



Agreement

This Software License and Professional Services Agreement (this "Agreement") is made and entered into by and between Tyler Technologies, Inc., a Delaware corporation ("Tyler"), and Nueces County, TX (the "Purchaser").

Background

Purchaser desires to engage Tyler to license certain software and to provide certain professional services related thereto, all on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises contained herein, along with other good and valuable consideration, the receipt and sufficiency of which all parties mutually acknowledge, Tyler and Purchaser agree as follows:

A. Tyler shall furnish the products and services described in this Agreement, and Purchaser shall pay the prices set forth in this Agreement.

B. This Agreement consists of this cover and signature page and the following attachments and exhibits attached hereto and to be attached throughout the Term of this Agreement, all of which are incorporated by reference herein:

- Schedule 1. – Investment Summary
- Exhibit A. – Software License and Professional Services Agreement
- Exhibit B. – Software Maintenance Agreement

IN WITNESS WHEREOF, this Agreement has been executed by a duly authorized officer of each Party hereto to be effective as of the date last set forth below (the "Effective Date"):

TYLER TECHNOLOGIES, INC.

PURCHASER

Signature: _____

Signature: _____

Date: _____

Date: _____

Name: _____

Name: _____

Title: _____

Title: _____

Address: 5101 Tennyson Parkway

Address: _____

Plano, Texas 75024

**(Schedule 1)
Investment Summary**

Software & Services			
Software Licenses	License Fees		
Licensed Software			
Jail Manager - Full Use License	\$	449,990	
Mugshots	\$	34,000	
Jail Data Export - Enterprise	\$	23,000	
NorthPointe Classification	\$	24,420	
LiveScan	\$	5,000	
Biometric Identification	\$	20,875	
Inmate Tracking		Included	
Public Access Portal		Included	
<i>License Subtotal</i>	\$	557,285	
Professional Services			
T&M Services	<u>Rate</u>	<u>Hours</u>	<u>Cost</u>
Project Management	170.00	1,560	\$ 265,200
Data Conversion	155.00	1,110	\$ 172,050
Deployment	155.00	24	\$ 3,720
Software Customization(Allowance Only)	155.00	120	\$ 18,600
Setup, Configuration & Consulting	155.00	912	\$ 141,360
Training and Go-Live Assistance	145.00	640	\$ 92,800
<i>Services Subtotal</i>			\$ 693,730
Hardware			
3 x M2SYS M2-S Fingerprint Readers for Inmate Biometrics	\$	510	

Maintenance & Support	
Support Type	Annual M&S Fees
Standard	\$ 94,498
Standard	\$ 7,140
Standard	\$ 4,830
Standard	\$ 5,128
Standard	\$ 1,050
Standard	\$ 4,384
	Included
	Included

Total License Fees	\$	557,285
T&M Services	\$	693,730
Hardware	\$	510
Subtotal	\$	1,251,525
Estimated Travel Expenses	\$	78,905
Total Contract Price	\$	<u>1,330,430</u>

Maintenance & Support Fees:	117,030
(M&S Fees due annually in advance.)	

“Allowance Only” software customization hours are available for development changes identified and requested by Nueces County. These hours will only be utilized and billed if Nueces County signs off on requested changes.

Software License and Professional Services Agreement

This Software License and Professional Services Agreement is made and entered into as of the Effective Date by and between Tyler and Purchaser.

WHEREAS, Purchaser desires to engage Tyler to license certain software and to provide certain professional services related thereto, all on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises contained herein, along with other good and valuable consideration, the receipt and sufficiency of which all parties mutually acknowledge, Tyler and Purchaser agree as follows:

1. CERTAIN DEFINITIONS

1.1. Agreement means this Software License and Professional Services Agreement, including all exhibits attached hereto and to be attached throughout the Term of this Agreement, all of which are incorporated by reference herein.

1.2. Business Day means any day, Monday through Friday, excepting any Nueces County holiday.

1.3. Claims mean any and all claims, liens, demands, damages, liability, actions, causes of action, losses, judgments, costs, and expenses, including reasonable attorneys' fees and expenses.

1.4. Current Production Software Version means the current production version of Tyler's software listed on the Investment Summary.

1.5. Defect means any bug, error, contaminate, malfunction, or other defect in the Licensed Software caused by, arising from, or emanating from the reasonable control of Tyler that renders the Licensed Software in non-conformance with Tyler's then current published specifications.

1.6. Documentation means the user's operating manuals and any other materials in any form or media provided by Tyler to the users of the Licensed Software.

1.7. Embedded Third Party Software means licensed third party software (other than Third Person Software) that is required to provide the functionality of the Licensed Software, which as of the date of this Agreement, consists of the software set forth on Schedule 1 labeled as "Embedded Third Party Software".

1.8. Escrow Agent means Iron Mountain Intellectual Property Management, Inc.

1.9. Escrow Agreement means the Master Escrow Service Agreement between Tyler and Escrow Agent.

1.10. Indemnified Parties mean Purchaser and each of its personnel, agents, successors, and permitted assigns.

1.11. Investment Summary means the summary of fees and services set forth on Schedule 1.

1.12. License Fee means the "Total License Fees" as set forth on the Investment Summary, which is due and payable as set forth in Section 3.1.

1.13. Licensed Property means the Licensed Software and the Documentation.

1.14. Licensed Software means: (a) the Current Production Software Version; (b) Embedded Third Party Software; and (c) any Local Enhancements.

1.15. Local Enhancements means any refinement, enhancement, or other customization to the Current Production Software Version to be developed by Tyler per the Investment Summary.

1.16. Maintenance and Support Fees has the meaning set forth in Exhibit B – Software Maintenance Agreement.

1.17. Party means, individually, Tyler and Purchaser.

1.18. Project means the delivery and license of the Licensed Property and the performance of all services to be provided by Tyler in accordance with the provisions of this Agreement.

1.19. Project Manager means the person designated by each Party who is responsible for the management of the Project.

1.20. Software Maintenance Agreement means the maintenance and support services agreement attached hereto as Exhibit B.

1.21. T&M means time and materials.

1.22. Third Person Hardware means the CPUs, servers, and other hardware to be leased, purchased, or otherwise acquired by Purchaser from a third party that is minimally required to operate the Licensed Software and such other CPUs, servers, and other hardware that Purchaser has actually leased, purchased or otherwise acquired and/or may be minimally required in the future to operate the Licensed Software.

1.23. Third Person Software means the operating systems and other software to be licensed, purchased, or otherwise acquired by Purchaser from a third party that is minimally required to operate the Licensed Software and such operating systems and other software that Purchaser has actually licensed, purchased, or otherwise acquired and/or may be minimally required in the future to operate the Licensed Software.

1.24. Tyler Confidential and Proprietary Information means all information in any form relating to, used in, or arising out of Tyler's operations and held by, owned, licensed, or otherwise possessed by Tyler (whether held by, owned, licensed, possessed, or otherwise existing in, on or about Tyler's premises or Purchaser's offices, residence(s), or facilities and regardless of how such information came into being, as well as regardless of who created, generated or gathered the information), including, without limitation, all information contained in, embodied in (in any media whatsoever) or relating to Tyler's inventions, ideas, creations, works of authorship, business documents, licenses, correspondence, operations, manuals, performance manuals, operating data, projections, bulletins, customer lists and data, sales data, cost data, profit data, financial statements, strategic planning data, financial planning data, designs, logos, proposed trademarks or service marks, test results, product or service literature, product or service concepts, process data, specification data, know how, software, databases, database layouts, design documents, release notes, algorithms, source code, screen shots, and other research and development information and data. Notwithstanding the foregoing, Tyler Confidential and Proprietary Information does not include information that: (a) becomes public other than as a result of a disclosure by Purchaser in breach hereof; (b) becomes available to Purchaser on a non-confidential basis from a source other than Tyler, which is not prohibited from disclosing such information by obligation to Tyler; (c) is known by Purchaser prior to its receipt from Tyler without any obligation of confidentiality with respect thereto; (d) is developed by Purchaser independently of any disclosures made by Tyler; or (e) released pursuant to applicable law, including but not limited to the Texas Public Information Act.

2. TITLE AND LICENSE

2.1. License Grant. In consideration for the License Fee, which shall be due and payable as set forth in Section 3, Tyler hereby grants to Purchaser a non-exclusive, royalty-free, revocable license (and sublicense with respect to the Embedded Third Party Software) to use the Licensed Property for Purchaser's internal administration, operation, and/or conduct of Purchaser's business operations by an unlimited number of users employed by Purchaser on an unlimited number of computers and/or computer stations utilized by Purchaser. Upon Purchaser's payment of the License Fee in full, the foregoing licenses shall become irrevocable, subject to the restrictions on use set forth herein.

2.2. Restrictions. Unless otherwise expressly set forth in this Agreement, Purchaser shall not (a) reverse engineer, de-compile, or disassemble any portion of the Licensed Software or (b) sublicense, transfer, rent, or lease the Licensed Software or its usage. To the extent Purchaser employs contractors, subcontractors, or other third parties to assist in the Project, Purchaser shall obtain from such third parties an

executed Tyler confidentiality agreement prior to such parties being permitted access to Tyler Confidential and Proprietary Information.

2.3. Copies. Purchaser may make and maintain such copies of the Licensed Property as are reasonably appropriate for its use and for archival and backup purposes; provided, however, that Purchaser shall retain all proprietary notices, logos, copyright notices, and similar markings on such copies.

2.4. Embedded Third Party Software. The license grant set forth in Section 2.1 includes the right to use any Embedded Third Party Software; provided, however, that such access to and use of such Embedded Third Party Software shall be according to such terms, conditions, and licenses as are imposed by the manufacturers and/or third party licensors of such Embedded Third Party Software. All such Embedded Third Party Software shall be included in the License Fee. Tyler shall pass through to Purchaser any and all warranties granted to Tyler by the owners, licensors, and/or distributors of such Embedded Third Party Software. Purchaser shall be responsible for procuring and paying for all Third Person Software.

2.5. Title.

(a) Tyler represents and warrants that it is the owner of all right, title, and interest in and to the Licensed Software (other than Embedded Third Party Software) and all components and copies thereof. Nothing in this Agreement shall be deemed to vest in Purchaser any ownership or intellectual property rights in and to Tyler's intellectual property (including, without limitation, Tyler Confidential and Proprietary Information), any components and copies thereof, or any derivative works based thereon prepared by Tyler.

(b) All training materials developed solely by either Party shall be the sole property of such Party. Any training materials developed jointly by the Parties shall be owned jointly by the Parties, and each Party shall be entitled to exercise all rights of ownership of such materials without any duty to account to the other, subject to Section 9.

(c) All Purchaser data shall remain the property of Purchaser. Tyler shall not use Purchaser data other than in connection with providing the services pursuant to this Agreement.

2.6. Purchaser Modifications. Tyler shall have no liability pursuant to this Agreement or the Software Maintenance Agreement for any damages or defects to the Licensed Software caused, directly or indirectly, by Purchaser Modifications or other changes to the Licensed Software that are implemented without the prior written consent of Tyler.

3. FEES AND INVOICING

3.1. License Fee. Purchaser shall pay to Tyler the License Fee in accordance with the following payment plan:

Payment Event	% of License Fee Payable
Contract Execution	50%
Project Kick-Off Meeting	25%
Commencement of Operational Use	25%

Tyler shall invoice Purchaser upon each Payment Event, which shall be paid in accordance with Section 3.4.

3.2. Professional Services Charges. T&M charges for all professional services to be performed hereunder shall be invoiced and paid by Purchaser in accordance with Section 3.4.

3.3. Expenses. Purchaser shall reimburse Tyler for travel, lodging, and food expenses actually and reasonably incurred by Tyler in performing its professional services herein in accordance with Section 3.4.

3.4. Invoice and Payment. Tyler shall invoice Purchaser for services and associated expenses herein on a monthly basis. Each invoice shall state the total invoiced amount and shall be accompanied by a reasonably detailed itemization of services and expenses. Following receipt of a properly submitted invoice, Purchaser shall pay amounts owing therein thirty (30) days in arrears. All payments shall be made in U.S. currency. Any undisputed sum not paid when due shall bear interest at a rate of prime

rate (as set forth in the Wall Street Journal) plus five percent (5%) per annum or the highest rate allowed by governing law, whichever is less.

3.5. Electronic Payment. Tyler prefers to receive payments electronically. Tyler's electronic payment information will be provided under separate cover.

4. PROJECT IMPLEMENTATION

4.1. Professional Services. Attached hereto as Schedule 1 is Tyler's good faith estimate of the hours and fees associated with the services to be performed by Tyler for Purchaser, including travel time by Tyler's personnel from Tyler's place of business to and from Purchaser's place of business, and for which Purchaser shall pay on a T&M basis. Additional services requested by Purchaser which are beyond those hours detailed in Schedule 1 will be billed at Tyler's then current services rates. If additional services are requested, Tyler will provide Purchaser with an addendum outlining the costs for the additional work.

4.2. Office Space. Purchaser shall, at its sole expense, provide reasonable access to office space, telephone access (not inclusive of long distance service), network access (including providing Tyler reasonable access to a secure virtual private network connection or other comparable connection for use by Tyler from time to time on a non-dedicated basis), Internet connections, and such other facilities as may be reasonably requested by Tyler for use by Tyler personnel for the purpose of performing this Agreement while such personnel are working on-site and engaged in Project-related services.

4.3. Third Person Hardware and Third Person Software. Purchaser shall be responsible to purchase, install, and configure all Third Person Hardware and Third Person Software. Tyler shall have no liability for defects in the Third Person Hardware or Third Person Software.

4.4. Cooperation. Purchaser acknowledges that the implementation of the Project is a cooperative process requiring the time and resources of Purchaser personnel. Purchaser shall, and shall cause its personnel to, use all reasonable efforts to cooperate with and assist Tyler as may be reasonably required to timely implement the Project, including, without limitation, providing reasonable information regarding its operations and reasonable access to its facilities. Tyler shall not be liable for failure to timely implement the Project when such failure is due to Force Majeure (as identified in Section 18.15) or to the failure by Purchaser personnel to provide such cooperation and assistance (either through action or omission).

5. DELIVERY AND INSTALLATION OF THE LICENSED SOFTWARE

5.1. Delivery; Risk of Loss. Tyler shall deliver the Licensed Software to Purchaser's place of business. Risk of loss of the Licensed Software, and media on which such may be delivered, shall remain with Tyler at all times until completed delivery.

5.2. Installation; Diagnostic Testing. Tyler shall install the Licensed Software at Purchaser's place of business. Upon installation, Tyler shall conduct its standard diagnostic evaluation to determine that the Licensed Software is properly installed and shall notify the Purchaser's Project Manager in writing after successful completion thereof.

6. VERIFICATION OF THE LICENSED SOFTWARE; FINAL ACCEPTANCE

6.1. Verification Procedure. Upon installation of the Licensed Software, Tyler shall perform its standard test procedures and shall certify to Purchaser that the Licensed Software is in substantial conformance with Tyler's then current published specifications (the "Verification Procedure") and is ready to commence Operational Use.

6.2. Optional Purchaser Validation. Purchaser may, in its sole and absolute discretion, monitor the Verification Procedure by performing its own defined internal validation process to test the software to determine if it substantially complies with Tyler's then current published specifications. Such validation test shall constitute Purchaser's validation.

6.3. Results Final; Correction. Tyler's verification or Purchaser's validation that the Licensed Software substantially complies with the then current published specifications shall be final and conclusive except for latent defect, fraud, and such gross mistakes that amount to fraud. In the event said verification / validation becomes other than final, Purchaser's

sole right and remedy against Tyler shall be to require Tyler to correct the cause thereof. If Purchaser has made modifications to the software programs, Tyler will not make such corrections, unless such modifications were specifically authorized in writing by Tyler.

6.4. Operational Use. Notwithstanding anything to the contrary herein, Purchaser's use of the Licensed Software for its intended purpose ("Operational Use") shall constitute Tyler's verification or Purchaser's validation of the software products, without exception and for all purposes.

6.5. Final Acceptance. When the Licensed Software is ready to commence Operational Use, Purchaser shall be deemed to have "Final Acceptance" of the Licensed Software and the Licensed Software shall be subject to the terms and conditions of the Software Maintenance Agreement for purposes of Defect correction thereafter.

7. TRAINING

To the extent that training services are included in Schedule 1, Tyler shall train Purchaser in accordance with a mutually agreeable training plan. The training plan shall outline the training required for personnel to operate the Licensed Software. Tyler shall provide Purchaser personnel with only the number of hours of training for the respective portions of the Licensed Software as set forth in the Schedule 1. Training shall be provided at Purchaser's principal place of business or other site selected by Purchaser. Training shall be performed according to the training plan, but in any event shall be "hands-on" using production-ready versions of the Licensed Software. The courses shall train Purchaser's employees or agents in a manner to provide basic end user training. Purchaser shall be responsible for providing an adequately equipped training facility to operate the Licensed Software.

8. MAINTENANCE SERVICES

8.1. Maintenance and Support Agreement. Upon the Effective Date, Tyler shall provide Purchaser with maintenance and support services, as detailed in Exhibit B, for the Licensed Software, and Purchaser shall pay the Maintenance and Support Fees in accordance with the terms contained in Exhibit B.

8.2. Responsibilities of Purchaser. In addition to the other responsibilities set forth herein, Purchaser shall: (a) provide all training of its personnel; (b) collect, prepare, and enter all data necessary for the day-to-day operations of the Licensed Software; (c) retain separate copies of all conversion data delivered to Tyler; (d) provide the computer system on which the Licensed Software will be loaded and operated; (e) provide the requisite networks; (f) maintain an internal help desk function; (g) prior to Project completion, install all changes or updates into the Licensed Software and Third Person Software products that are furnished by Tyler for the purpose of correcting failures of the Licensed Software to conform to, and perform in accordance with, the requirements of this Agreement; and (h) maintain, as part of Purchaser's computer system, a secure VPN connection for use by Tyler.

9. TYLER CONFIDENTIAL AND PROPRIETARY INFORMATION

9.1. Protection of Tyler Confidential and Proprietary Information. Purchaser shall not disclose, disseminate, transmit, publish, distribute, make available, or otherwise convey Tyler Confidential and Proprietary Information, and Purchaser shall not use, make, sell, or otherwise exploit any such Tyler Confidential and Proprietary Information for any purpose other than the performance of this Agreement, without Tyler's written consent, except: (a) as may be required by law, regulation, judicial, or administrative process; or (b) as required in litigation pertaining to this Agreement, provided that Tyler is given advance notice of such intended disclosure in order to permit it the opportunity to seek a protective order. Purchaser shall ensure that all individuals assigned to perform services herein shall abide by the terms of this Section 9.1 and shall be responsible for breaches by such persons.

9.2. Judicial Proceedings. If Purchaser is requested or required (by oral questions, interrogatories, requests for information or documents in legal proceedings, subpoena, civil investigative demand, or other similar process) to disclose any Tyler Confidential and Proprietary Information, Purchaser shall, to the maximum extent permitted by applicable law, provide Tyler with prompt written notice of such request or requirement so that Tyler may seek protective orders or other appropriate remedies and/or waive compliance with the provisions of this Agreement. If, in the absence of a protective order or other remedy or the receipt of a waiver by Tyler, Purchaser nonetheless is legally compelled to disclose Tyler Confidential and Proprietary Information to any court or tribunal or else would stand

liable for contempt or suffer other censure or penalty, Purchaser may, without liability herein, disclose to such court or tribunal only that portion of Tyler Confidential and Proprietary Information which the court requires to be disclosed, provided that Purchaser uses reasonable efforts to preserve the confidentiality of Tyler Confidential and Proprietary Information, including by cooperating with Tyler to obtain an appropriate protective order or other reliable assurance that confidential treatment shall be accorded Tyler Confidential and Proprietary Information by such court or tribunal.

10. ESCROW

Tyler maintains an Escrow Agreement with an Escrow Agent under which Tyler places the source code of each major release. At Purchaser's request, Tyler will add Purchaser as a beneficiary on its Escrow Agreement upon payment in full of the License Fee. Purchaser will be invoiced the annual beneficiary fee by Tyler and is solely responsible for maintaining its status as a beneficiary. Release of the escrowed material shall be governed by the terms of the Escrow Agreement and the use thereof shall be restricted by Sections 2.2 and 10 of this Agreement.

11. REPRESENTATIONS AND WARRANTIES

11.1. Project Personnel. All Tyler personnel utilized in connection with fulfilling its obligations pursuant to or arising from this Agreement shall be employees of Tyler or, if applicable, Tyler's subcontractor(s), shall be qualified to perform the tasks assigned them, and shall be in compliance with all applicable laws relating to employees generally, including, without limitation, immigration laws.

11.2. Media Defects. The media on which the Licensed Software is provided shall, at the time of delivery and installation, be free of Defects in material and workmanship.

11.3. Pass-Through of Warranties. Tyler hereby passes through the benefits of all third party warranties that it receives in connection with any product provided to Purchaser.

11.4. No Actions, Suits, or Proceedings. There are no actions, suits, or proceedings, pending or, to the knowledge of Tyler, threatened, that shall have a material adverse effect on Tyler's ability to fulfill its obligations pursuant to or arising from this Agreement.

11.5. Compliance with Laws. In performing this Agreement, Tyler shall comply with all applicable material licenses, legal certifications, or inspections. Tyler shall also comply in all material respects with applicable federal, state, and local statutes, laws, ordinances, rules, and regulations.

11.6. Ownership. Tyler is a Delaware corporation that is listed for trading on the New York Stock Exchange. No director, officer, or 5% or more stockholder shall, during the course of this Agreement, receive or confer improper personal benefits or gains associated with the performance of the services outlined in this Agreement.

11.7. Certain Business Practices. Neither Tyler nor any of its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in this Agreement by any federal department or agency. Tyler further represents and warrants that it is not listed on any local, Purchaser, state or federal consolidated list of debarred, suspended, and ineligible contractors and grantees. No person (other than permanent employees of Tyler) has been engaged or retained by Tyler to solicit, procure, receive, accept, arrange, or secure this Agreement for any compensation, consideration, or value.

11.8. Illicit Code. The Licensed Software, when delivered and installed by Tyler, does not contain, and Tyler has not knowingly introduced through any media, any virus, worm, trap door, back door, bomb, bug, or other contaminant or disabling device, including, without limitation, any timer, clock, counter or other limiting routines, codes, commands, or instructions that may have the effect or be used to access, alter, delete, limit, control, damage, or disable any Purchaser property.

EXCEPT AS SPECIFICALLY SET FORTH IN THIS SECTION 11 OR ELSEWHERE IN THIS AGREEMENT, TYLER DISCLAIMS ALL OTHER WARRANTIES, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

12. LIMITATION OF LIABILITY

TYLER'S LIABILITY TO PURCHASER FOR DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, WHETHER BASED ON A THEORY OF CONTRACT OR TORT, INCLUDING NEGLIGENCE AND STRICT LIABILITY, SHALL BE LIMITED TO: (A) PRIOR TO OPERATIONAL USE, THE LICENSE FEES PAID BY PURCHASER; AND (B) AFTER OPERATIONAL USE, TYLER'S OBLIGATIONS AS SET FORTH IN THE TERMS AND CONDITIONS OF THE SOFTWARE MAINTENANCE AGREEMENT. THE FOREGOING LIMITATIONS DO NOT APPLY TO THE FOLLOWING CIRCUMSTANCES: (1) FRAUD; OR (2) FOR BREACH OF SECTION 13.1 (CLAIMS FOR BODILY INJURY OR PROPERTY DAMAGE) OR SECTION 13.2 (INTELLECTUAL PROPERTY INFRINGEMENT).

IN NO EVENT SHALL TYLER BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, OR SPECIAL DAMAGES OF ANY KIND, INCLUDING, WITHOUT LIMITATION, LOST REVENUES OR PROFITS, OR LOSS OF BUSINESS OR LOSS OF DATA ARISING OUT OF THIS AGREEMENT, IRRESPECTIVE OF WHETHER THE PARTIES HAVE ADVANCE NOTICE OF THE POSSIBILITY OF SUCH DAMAGE.

13. INDEMNIFICATION

13.1. General – Bodily Injury and Property Damage. Notwithstanding any other provision of this Agreement, Tyler shall defend, indemnify, hold, and save harmless the Indemnified Parties from and against any and all Claims for bodily injury or property damage sustained by or asserted against Purchaser arising out of, resulting from, or attributable to the negligent or willful misconduct of Tyler, its employees, subcontractors, representatives, and agents; provided, however, that Tyler shall not be liable herein to indemnify Purchaser against liability for damages arising out of bodily injury to people or damage to property to the extent that such bodily injury or property damage is caused by or resulting from the actions, negligent or otherwise, of Purchaser, its agents, contractors, subcontractors, or employees.

13.2. Intellectual Property.

(a) Notwithstanding any other provision of this Agreement, if any claim is asserted, or action or proceeding brought against Purchaser that alleges that all or any part of the Licensed Software, in the form supplied, or modified by Tyler, or Purchaser's use thereof, infringes or misappropriates any United States intellectual property, intangible asset, or other proprietary right, title, or interest (including, without limitation, any copyright or patent or any trade secret right, title, or interest), or violates any other contract, license, grant, or other proprietary right of any third party, Purchaser, upon its awareness, shall give Tyler prompt written notice thereof. Tyler shall defend, and hold Purchaser harmless against, any such claim or action with counsel of Tyler's choice and at Tyler's expense and shall indemnify Purchaser against any liability, damages, and costs resulting from such claim. Without waiving any rights pursuant to sovereign immunity, Purchaser shall cooperate with and may monitor Tyler in the defense of any claim, action, or proceeding and shall, if appropriate, make employees available as Tyler may reasonably request with regard to such defense. This indemnity does not apply to the extent that such a claim is attributable to modifications to the Licensed Software made by Purchaser, or any third party pursuant to Purchaser's directions, or upon the unauthorized use of the Licensed Software by Purchaser.

(b) If the Licensed Software becomes the subject of a claim of infringement or misappropriation of a copyright, patent, or trade secret or the violation of any other contractual or proprietary right of any third party, Tyler shall, at its sole cost and expense, select and provide one of the following remedies, which selection shall be in Tyler's sole discretion: (i) promptly replace the Licensed Software with a compatible, functionally equivalent, non-infringing system; or (ii) promptly modify the Licensed Software to make it non-infringing; or (iii) promptly procure the right of Purchaser to use the Licensed Software as intended.

14. TAXES

14.1. Tax Exempt Status. Purchaser is a governmental tax-exempt entity and shall not be responsible for any taxes for any Licensed Property or services provided for herein, whether federal or state. The fees paid to Tyler pursuant to this Agreement are inclusive of any applicable sales, use, personal property, or other taxes attributable to periods on or after the Effective Date of this Agreement.

14.2. Employee Tax Obligations. Each Party accepts full and exclusive liability for the payment of any and all contributions or taxes for Social Security, Workers' Compensation Insurance, Unemployment Insurance, or Retirement Benefits, Pensions, or annuities now or hereafter imposed pursuant to or arising from any state or federal laws which are measured by the wages, salaries, or other remuneration pay to persons employed by such Party for work performed under this Agreement.

15. INSURANCE

Tyler shall provide, upon the written request of Purchaser (which shall not be less than thirty (30) days after the Effective Date), proof of insurance for and maintain, at Tyler's sole cost and expense, the following insurance coverage issued with an insurance carrier with a Best Key rating of "A VII" or higher: (a) Industrial/Workers' Compensation Insurance protecting Tyler and Purchaser from potential Tyler employee claims based upon job-related sickness, injury, or accident during performance of this Agreement; and (b) Comprehensive General Liability (including, without limitation, bodily injury and property damage) insurance with respect to Tyler's agents and vehicles assigned to perform the services herein with policy limits of not less than \$1,000,000 combined single limit per occurrence and \$2,000,000 in the aggregate. Purchaser shall be listed as an additional insured on Tyler's Commercial General Liability and automobile liability policy. Waiver of subrogation in favor of Purchaser shall be provided for Commercial General Liability and Automobile Liability. Waiver of subrogation in favor of Purchaser shall be provided for Workers Compensation, except to the extent, injury results from Purchaser's gross negligence or willful misconduct.

16. TERM, SUSPENSION, AND TERMINATION

16.1. Term. The term of this Agreement (the "Term") shall commence on the Effective Date and shall continue until terminated as provided herein.

16.2. Termination for Cause. Either Party may terminate this Agreement for Cause, provided that such Party follows the procedures set forth in this Section 16.2.

(a) For purposes of this Section, "Cause" means either:

(i) a material breach of this Agreement, which has not been cured within ninety (90) days of the date such Party receives written notice of such breach;

(ii) the failure by Purchaser to timely pay when due any fees and expenses owed to Tyler pursuant to this Agreement and any delinquent amounts remain outstanding for a period of thirty (30) days after Tyler provides written notice of its intent to terminate for failure to pay undisputed amounts;

(iii) breach of Section 9; or

(iv) if Tyler becomes insolvent or bankrupt, or is the subject of any proceedings relating to its liquidation or insolvency or for the appointment of a receiver or similar officer for it, has a receiver of its assets or property appointed or makes an assignment for the benefit of all or substantially all of its creditors, or institutes or causes to be instituted any proceeding in bankruptcy or reorganization or rearrangement of its affairs.

(b) No Party may terminate this Agreement under Section 16.2(a)(i) unless it cooperates in good faith with the alleged breaching Party during the cure period and complies in good faith with the dispute resolution procedures set forth in Section 17 following such period.

(c) In the event either Party terminates this Agreement pursuant to this Section 16.2, each Party shall return all products, documentation, confidential information, and other information disclosed or otherwise delivered to the other Party prior to such termination and all revocable licenses granted herein shall terminate.

16.3. Survival. The following provisions shall survive after the Term of this Agreement: 1; 2; 9; 10; 12; 13; 14; 0; 17; and 18.

17. DISPUTE RESOLUTION

Disputes arising out of, or relating to, this Agreement shall first be discussed by the Project Managers. Any dispute that cannot be resolved within five (5) Business Days at the Project Manager level (or such other

date as agreed upon by the Project Managers) shall be referred to the individual reasonably designated by Purchaser and Tyler's Vice President of Courts and Justice Systems Division assigned to Purchaser's account ("Intermediary Dispute Level"). Any dispute that cannot be resolved in ten (10) Business Days at the Intermediary Dispute Level shall then be referred to Purchaser's chief executive officer or other individual reasonably designated by Purchaser and Tyler's President of Courts and Justice Systems Division ("Executive Dispute Level"), at such time and location reasonably designated by the Parties. Any negotiations pursuant to this Section 17 are confidential and shall be treated as compromise and settlement negotiations for purposes of the applicable rules of evidence. The foregoing shall not apply to claims for equitable relief under Section 9.

18. MISCELLANEOUS

18.1. Assignment. Neither Party may assign this Agreement or any of its respective rights or obligations herein to any third party without the express written consent of the other Party, which consent shall not be unreasonably withheld.

18.2. Subcontractors. Tyler shall not utilize any subcontractor(s) without the prior written consent of Purchaser's Project Manager, which consent shall not be unreasonably withheld. The approval by Purchaser of Tyler's right to use subcontractor(s) shall not waive or relieve Tyler from Tyler's obligations pursuant to this Agreement.

18.3. Cumulative Remedies. Except as specifically provided herein, no remedy made available herein is intended to be exclusive of any other remedy, and each and every remedy shall be cumulative and shall be in addition to every other remedy provided herein or available at law or in equity.

18.4. Notices. Except as otherwise expressly specified herein, all notices, requests or other communications shall be in writing and shall be deemed to have been given if delivered personally or mailed, by certified or registered mail, postage prepaid, return receipt requested, to the Parties at their respective addresses set forth on the signature page hereto, or at such other addresses as may be specified in writing by either of the Parties. All notices, requests, or communications shall be deemed effective upon personal delivery or three (3) days following deposit in the mail.

18.5. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

18.6. Waiver. The performance of any obligation required of a Party herein may be waived only by a written waiver signed by the other Party, which waiver shall be effective only with respect to the specific obligation described therein.

18.7. Entire Agreement. This Agreement constitutes the entire understanding and contract between the Parties and supersedes any and all prior or contemporaneous oral or written representations or communications with respect to the subject matter hereof.

18.8. Amendment. This Agreement shall not be modified, amended, or in any way altered except by an instrument in writing signed by the properly delegated authority of each Party. All amendments or modifications of this Agreement shall be binding upon the Parties despite any lack of consideration.

18.9. Severability of Provisions. In the event any provision hereof is found invalid or unenforceable pursuant to judicial decree, the remainder of this Agreement shall remain valid and enforceable according to its terms.

18.10. Relationship of Parties. The Parties intend that the relationship between the Parties created pursuant to or arising from this Agreement is that of an independent contractor only. Neither Party shall be considered an agent, representative, or employee of the other Party for any purpose.

18.11. Governing Law and Venue. Any dispute arising out of or relating to this Agreement or the breach thereof shall be governed by the laws of the state of the domicile of Purchaser, without regard to or application of choice of law rules or principles. Venue by agreement of the parties shall be in a State District or Federal Court of competent jurisdiction in Nueces County, Texas.

18.12. Audit. Tyler shall maintain complete and accurate records of all work performed pursuant to and arising out of this Agreement. Purchaser may, upon the written request of the Project Manager, audit any and all work or expense records of Tyler relating to materials and/or services provided herein. Purchaser shall provide Tyler twenty-four hour notice of such audit or inspection. Tyler shall have the right to exclude from such inspection any Tyler Confidential and Proprietary Information not otherwise required to be provided to Purchaser as a part of this Agreement. Tyler shall make such books and records available to Purchaser during normal business hours. Any such audit shall be conducted at Tyler's principal place of business during Tyler's normal business hours and at Purchaser's sole expense.

18.13. No Third Party Beneficiaries. Nothing in this Agreement is intended to benefit, create any rights in, or otherwise vest any rights upon any third party.

18.14. Contra Proferentem. The doctrine of *contra proferentem* shall not apply to this Agreement. If an ambiguity exists in this Agreement, or in a specific provision, neither the Agreement nor the provision shall be construed against the Party who drafted the Agreement or provision.

18.15. Force Majeure. No Party to this Agreement shall be liable for delay or failure in the performance of its contractual obligations arising from any one or more events that are beyond its reasonable control, including, without limitation, acts of God, war, terrorism, and riot. Upon such delay or failure affecting one Party, that Party shall notify the other Party and use all reasonable efforts to cure or alleviate the cause of such delay or failure with a view to resuming performance of its contractual obligations as soon as practicable. Notwithstanding the foregoing, in every case the delay or failure to perform must be beyond the control and without the fault or negligence of the Party claiming excusable delay. Any performance times pursuant to or arising from this Agreement shall be considered extended for a period of time equivalent to the time lost because of any delay that is excusable herein.

18.16. Equitable Relief. Each Party covenants, represents, and warrants that any violation of this Agreement by such Party with respect to its respective obligations set forth in Sections 2.2 and 9 shall cause irreparable injury to the other Party and shall entitle the other Party to extraordinary and equitable relief by a court of competent jurisdiction, including, without limitation, temporary restraining orders and preliminary and permanent injunctions, without the necessity of posting bond or security.

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Maintenance and Support Services Agreement

This Maintenance and Support Services Agreement (this "M&S Agreement") is made and entered into as of the Effective Date by and between Tyler Technologies, Inc., a Delaware corporation ("Tyler" or "Software Provider") and Purchaser.

WHEREAS, Tyler and Purchaser have entered into that certain Software License and Professional Services Agreement (the "License Agreement") pursuant to which, among other things, Purchaser has acquired a license to Tyler's Licensed Software.

WHEREAS, Purchaser desires Tyler to perform, and Tyler desires to perform, certain maintenance and support services related to the Licensed Software.

NOW, THEREFORE, in consideration of the promises contained herein, along with other good and valuable consideration, the receipt and sufficiency of which all parties acknowledge the parties agree as follows:

1. CERTAIN DEFINITIONS

1.1. Terms Not Defined. Terms not otherwise defined herein shall have the meanings assigned to such terms in the License Agreement.

1.2. Business Day means Monday through Friday, excluding Tyler Holidays.

1.3. Business Hour means 7:00 a.m. to 7:00 p.m., Central Time during Business Days.

1.4. Circumvention or Circumvention Procedures means, as applied to a Documented Defect, a change in operating procedures whereby Purchaser can reasonably avoid any deleterious effects of such Documented Defect. If a Circumvention Procedure is not acceptable to Purchaser, Purchaser may escalate this Defect as set forth in Section 3.11.

1.5. Defect means any bug, error, malfunction, or other defect in the Licensed Software caused by, arising from, or emanating from the reasonable control of Tyler that renders the Licensed Software in non-conformance with Tyler's then current published specifications.

1.6. Documented Defect means a Defect that Purchaser documents for Tyler pursuant to Section 2.1.

1.7. Essential Functionality means any operational aspect of the Licensed Software that is required for immediate and ongoing business continuity by one or more users and which adversely impacts business in a crucial or critical manner.

1.8. Non-essential Functionality means any operational aspect of the Licensed Software that will not interrupt business continuity or which will not adversely impact business in a crucial or critical manner.

1.9. Legislative Change means a refinement, enhancement, or other modification to the Licensed Software necessary to comply with final, statewide legislation or administrative regulation affecting all clients in Purchaser's state and pertaining to: (a) existing reports, exports, or data exchanges; (b) new reports; (c) new data entry fields for state reporting; (d) new fee calculations; (e) new disposition templates; (f) new sentence templates; or (g) new citation templates. Legislative Changes do not include the expansion of Purchaser's constitutional or operational responsibilities beyond those that exist as of the Effective Date

1.10. Effective Date has the meaning set forth in Section 8.1.

1.11. Service Level 1 Defect means a Documented Defect that causes (a) complete application failure or application unavailability; (b) application failure or unavailability in one or more of Purchaser's remote location; or (c) systemic loss of multiple essential system functions.

1.12. Service Level 2 Defect means a Documented Defect that causes (a) repeated, consistent failure of Essential Functionality affecting more than one user or (b) loss or corruption of data.

1.13. Service Level 3 Defect means a Service Level 1 Defect with an existing Circumvention Procedure, or a Service Level 2 Defect that affects only one user or for which there is an existing Circumvention Procedure.

1.14. Service Level 4 Defect means a Documented Defect that causes failure of Non-Essential Licensed Software functionality or a cosmetic or other Documented Defect that does not qualify as any other Service Level Defect.

1.15. Third Person Software means all third party software required for the operation and use by Purchaser of the Licensed Software consistent with the license granted to Purchaser.

1.16. Version Release means new versions of the Licensed Software that contain technical improvements, functional enhancements, updates, extensions, and/or maintenance changes to the Licensed Software.

1.17. Tyler Holidays means one (1) day for a New Year's holiday, Good Friday, Memorial Day, a one (1) day holiday for Independence Day, Labor Day, Thanksgiving Day and the day after, and two (2) days during Christmas time. The exact date for any rolling holiday will be published on the Tyler website in advance of the date.

1.18. Enterprise Custom Reporting means ability to create custom reports using Microsoft SQL Reporting Services and publish the reports to Odyssey. These published reports can be added to a menu so that users may run them or schedule them like any other Odyssey report

1.19. Learning Management System means the ability to connect to a remote system and receive electronic recorded trainings regarding Odyssey software application.

2. END USER RESPONSIBILITIES

2.1. Documenting Defects. Purchaser must document all Defects in writing with sufficient information to recreate the Defect or otherwise clearly and convincingly document or evidence its occurrence, including, but not limited to, the operating environment, data set, user, or any other such information that Tyler may reasonably request. Purchaser shall deliver such information to Tyler concurrently with its notification to Tyler of a Defect. Purchaser shall use all reasonable efforts to eliminate any non-application related issues prior to its notification to Tyler of such Defect, including, but not limited to, issues related to the network, user training, Purchaser-produced extensions, and data problems not caused by the Licensed Software. Any technical or other issue for which Purchaser requests services, but which is not a Documented Defect, shall be treated as a request for other services and governed by Section 4.

2.2. Other Purchaser Responsibilities. Purchaser shall:

- (a) maintain all required Third Person Software to the release level compatible with the installed version(s) of the Licensed Software;
- (b) establish and maintain an internal help desk to be the central point of contact and communication between the end users and Tyler's support staff. In the event that the Purchaser is unable to establish and maintain an internal help desk, Purchaser may select up to twenty (20) "super users" who may contact Tyler's help desk.
- (c) provide training on the Licensed Software to its employees;
- (d) allow Tyler to install patches and other maintenance releases provided by Tyler;
- (e) allow remote access by Tyler to Purchaser's servers and data via Tyler provided VPN connection or other mutually agreeable protocol, provided, however, that Purchaser acknowledges that failure to provide a timely and practical remote access method may negatively impact Tyler's ability to perform its responsibilities under this M&S Agreement;
- (f) implement and perform appropriate data backup and data recovery procedures related to the Licensed Software. In no event shall Tyler be held liable for any loss or other damage associated with the loss or destruction of any data related to the Licensed Software

that is attributable to Purchaser's failure to implement and perform such procedures on a timely and regular basis; and

- (g) provide onsite installation, new integration, training, and other responsibilities with respect to Version Releases as set forth in Section 5.

3. TYLER RESPONSIBILITIES – SUPPORT SERVICES

3.1. General Services for Reporting Production Documented Defects.

(a) Tyler shall provide Purchaser with procedures for contacting support staff during normal business hours (7:00 a.m. to 7:00 p.m., Central Time, Monday through Friday, excluding Tyler Holidays) for reporting Documented Defects. Tyler shall assist Purchaser in the diagnosis of any Documented Defect, including the assigned Service Level and Tyler's tracking number.

(b) For each reported Documented Defect, Tyler shall assign appropriate personnel to diagnose and correct the Documented Defect, and where appropriate, identify Circumvention Procedures. Tyler's initial response shall include an acknowledgement of notice of the Documented Defect, confirmation that Tyler has received sufficient information concerning the Documented Defect, and an action plan for resolving the Documented Defect and avoiding further deleterious consequences of the Documented Defect.

3.2. Service Level 1 Defects. Tyler shall provide an initial response to Service Level 1 Defects within one (1) Business Hour of receipt of the Documented Defect. Tyler shall use commercially reasonable efforts to resolve such Documented Defects or provide a Circumvention Procedure within one (1) Business Day. Tyler's responsibility for loss or corrupted data is limited to assisting Purchaser in restoring its database to a known, accurate state.

3.3. Service Level 2 Defects. Tyler shall provide an initial response to Service Level 2 Defects within four (4) Business Hours of receipt of the Documented Defect. Tyler shall use commercially reasonable efforts to resolve such Documented Defects or provide a Circumvention Procedures within five (5) Business Days. Tyler's responsibility for loss or corrupted data is limited to assisting Purchaser in restoring its database to a known, accurate state.

3.4. Service Level 3 Defects. Tyler shall provide an initial response to Service Level 3 Defects within one (1) Business Day of receipt of the Documented Defect. Tyler shall use commercially reasonable efforts to resolve such Documented Defect without the need for a Circumvention Procedure with the next published maintenance update or service pack, which shall occur at least quarterly. Tyler's responsibility for lost or corrupted data is limited to assisting Purchaser in restoring its database to a known, accurate state.

3.5. Service Level 4 Defects. Tyler shall provide an initial response to Service Level 4 Defects within two (2) Business Days. Tyler shall use commercially reasonable efforts to resolve such Non-Essential Documented Defect within two version release cycles and a cosmetic or other Documented Defect that does not qualify as any other Service Level Defect with a future Version Release.

3.6. Help Desk & Desktop Support. Software Provider shall provide the Purchaser with procedures for contacting support staff during normal business hours (7:00 a.m. to 7:00 p.m., Central Time, Monday through Friday, excluding Tyler Holidays) for reporting Documented Defects or obtaining helpdesk support on general application functionality. Software provider will provide ample help desk support; however, excessive support requirements may indicate a training need and require the purchase of additional training time.

3.7. Technical Server & Systems Support. Tyler shall use commercially reasonable efforts to provide Purchaser with technical support to assist Purchaser with troubleshooting the loss of functionality of Licensed Software for reasons other than a Documented Defect. Tyler technical support shall be limited to:

(a) assisting the Purchaser with isolating the source of Licensed Software failure due to systems-level hardware, Third Party Software, network, client-level hardware or peripherals;

(b) providing recommendations to Purchaser regarding resolution of said non-defect failure(s); and

(c) providing Purchaser with assistance on basic maintenance and administration of the Licensed Software environment, including basic data backup and restore procedures, deployment of Version Releases, and setup of supported peripheral devices for use with the Licensed Software

3.8. 24 X 7 Emergency Support. Tyler shall provide the Purchaser with procedures for contacting support staff after normal business hours for the limited purpose of reporting emergency application unavailability issues (such as a Level 1 Defect) within the Licensed Software. Tyler shall use commercially reasonable efforts to provide the response set forth in Section 3.2.

3.9. Saturday Technical Support. Tyler shall use commercially reasonable efforts to be available for one pre-scheduled Saturday of each month to allow assistance to Purchaser IT staff. This option is available for the application of patches and full release upgrades as well as consulting with the Purchaser IT staff for server maintenance and configuration for the licensed software environment.

3.10. Base Version Level for Correction. Tyler shall correct or otherwise cure Documented Defects to the current Version Release of Licensed Software made available to Purchaser and either the immediately preceding Version Release or all Version Releases released to Purchaser within the prior one (1) year, whichever is greater.

3.11. Legislative Change Support. Tyler will provide reasonable notice to Purchaser if implementing any legislative changes. Tyler will use its commercially reasonable efforts to implement Legislative Changes within the time frames set forth in the applicable legislation regulation, but in any event in the next Version Release. Tyler's sole liability for implementing Legislative Changes in any calendar year shall be limited to the number of hours of analysis, development, post release data migration, and testing services, at Tyler's then current hourly rates, equal to not more than 20% of the total Annual Maintenance Fees for the Licensed Software paid by all clients with Legislative Change Support in Purchaser's state during such calendar year; to the extent additional programming services are required, such services shall be billed to Purchaser at Purchaser's contractual billing rates or at Tyler's then current hourly rates, if not contractual billing rates are in effect. Notwithstanding the foregoing, Purchaser shall be responsible for the cost of any other services required to implement a Legislative Change, including, without limitation, training, configuration, project management, or data conversion from external sources. Upon the mutual determination of the need for a Legislative Change that exceeds the limitations set forth above, Tyler shall provide Purchaser with a written statement identifying the total number of hours that Tyler is liable for Legislative Change Support as calculated above plus a good faith estimate of the additional cost to Purchaser. Such additional costs, if any, shall be prorated as a percentage of Annual Maintenance and Support Fees among all clients in Purchaser's state with Legislative Change Support.

3.12. Escalation Procedure. If Tyler is unable to resolve any Service Level 1 or Service Level 2 Defect as provided in this Section 3, Purchaser may immediately escalate the issue to Purchaser's Project Manager or Designee and Tyler's Director of Client Services. Tyler and Purchaser will use good faith reasonable efforts to meet, discuss, and agree upon a resolution plan for the affected Defect. If Purchaser's Project Manager or Designee and Tyler's Director of Client Services cannot agree upon an acceptable resolution plan within 24 hours of such initial escalation, or such other reasonable time as the parties may agree, Purchaser may further escalate the issue to Purchaser's next Administrative Level and Tyler's Division Chief Operating Officer or Division President who shall have final authority to negotiate an acceptable resolution plan.

3.13. Enterprise Custom Reporting. License and Maintenance of Tyler's Odyssey Enterprise Custom Reporting will be included herein.

3.14. Learning Management System. Ability for end users to connect to remotely hosted system for the purpose of continued training and new hire on ramps. Tyler will do commercially reasonable efforts to keep videos at current release level and within all areas of the application.

4. ADDITIONAL SUPPORT SERVICES

Purchaser may request support services in addition to the standard maintenance offering (a "Service Request"). Such other support services may include, without limitation, services related to: (a) additional training; (b) technical assistance; (c) programming services; (d) installation of add-on components; and/or (e) business analysis. Tyler shall provide to Purchaser a written response to the request which describes in detail the anticipated impact of the request on the existing Licensed Software, the time required to perform such services, an implementation plan, and a schedule of the fees related thereto. Fees for additional support services shall be billed by Tyler directly to Purchaser and shall be invoiced monthly, which shall be due and payable in accordance with Section 7.2.

5. VERSION RELEASES

Tyler shall notify Purchaser of the occurrence of a new Version Release and shall provide Purchaser with such Version Releases for the Licensed Software. The delivery of each Version Release shall include a complete, installable copy of the Licensed Software, together with release notes and other appropriate documentation. Tyler will provide installation software and instruction for use by Purchaser in installing new Version Releases provided, however, that if Tyler does not provide installation software and instructions, then Tyler shall provide installation assistance to Purchaser at no additional cost. Purchaser shall, at its own expense, be responsible for any configuration assistance, new integration, and training with respect to each Version Release.

6. THIRD PERSON SOFTWARE

6.1. Notice of New Third Person Software. Tyler shall provide Purchaser with advance notice of any mandated new Third Person Software revision that shall be required to load a Version Release. Tyler shall use commercially reasonable efforts to minimize the need for Purchaser to rely upon updates of Third Person Software.

6.2. Tyler Certification. At Tyler's expense, Tyler shall certify the compatibility of Third Person Software components used by the Licensed Software and maintain a list of supported Third Person Software release levels. Version Releases shall be certified to supported versions of all required Third Person Software. Tyler shall certify new releases of Third Person Software within a reasonable timeframe.

6.3. Costs. Purchaser is responsible for all costs associated with installing and maintaining Third Person Software versions that are identified on Tyler's list of certified Third Person Software.

6.4. Maintenance. Purchaser is responsible for maintaining software maintenance/update agreements with Third Person Software vendors at Purchaser's expense. At the request of Purchaser, Tyler shall participate with Purchaser in discussions with Third Person Software providers on all software maintenance issues.

7. FEES

7.1. Annual Maintenance Fees. Tyler shall waive maintenance and support fees for twelve months from the Effective Date. Thereafter, on the first anniversary of the Effective Date, Purchaser shall pay Tyler the annual maintenance and support fees as set forth in Schedule 1 (the "Maintenance and Support Fees"). Thereafter, maintenance and support fees are due annually in advance on each anniversary of the Effective Date. Upon the second and third anniversaries of the Effective Date, the Annual Maintenance and Support Fees shall be increased by no less than 0% and no more than 5% annually.

7.2. Each invoice shall include, at a minimum, the total invoiced amount and a reference to the specific items being invoiced under this M&S Agreement. Following receipt of a properly submitted invoice, Purchaser shall pay amounts owed within thirty (30) days. All payments shall be made in U.S. currency. Any undisputed sum not paid when due shall bear interest at a rate of prime rate (as set forth in the Wall Street Journal) plus five percent (5%) per annum or the highest rate allowed by governing law, whichever is less.

7.3. Maintenance on Purchaser-Specific Customer Enhancements. The annual Maintenance and Support Fee may be further increased by agreement of the Parties with respect to (a) maintenance and support of Purchaser-Specific Customer Enhancements requested by Purchaser and (b) material functional enhancements contained in new Version Releases that are not merely technical improvements, updates, extensions and/or maintenance changes to the Licensed Software. Purchaser will have the option to accept or decline any such material functional enhancement that would result in an increase in the Maintenance and Support Fee without affecting Purchaser's entitlement to receive the remainder of any Version Release in which such enhancement is offered.

7.4. Suspension of Services for Non-payment. Tyler may suspend its performance of services hereunder during any period for which Purchaser does not pay any undisputed Maintenance and Support Fees for a period of time exceeding sixty (60) days. Tyler shall promptly reinstate maintenance and support services upon receipt of payment of all undisputed Maintenance and Support Fees, including all such fees for the period(s) during which services were suspended.

8. TERM AND TERMINATION

8.1. Term. This M&S Agreement shall commence in accordance with Schedule 1 of this M&S Agreement (the "Effective Date") and shall continue in effect for a period of one (1) year; provided, however, that at the end of such initial term, and on each subsequent anniversary of the Effective Date, the term shall automatically extend for an additional year unless a Party provides, at least ninety (90) days prior to the end of the then current term, written notice that it does not wish to extend the term or otherwise terminates the agreement as provided in this Section 8.2.

8.2. Termination by Purchaser at the End of a Term. Purchaser may terminate this M&S Agreement effective as of the end of the initial term or any subsequent term by giving not less than ninety (90) days' notice of its intent to terminate. Purchaser may, at its option, reinstate maintenance by providing notice to Tyler and making payment of fifty percent (50%) of each year's Maintenance and Support Fees that would have been owed by Purchaser during the lapsed period plus the Maintenance and Support Fees for the then upcoming maintenance year.

8.3. Termination by Purchaser for Cause. Purchaser may terminate this M&S Agreement for "cause" in accordance with this Section 8.3. For purposes of this Section, "cause" means a continuous or repeated failure to cure Documented Defects timely as provided in Section 3 or other material breach of this Agreement. In such event, Purchaser shall deliver written notice of its intent to terminate along with a description in reasonable detail of the problems for which Purchaser is invoking its right to terminate. Following such notice, Tyler shall have ninety (90) days to cure such problems. Following such ninety (90) day period, Tyler and Purchaser shall meet to discuss any outstanding issues. In the event that "cause" still exists at the end of such period, then Purchaser may terminate this Agreement. In the event of a termination under this subsection, Tyler shall return all monies paid to Tyler by Purchaser under this M&S Agreement for the remainder of the then current maintenance period.

9. LIMITATION OF LIABILITY

TYLER'S LIABILITY TO END USER FOR DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS M&S AGREEMENT, WHETHER BASED ON A THEORY OF CONTRACT OR TORT, INCLUDING NEGLIGENCE AND STRICT LIABILITY, SHALL BE LIMITED TO FIXING DEFECTS IN ACCORDANCE WITH SECTION 3 OR AS OTHERWISE SET FORTH IN SECTION 8.3.

IN NO EVENT SHALL TYLER BE LIABLE TO END USER FOR INCIDENTAL, CONSEQUENTIAL, OR SPECIAL DAMAGES OF ANY KIND, INCLUDING, WITHOUT LIMITATION, LOST REVENUES OR PROFITS, OR LOSS OF BUSINESS OR LOSS OF DATA ARISING OUT OF THIS AGREEMENT, IRRESPECTIVE OF WHETHER THE PARTIES HAVE ADVANCE NOTICE OF THE POSSIBILITY OF SUCH DAMAGE.

10. DISPUTE RESOLUTION

The parties agree to use good faith, reasonable efforts to meet, discuss, and try to resolve any disputes arising out of, or relating to, this M&S Agreement for a period of sixty (60) days. The parties shall include in any such informal meetings persons with appropriate knowledge and authority,

including, without limitation, Purchaser's Information Technology Manager and Tyler's Support Manager. Any negotiations pursuant to this Section 10 are confidential and shall be treated as compromise and settlement negotiations for purposes of the applicable rules of evidence. For any dispute that the Parties are unable to resolve through informal discussions or negotiations, the Parties shall have the right to pursue any remedies at law.

11. MISCELLANEOUS

11.1. Assignment. Neither party may assign this M&S Agreement or any of its respective rights or obligations herein to any third party without the express written consent of the other party.

11.2. Notices. Except as otherwise expressly specified herein, all notices, requests or other communications shall be in writing and shall be deemed to have been given if delivered personally or mailed, by certified or registered mail, postage prepaid, return receipt requested, to the parties at their respective addresses set forth on the signature page, or at such other addresses as may be specified in writing by either of the parties. All notices, requests, or communications shall be deemed effective upon personal delivery or three (3) days following deposit in the mail.

11.3. Counterparts. This M&S Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

11.4. Waiver. The performance of any obligation required of a party herein may be waived only by a written waiver signed by the other Parties, which waiver shall be effective only with respect to the specific obligation described therein.

11.5. Entire Agreement. This M&S Agreement constitutes the entire understanding and contract between the parties and supersedes any and all prior or contemporaneous oral or written representations or communications with respect to the subject matter hereof.

11.6. Amendment. This M&S Agreement shall not be modified, amended or in any way altered except by an instrument in writing signed by the properly delegated authority of each Party. All amendments or modifications of this M&S Agreement shall be binding upon the parties despite any lack of consideration.

11.7. Governing Law and Venue. Any dispute arising out of or relating to this M&S Agreement or the breach thereof shall be governed by the laws of the state of the domicile of Purchaser, without regard to or application of choice of law rules or principles. Venue by agreement of the parties shall be in a State District or Federal Court of competent jurisdiction in Nueces County, Texas.

11.8. No Third Party Beneficiaries. Nothing in this M&S Agreement is intended to benefit, create any rights in, or otherwise vest any rights upon any third party.

11.9. Contra Proferentem. The doctrine of contra proferentem shall not apply to this M&S Agreement. If an ambiguity exists in this Agreement, or in a specific provision, neither the Agreement nor the provision shall be construed against the party who drafted the M&S Agreement or provision.