

Appendix E of DIR Contract No. DIR-SDD-2069

Managed Services Agreement

THIS MANAGED SERVICES AGREEMENT (hereinafter referred to as the MSA), is made as of the Effective Date, as defined herein, by and between _____ the Client as identified herein, and Complete Tablet Solutions Ltd (hereinafter referred to as CTS). Client and CTS, for the consideration hereafter named, agree to the Terms and Conditions as follows:

1. INDUCEMENT TO ENTER INTO MSA

- a. Client, by executing this MSA, is inducing CTS to acquire Equipment for Client's use, as more particularly described in and identified in Schedule 1-A, attached hereto for all purposes, for the Equipment Fee amount stated therein. Further the Equipment so acquired shall be protected, at CTS' expense, with an Extended Warranty and Accidental Damage Policy from a provider chosen solely by CTS, to facilitate the provision of Support Services for such Equipment while it is in Client's possession, such Support Services are more particularly described and identified in Schedule 1-B, attached hereto for all purposes, for the Support Services Fee amount stated therein. (The Equipment Fees and Support Services Fees collectively referred to herein as the MLA Fees)
- b. Client, by executing this MSA, agrees to the MSA terms and conditions and agrees to promptly execute all other applicable documents reasonably required by CTS from time to time that are not in conflict with this MSA, to include but not be limited to, all documents to establish and protect CTS' rights and remedies related to this MSA, the Equipment and related Support Services.
- c. As to the Equipment in Schedule 1-A, Client's obligations are not subject to termination for convenience for the term of the MSA. The Client's obligation to pay the Equipment Fee under this MSA is and shall be absolute and unconditional and shall not be subject to setoff, counterclaim, recoupment, deduction, defense or other right which Client may have against CTS, the manufacturer or vendor of the Equipment or anyone else, for any reason whatsoever.
- d. As to the Support Services in Schedule 1-B, Client's obligations may be cancelled during the Term hereof upon thirty (30) advance written notice to CTS. Upon the effective date of cancellation of Support Services, CTS shall be relieved and released from all obligations to provide Support Services for the Equipment to Client. If the MSA was structured in a one-time payment, any unused value of the Support Services is refundable to the Client. If the MSA is structured as a periodic payment for Equipment

and Support Services, there is no refund to the Client in the event of early termination of Support Services. Client's obligations under this MSA for the Equipment is not affected by the cancelation of related Support Services.

2. ADMINISTRATION OF THE MSA

- a. Unless entering into a MSA for its needs, DIR is not a party to any MSA.
 - b. References to the MSA shall mean the DIR Contract Number DIR-SDD-2069, document, including any riders, amendments and addenda thereto, and any other documents as may from time to time be made part of the MSA upon mutual agreement by DIR and CTS.
- 3. CTS DUTIES.** CTS hereby agrees to provide to Client all Equipment, devices and systems named and identified in the following Schedule 1-A, List of Equipment, (hereinafter Equipment) for use at such location(s) and at the Equipment Fees agreed for the MSA Period. CTS shall furnish such Equipment, F.O.B. Client destination.
- 4. MSA PERIOD.** The MSA Period shall be based on the contracted date of commencement, and contracted date of termination as agreed herein and listed in Schedule 1-A, List of Equipment, attached hereto.
- 5. MSA EXPIRATION, RENEWAL.** In the event that Client wishes to retain and use Equipment beyond the initial MSA Period, this MSA may be extended for successive 90 day periods at the same monthly Payment. Notice must be received by CTS of the desire to extend the MSA Period as prescribed herein, at least 30 days prior to MSA date of termination. Communication must be in writing and from a representative of Client authorized to make such commitments. If the Client does not provide CTS with the required notice and if the Equipment is not returned in accordance with this MSA, the Client agrees that the MSA will be extended at the prescribed monthly rate for successive 90 day periods.
- 6. MSA FEES.** Client shall pay the MSA Fees for any and every item of Equipment named in the List of Equipment, Schedule 1- A and Support Services Schedule, Schedule 1-B, at the rates therein stipulated respectively and in accordance with the following:
- a. Commencement Date shall be the date on which the term of this MSA and financial obligation of Client shall begin. CTS will support delivery of Equipment and Support Services for use on or before this date, as agreed by the parties in writing. The delivery date of Equipment may occur later than Commencement Date if agreed by the parties in writing.

- b. Payment shall be made as agreed by the parties consistent with the provisions of Section 7.C. Payments of Appendix A of the DIR Contract. Automated electronic payments are preferred.

7. PAYMENT.

a. Periodic Payment Structure. The per device monthly fee for any and every item of Equipment described in the List of Equipment, Schedule 1-A, shall be the amount therein designated and is payable as more fully described in Schedule 1-A. Client shall provide payment in the manner agreed by those dates for the entire MSA Period.

b. One Time Payment. The one-time payment total for Equipment and Support Services for the MSA term is the sum of the one-time payment amounts shown on Schedules 1-A and 1-B. The one-time payment option is payable in accordance with Section 7.C. Payments of Appendix A of the DIR Contract.

- 8. APPROPRIATION OF FUNDS.** Client intends to continue this MSA to which it is a party for the MSA Period and to pay the MSA Fees and other amounts due hereunder. Client reasonably believes that legally available funds in an amount sufficient to pay all MSA Fees during the MSA Period can be obtained. Notwithstanding the foregoing, in the event sufficient funds are not appropriated for Client to continue the MSA Period for any fiscal period (as set forth in Schedule 1-A hereto) of the Client beyond the fiscal period first in effect at the commencement of the MSA Period, the Client may terminate the MSA with regard to not less than all of the Equipment on the MSA so affected. Client shall provide CTS written notice at least sixty (60) days prior to the end of its current fiscal period, or if non-appropriation has not occurred by such date, within five (5) business days of such non-appropriation, confirming the MSA will be terminated. All obligations of the Client to pay MSA Fees due after the end of the fiscal period first in effect at the commencement of the MSA Period will cease, all interests of Client in the Equipment and Support Services will terminate and Client shall surrender the Equipment to CTS in accordance with the applicable Service Level Agreement. Client represents it has adequate funds to meet its obligations during the first fiscal period of the MSA Period.

- 9. ASSIGNMENT.** CTS may(i) assign all or a portion of CTS' right, title and interest of CTS in the MSA, and/or any Equipment; (ii) grant a security interest in the right, title and interest of CTS in the MSA, any Schedule and/or any Equipment; and/or (iii) sell or transfer its title and interest as owner of the Equipment and/or s CTS under any Schedule; and DIR and each Client acquiring access to Equipment under the MSA understand and agree that CTS' assigns may each do the same (hereunder collectively " Assignment").All such Assignments shall be subject to each Client's rights under the Schedule(s) executed between it and CTS. Each Client acquiring access to Equipment through MSA Schedules under this MSA and DIR hereby consent to such Assignments and agree to execute and deliver promptly such acknowledgements and other instruments reasonably requested to effect such Assignments. Each Client acquiring access to Equipment through Schedules under this MSA and DIR acknowledge that the assigns do not assume CTS' obligations hereunder and agree to make all MSA Fee payments owed to the

assigns without abatement and not to assert against the assigns any claim, defense, setoff or counterclaim which DIR and/or Clients may possess against CTS or any other party for any other reason. CTS shall remain liable for performance under the MSA and any Schedule(s) executed hereunder to the extent CTS' assigns do not perform CTS' obligations under the MSA and Schedule(s) executed hereunder. Upon any such Assignment, all references to CTS shall also include all such assigns, whether specific reference thereto is otherwise made herein.

10. TAXES. During the term of this MSA, CTS shall maintain the responsibility to pay all applicable taxes for any and every item of Equipment. Client and CTS understand and agree that the fee structure for this MSA supports this provision.

11. USE AND OPERATION. Client shall insure that the Equipment is not subjected to careless, unusually or needlessly rough usage, other than normal wear and tear. The Equipment shall be used in the regular course of business only, in its normal capacity, without abuse. Client shall comply with all laws, ordinances, regulations and requirements and rules regarding the use and operation of the Equipment and will not make any modification, alteration or addition to the Equipment. Client shall not detach, reverse engineer, disassemble or decompile any Equipment, or otherwise remove any parts originally or from time to time attached to the Equipment.

12. DAMAGE, THEFT AND LIABILITY. Equipment is covered by this MSA for accidental damage including damage caused by drops, spills, power surge, fire, flood, and acts of God. Theft coverage is not provided for the Equipment delivered as a part of this MSA. Client shall be responsible for replacement cost of any stolen Equipment within 30 days of such loss and for any units not returned at the end or termination of this MSA. Payments to CTS or its assignee shall continue for replaced Equipment.

13. REPAIR OR REPLACEMENT. Systems that fail due to factory defect or incur non-intentional, accidental damage shall be repaired or replaced in accordance with the service level agreement as listed in Exhibit A hereto solely at CTS discretion.

14. DISCLAIMER OF WARRANTIES. CTS MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION AS IT RELATES TO THE EQUIPMENT, ITS MERCHANTABILITY, ITS DESIGN, ITS CAPACITY, ITS PERFORMANCE, ITS MATERIAL, ITS WORKMANSHIP, ITS FITNESS FOR ANY PARTICULAR PURPOSE, OR THAT IT WILL MEET THE REQUIREMENTS OF ANY LAWS, RULES, SPECIFICATIONS, OR CONTRACTS WHICH PROVIDE FOR SPECIFIC APPARATUS OR SPECIAL METHODS. CTS FURTHER DISCLAIMS ANY LIABILITY WHATSOEVER FOR LOSS, DAMAGE, OR INJURY TO CLIENT OR THIRD PARTIES AS A RESULT OF ANY DEFECTS, LATENT OR OTHERWISE, IN THE EQUIPMENT. AS TO CLIENT, CLIENT CONTRACTS FOR THE USE OF THE EQUIPMENT "AS IS". CTS SHALL NOT BE LIABLE IN ANY EVENT TO CLIENT FOR ANY LOSS, DELAY, OR DAMAGE OF ANY KIND OR CHARACTER RESULTING FROM DEFECTS IN, OR INEFFICIENCY OF, EQUIPMENT HEREBY PROVIDED AS A SERVICE OR ACCIDENTAL BREAKAGE THEREOF.

15. INDEMNITY. Without waiving the doctrines of sovereign immunity and immunity from suit, and only to the extent allowed by the laws and Constitution of the State of Texas, Client agrees to cooperate with and to assist CTS, its agents, servants and successors, defend against all losses, damages, injuries, claims, actions, suits, proceedings, costs, expenses, and liabilities, including legal expenses and attorney's fees, of whatever nature, arising out of, or resulting from the Equipment or the service, including without limitation, the use, misuse, condition, repair, storage, return or operation (including, but not limited to, latent and other defects, whether or not discoverable by it) of any unit of Equipment, regardless of where, how or by whom operated, and arising out of negligence (including the gross negligence or willful misconduct of CTS) Client is liable for its expenses of cooperation and assistance to CTS in the defense or settlement of any suit or suits or other legal proceedings brought to enforce such losses, damages, injuries, claims, demands, and expenses and shall pay all judgments entered in any such suit or suits or other legal proceedings. To the extent permitted by the laws and Constitution of the State of Texas, the foregoing indemnities and assumptions of liabilities and obligations herein provided for shall continue in full force and effect notwithstanding the termination of this MSA or any Exhibit hereto whether by expiration of time, by operation of law or otherwise. With respect to CTS, Client is an independent contractor, and nothing contained herein authorizes Client or any other person to operate the Equipment so as to impose or incur liability or obligation for or on behalf of CTS.

- a. Without waiving the doctrines of sovereign immunity and immunity from suit, and only to the extent permitted by the laws and Constitution of the State of Texas, Client and DIR individually and collectively agree to cooperate with and assist CTS in the defense against any claim made by any third party that the MSA is not authorized by law. Without waiving the doctrines of sovereign immunity and immunity from suit, and only to the extent permitted by the laws and Constitution of the State of Texas, Client and DIR agree to cooperate with and assist CTS with defense against any and all such claims. Client and DIR agree to be responsible for their respective costs incurred in providing such cooperation and assistance to CTS.
- b. Without waiving the doctrines of sovereign immunity and immunity from suit, and only to the extent permitted by the laws and Constitution of the State of Texas, if any person attempts to claim ownership of the Equipment by asserting that claim against Client or through Client, Client agrees, at its expense, to cooperate with and to assist CTS in defense against such claims and to assist to protect CTS's title to the Equipment. Client further agrees that it will at all times keep the Equipment free from any legal process, encumbrance or lien whatsoever, and Client shall give CTS immediate notice is any legal process, encumbrance or lien is asserted or made against the Equipment.

16. RISK OF LOSS. Client shall be responsible for loss and/or intentional damage to property, material, or Equipment belonging to CTS while said property, or Equipment is in Client’s care, custody, or under Client’s physical control.

17. INSPECTION: CONCLUSIVE PRESUMPTIONS. Client shall inspect the Equipment promptly after receipt thereof in accordance with the table below. Unless Client within the stated period of time for the volume of Equipment received gives written notice to CTS, specifying any defect in or other proper objection to the Equipment, Client agrees that it shall be conclusively presumed, as between CTS and Client, that Client has fully inspected and acknowledged that the Equipment is in full compliance with the terms of this MSA, in good condition and repair, and that Client is satisfied with and has accepted the Equipment in such good condition and repair. CTS shall have the right at any time to enter the premises occupied by the Equipment and shall be given free access thereto and afforded necessary facilities for the purpose of inspection with five (5) business days’ notice.

Number of Systems	Business Days Provide Notice
1-49	3 business days from delivery
50 – 249	5 business days from delivery
250 – 999	8 business days from delivery
1000+	10 business days from delivery

The terms listed in the table above for the quantities reflected shall apply unless otherwise agreed by CTS and Client in writing

18. OWNERSHIP. CTS shall at all times retain ownership and title of the Equipment.

19. DEFAULT; REMEDIES. If (a) Client shall default in the payment of any MSA Fee or in making any other payment hereunder when due, (b) Client shall default in the performance of any other covenant herein, (c) Client make or permits any unauthorized lien against, or assignment or transfer of , this MSA, the Equipment, Support Services or any interest therein, or (d) any certificate, statement, representation, warranty or audit contained herein or furnished with respect hereto by or on behalf of the Client proving to be false in any material respect at the time in which such facts stated therein were stated or certified, and such default as described in items (b) through (d) shall continue for thirty (30) days after written notice hereof to Client by CTS, then, if and to the extent permitted by applicable law, CTS shall have the right to exercise any one or more of the following remedies:

- a. To declare the entire balance amount of MSA Fees hereunder immediately due and payable as to any or all items of the Equipment without further notice or demand to Client, or as otherwise required by legal process, to the extent permitted by laws and Constitution of the State to Texas; to seek redress through all available means, including without limitation, suing for and recovering the balance of MSA Fees, and other payments, then accrued or thereafter accruing, with respect to any or all items of the

Equipment. The effect of early termination of Support Services on Clients' rights is described in paragraph 1 d., hereof.

- b. To take possession of any or all items of the Equipment, as allowed through legal process, wherever they may be located. Client shall reasonably cooperate with CTS to allow CTS prompt access to its Equipment. Any said taking of possession shall not constitute a termination of this MSA as to any or all items of Equipment unless CTS expressly so notifies Client in writing.
- c. To terminate this MSA as to any or all items of Equipment.
- d. To sell, lease or re-allocate or otherwise dispose of any or all Equipment whether or not in CTS' possession.
- e. To pursue any other remedy at law or in equity. Notwithstanding any said repossession or any other action which CTS may take, Client shall be and remain liable for the full performance of all obligations on the part of Client to be performed under this MSA.

20. LIMITATION OF LIABILITY. In no event shall CTS be liable under this MSA for tort (including negligence), strict liability, breach of warranty, misrepresentation, or otherwise, for any lost profits, lost data or messages, lost business, goodwill, loss by reason of business interruption, claims of Clients' customers or third parties, or for any form of special, indirect, incidental, consequential or punitive damages of any kind. Any liability arising from performance of this MSA shall be limited to the dollar value of this MSA.

21. NO SUBLETTING BY CLIENT; ASSIGNMENT. No Equipment or Support Services shall be sublet by Client, nor shall Client assign or transfer any interest in this MSA without written consent of CTS. CTS may assign this MSA to any third party upon 5 business day notice to Client. Subject to the foregoing, this MSA inures to the benefit of, and is binding upon, the heirs, successors, and assigns of the parties hereto.

22. REMEDIES CUMULATIVE: NO WAIVER; SEVERABILITY. All remedies of CTS hereunder are cumulative and may, to the extent permitted by law, be exercised concurrently or separately, and the exercise of any one remedy shall not be deemed to be an election of such remedy or to preclude the exercise of any other remedy. No failure on the part of the CTS to exercise and no delay in exercising, any right or remedy, hereby shall operate as a waiver thereof; nor shall any single or partial exercise by CTS of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right or remedy. If any term or provision of this MSA is found invalid, it shall not affect the validity and enforcement of all remaining terms and provisions of this MSA.

23. EXPENSES. To the extent allowed by Texas law and constitution, Client shall pay CTS all costs and expenses, including attorneys' fees, incurred by CTS in exercising any of its rights or remedies hereunder or enforcing any of the terms, conditions, or provisions hereof.

24. COOPERATION WITH DOCUMENTS. Client shall reasonably cooperate and promptly assist CTS to prepare, to execute and file any financing statement, continuation statement, amendment or assignment, or similar instruments necessary or desirable to perfect, preserve or protect CTS's interest in the Equipment. Client hereby agrees to promptly execute and deliver to CTS any such filing or instrument requested by CTS.

25. ENTIRE AGREEMENT. This instrument, including Schedules 1-A and 1-B and Exhibit A, constitutes the entire MSA between CTS and Client; and it shall not be amended, altered or changed except by a written agreement signed by the parties hereto. No inconsistent terms in a Purchase Order shall modify the terms of this MSA. Use of a Client's Purchase Order as a part of this MSA is solely as evidence of Client's commitment of currently available funds.

26. REPRESENTATIONS AND WARRANTIES OF CLIENT. Client represents and warrants for the benefit of CTS and its assigns, the Client will provide an opinion of counsel to the effect that , as of time of the execution of this MSA and each Schedule between Client and CTS:

- (a) Client is either a Texas state agency or Texas local government, as defined in Section 2054.003, Texas Government Code (including institutions of higher education as defined in Texas Education Code, Section 61.003) or a state agency purchasing from a DIR Contract through an Interagency Agreement, as authorized by Chapter 771, Texas Government Code. Client has made an independent legal an management determination to enter into this transaction;
- (b) Each Schedule executed by Client has been duly authorized, executed and delivered by Client and constitutes a valid, legal and binding agreement of Client, enforceable in accordance with its terms;
- (c) No approval, consent or withholding of objection is required from any federal or other governmental authority or instrumentality with respect to entering into or performance by Client of any Schedule between CTS and Client;
- (d) The entering into and performance of any Schedule between CTS and Client, the MSA or any Schedule will not violate any judgment, order, law or regulation applicable to Client or result in any breach of, or constitute a default under or result in the creation of any lien, charge, security interest or other encumbrance upon the assets of Client or on the Equipment acquired under any Schedule between CTS and Client pursuant to any instrument to which Client is a party or by which it or its assets may be bound;

- (e) To the best of Client’s knowledge and belief, there are no suits or proceedings pending or threatened against or affecting Client, which if determined adversely to Client will have a material adverse effect on the ability of Client to fulfill its obligations under this MSA or any Schedule between Client and CTS;
- (f) The use of the Equipment is essential to Client’s proper, efficient and economic operations, and Client will sign and provide CTS upon execution of each Schedule written certification to that effect; and
- (g) Client represents and warrants that (i) it has authority to enter into this MSA and each Schedule, (ii) the persons executing the MSA and Schedules have been duly authorized to execute the MSA and Schedules on Client’s behalf, (iii) all information supplied by Client is true and correct, including all credit and financial information, and (iv) it is able to meet all of its financial obligations, including the MSA Fees hereunder.

27. GOVERNING LAW. This MSA and each Schedule and Exhibit shall be governed by and construed in accordance with the Laws of the State of Texas.

28. NOTICES. Any notice or demand which under the terms of this MSA or under any statute must or may be given or made by Client or CTS shall be in writing and shall be given or made by confirmed facsimile, or similar electronic communication or by certified or registered mail addressed to the respective parties as follows:

To Client: _____

To CTS: Daniel P. Hurd
Complete Tablet Solutions
11525 Stonehollow Dr. #170A
Austin, TX 78758

Such notice or demand shall be deemed to have been given or made when sent by telegram, or facsimile, or other electronic communication or when deposited, postage prepaid in the US mail.

The above addresses may be changed at any time by giving prior written notice as above provided.

Client and CTS enter into this MSA as of the date of the last party to sign, the Effective Date:

For Client:

For CTS:

Legal Entity

Complete Tablet Solutions Ltd.

By:

By:

Printed Name

Printed Name

Date

Date

Schedule 1 –B

- Support Services Identified
- Support Service Fee Total
- One payment or multiple payments