CTSI to provide the services agreed to as stated in this Rescue SOW.

Data Replication

If Client purchases any services that involve data replication at a geographically diverse site, then the following applies to Client's use of that service: The rate by which the data at the primary site can be transferred to the secondary site will vary depending on the amount and type of data, constraints inherent in Client System, and fluctuations in bandwidth availability. Therefore, at any given time, the secondary site may not be completely up to date. In the event of a failure of the primary source of data, the data that has not yet completed the transfer from the primary site will be lost. This is normally not an issue, but can be when they are connected via the Internet or other lower bandwidth methods. CTSI can provide Client with some guidelines on latency times based on its understanding of Client's data and system constraints, but these guidelines are not guarantees.

Patch Management

CTSI shall keep the BDR Device equipment and Windows based operating system software current with critical patches and updates ("Patches"), generally as such Patches are released by the manufacturers of the applicable hardware or software and are approved by CTSI. CTSI reserves the right, but not the obligation, to refrain from installing a Patch if CTSI is aware of potential technical problems caused by a Patch, or believes that a Patch may render the BDR Device unstable.

Unsupported Configuration Elements or Services

If Client requests a configuration element (hardware or software) in a manner that is not customary at CTSI, or that is in "end of life" or "end of support" status, CTSI may designate the element or service as "unsupported," "non-standard," "best efforts," "reasonable endeavor," "one-off," "EOL," "end of support," or with like term in the service description (an "Unsupported Service"). CTSI makes no representation or warranty whatsoever regarding any Unsupported Service, and Client agrees that CTSI will not be liable to Client for any loss or damage arising from the provision of an Unsupported Service. Deployment and service level guarantees shall not apply to any Unsupported Service.



There being no further business to come before the Court, the Judge declared Court adjourned, subject to call.

The foregoing Minutes of a Commissioner's Court meeting held on the 31 day of July, A. D. 2019, was examined by me and approved.

Curtis Marsh
Commissioner, Precinct No. 1

J. L. Barnett
Commissioner, Precinct No. 3

Karen Carter
Commissioner, Precinct No. 2

Donna Oley
Commissioner, Precinct No. 4

Judith Baldrige
County Judge

Jennifer Palermo
JENNIFER PALERMO, County Clerk, and
Ex-Officio Clerk of Commissioners' Court
Hockley County, Texas

