

Software License Agreement

This agreement is made and entered into this 6th day of January, 1998, by and between Hidalgo County ("Client") and The Software Group, Inc ("TSG"), a Texas Corporation with its principal place of business at Jupiter North Technology Park, 1120 Jupiter Road, Suite 100, Plano, Texas.

Equipment configuration: IBM RISC 6000 Model F50

Software Product / Item Description	License Fee / Amount
Criminal Case Management	\$ 50,000
Civil Case Management	\$ 45,000
Court Administration	\$ 40,000
Child Support	\$ 16,500
Hot Checks	\$ 24,000
Jury System	\$ 18,500
Prosecutor	\$ 22,500
Justice Of The Peace System	\$ 30,500
Criminal Justice Information System	\$ 30,000
Hardware	
System Software	
Data Communications	
On-line Reporting System	
Paper Reporting Module	
Data Conversion	\$ 45,500
Sheriff System	
Criminal Case Management	
Civil Case Management	
Hot Checks	
Child Support	
Exhibit B Special Terms and Conditions / Included in Contract	
TSG Discount	\$ (31,150)

This agreement shall become a binding contract between the parties when accepted by the signature of an officer of TSG at its home office. Client is advised to read the Terms and Conditions appearing on the reverse side of this agreement before signing below.

Total Amount \$ 291,350
 Deposit (25%) _____
 Due Upon Installation (50%) _____
 Due Upon Acceptance (25%) _____

Client

By: *Renato Cuellar*
 Name(Print): Renato Cuellar
 Title: County Judge
 Date: January, 1998

The Software Group, Inc.

By: *[Signature]*
 Name(Print): Chad Smith
 Title: President
 Date: 1/21/98

Software License Agreement

1. Software Product License.

(a) Upon Client's acceptance of each Software Product described on the face of this agreement, for the License Fee set forth on the face opposite said description, TSG shall grant to Client and Client shall accept from TSG a fully-paid, royalty-free, non-exclusive, non-transferable license to use and practice (but not permit others to use and practice) the Software Product, subject to the following conditions and limitations:

(1) The Software Product may only be used and practiced in operation with the Equipment identified on the face of this Agreement or such other Equipment as shall be approved in writing by TSG; and

(2) The Software Product may only be used and practiced with the equipment configuration described on the face of this Agreement or such other configuration as shall be approved in writing by TSG. Furthermore, Client acknowledges that a change of such configuration may increase TSG's costs of performance, and, therefore, TSG's approval be conditioned upon payment of an additional License Fee; and

(3) The Software Product shall only be used and practiced for its intended purpose strictly within the territorial boundaries of the county or counties in which Client performs its services.

(b) In the event Client enters into a separate agreement with TSG for the purchase of post-acceptance Software Support Services, any Software Product changes, improvements or enhancements delivered thereunder shall be subject to the same license as set forth in Paragraph 1 and subject to the same restrictions thereon.

(c) The Software Product and all changes, improvements and enhancements thereto, shall at all times be and remain the property of TSG, and Client's sole rights therein shall be to use and practice the same, as permitted by Subparagraphs 1 (a) and 1 (b) above. Client agrees that all algorithms, techniques and processes contained in the Software Product and any changes, improvements and enhancements thereto, constitute trade secrets of TSG, and Client further agrees to use reasonable care to safeguard the same against disclosure to unauthorized employees of Client and all persons not employed by Client. Client shall not, under any circumstance, modify, copy, reproduce, or in any way duplicate any written or machine-readable material provided it by TSG, without the express written approval signed by an officer of TSG. Notwithstanding the foregoing, client may make archival copies of those portions of the Software Product and all changes, improvements and enhancements thereto which are supplied by TSG on machine readable media, but such copies shall not be disclosed to unauthorized employees of Client or persons not employed by Client.

(d) The term of the license granted by this paragraph shall be perpetual, but the term of any post-acceptance Software Support Service Agreement shall be as set forth therein.

2. Responsibilities of TSG. For the license Fee set forth on the face hereof, TSG shall perform the following in addition to any responsibilities set forth on the face hereof:

(a) Install TSG's proprietary Software Product on Client's equipment, which Software Product will be in substantial compliance with its specifications set forth in Exhibit A attached hereto and made a part hereof by reference.

(b) After the aforementioned installation, test the Software Product in accordance with TSG's standard acceptance test procedure, and cause the Software Product to be accepted by Client.

(c) After Client's acceptance of the Software Product correct any functions of the Software Product which failed said standard acceptance test procedure but which did not prevent acceptance of the Software Product.

(d) For a period of sixty (60) days after Client's acceptance of the Software Product correct any other defects in said Software Product.

(e) After acceptance of the Software Product, TSG will deliver to Client, a back-up copy of the Software Product on the standard off-line data storage media used by TSG.

3. Responsibilities of Client. In addition to the other responsibilities set forth herein, Client will perform the following:

(a) Designate an employee of Client as its System Administrator.

(b) Provide all training of its personnel, except and to the extent this agreement specifically requires TSG to provide training.

(c) Collect, prepare, and enter all data necessary for operation of the Software Product into the equipment loaded with the Software Product.

(d) Retain separate copies of records of all data entered into the computer equipment.

(e) Provide the computer systems into which the Software Product will be loaded.

(f) Install any Software Product changes or updates into the Software Product which are supplied by TSG in accordance with this agreement.

(g) Maintain, as part of Client's Computer system, a 9600 baud dial up modem and phone circuit for the exclusive use by TSG personnel for the purpose of fulfilling TSG's responsibilities under Paragraph 8 below and any separate agreement for post-acceptance Software Support Services.

4. License Fee. Client agrees to pay to TSG, and TSG agrees to accept from Client, as payment in full for the license granted herein and all other responsibilities of TSG set forth in Paragraph 2 hereof, the total sum of money set forth for each Software Product listed on the face hereof, payable in the following manner:

(a) Twenty-five percent (25%) of the Total Agreement Amount set forth on the hereof upon execution of the License Agreement by both parties;

(b) Fifty percent (50%) of the License Fee upon installation of the software Product on Client's Equipment; and

(c) The remaining balance of the License Fee fifteen days (15) after Client's acceptance of the Software Product.

The Total Agreement Amount does not include any tax or other governmental impositions including, without limitation, sales and use tax. All such cost, if any, shall be invoiced separately to client, and client shall pay the same.

5. Acceptance of the Software Product.

(a) Within thirty (30) days after a Software Product has been installed on Client's equipment, TSG will test the Software Product in accordance with TSG's standard acceptance test procedure, by demonstrating to Client thereby that the Software Product performs all of its functions identified in Exhibit A, which demonstration shall constitute Client's acceptance of the Software Product. Upon acceptance, Client shall pay the remaining balance of the License Fee for the accepted Software Product.

(b) Notwithstanding anything to the contrary herein, Client's use of the Software Product for its intended purpose, shall constitute Client's acceptance of the Software Product, without exception and for all purposes.

(c) Acceptance of the Software Product by Client shall be final and conclusive except for latent defects, fraud, such gross mistakes as amount to fraud and the operation of any provision of this agreement which specifically survives acceptance. In the event said acceptance becomes other than final, or becomes inconclusive, pursuant to this Subparagraph, Client's sole right and remedy against TSG therefore shall be to require TSG to correct the cause thereof.

6. Schedule for Acceptance. TSG will install the Software Product and cause the same to be accepted within 60 days after Client makes available to TSG the equipment into which the Software Product is to be loaded. TSG shall exercise reasonable effort to cause the Software Product to be accepted according to the schedule set forth in this Paragraph, but shall not be liable for failure to meet said schedule, if and to the extent said failure is due to causes beyond the control and without the fault of negligence of TSG.

7. Standard Format. Any form or format on which data is to be reproduced or displayed, shall be the standard form utilized by TSG for such purpose and Client will not have the right (except under the Paragraph hereof entitled Post-Acceptance Software Support Services) to change or modify such forms or formats.

8. Post-Acceptance Software Support Services. To the extent that TSG offers post-acceptance Software Support Services to all its clients, TSG will offer to sell and supply such services to Client. Following are the post-acceptance Software Support Services presently offered to TSG's clients:

(a) Conversion and clean-up of a client's existing data;

(b) Training;

(c) Software update and enhancements; and

(d) Technical Support.

9. Limitation on Liability.

(a) THE RIGHTS AND REMEDIES OF ANY CLIENT SET FORTH HEREIN ARE EXCLUSIVE AND IN LIEU OF ANY AND ALL OTHER RIGHTS, REMEDIES OR WARRANTIES AVAILABLE AT LAW INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR OR INTENDED PURPOSE.

(b) TSG's liability for damages arising out of or in connection with this Agreement whether based on a theory of contract or tort, including negligence or strict liability, shall be limited to the license fee set forth herein or the total amount paid by Client hereunder, whichever is less. Notwithstanding anything to the contrary, in no event shall TSG be liable to Client for (i) indirect, remote, incidental, special, exemplary, punitive, or consequential damages, or (ii) for any damages whatsoever due to causes beyond the reasonable control of TSG, or (iii) damages resulting from the loss of use, loss or damage to Client source data, loss of revenues, or from loss or destruction of materials provided to TSG by Client.

10. Client Information. All data provided to TSG by Client relating to Software Product shall be considered Proprietary Information of Client even though not stamped with a Proprietary Information stamp or similar legend or marking. TSG agrees to use reasonable care to safeguard said Proprietary Information against disclosure to unauthorized employees of TSG and all persons not employed by TSG.

11. Data Security; Indemnification.

(a) The parties recognize that the purpose of a computer system consisting of equipment and software is the processing of data as each Client deems necessary for its operations. The term "processing" for the purpose of this Paragraph shall mean the gathering of such data for input into the system, the input of the data into the system, the retrieval of the data in the system, and the dissemination of such data, regardless of the media upon which the data is contained, whether it be on paper, disks, tapes, or other media.

(b) The parties further recognize that (i) the data so processed may contain sensitive or confidential material, the unauthorized disclosure of which might cause damage to the Client or third parties, (ii) the dissemination and disclosure may take place at any stage of the processing, and (iii) the control of the processing, dissemination, and disclosure of such data is totally within the control of the client.

(c) It shall be the responsibility of the Client to establish and maintain all necessary security measures to safeguard and control the disclosure of such data and to prevent its disclosure to unauthorized parties. The Client shall indemnify and hold harmless TSG, its officers, agents and employees, from and against any and all claims, demands, damages, and causes of action arising out of, resulting from or in any way related to the disclosure of data, whether authorized or unauthorized.

12. Governing Law. This Agreement shall be interpreted in accordance with the laws of the State of Texas. In the event any of this Agreement is invalidated by a court or legislative action, the remainder thereof shall remain in full force and effect.

13. Entirety of Agreement and Amendments.

(a) This License Agreement contains all of the representations, warranties, and promises of the parties relating to the subject matter hereof, whether oral or written, and supersedes all representations, warranties, and promises of the parties relating to the subject matter hereof, whether oral or written, and supersedes all representations, warranties and promises of the parties relating to the subject matter hereof which predate this License Agreement.

(b) This License Agreement may only be amended, modified, or changed by written instrument signed by both parties hereto.

14. Approval of Governing Body. Client represents and warrants to TSG that this Agreement has been approved by its governing body and is a binding obligation upon Client.