

Software License and Professional Services Agreement and Amendment to Existing Software Maintenance Agreement

This Software License and Professional Services Agreement and Amendment to Existing Software Maintenance Agreement (this "Agreement") is made and entered into by and between Tyler Technologies, Inc., a Delaware corporation ("Tyler"), and Williamson County (the "Client").

WHEREAS, Client 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; and

WHEREAS, Client and Tyler desire to amend the terms of Client's current software maintenance and support agreement (the "Existing M&S Agreement") for the purpose of providing additional maintenance and support services.

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 Client agree as follows:

- A. Tyler shall furnish the products and services described in this Agreement, and Client shall pay the prices set forth in and subject to the terms and conditions of this Agreement; and
- B. Tyler and Client agree to amend Client's Existing M&S Agreement by (i) adding the Software Products set forth in the table below; and (ii) increasing the Client's current annual maintenance and support fee by the amount ("Annual M&S Increase) and on the date ("Maint. Effective Date") as set forth in the table below, all on the terms and subject to the conditions of Client's Existing M&S Agreement; and
- C. This Agreement consists of this cover and signature page and the attached Terms and Conditions page.

SOFTWARE PRODUCTS	LICENSE FEE	ANNUAL M&S INCREASE
Optional Module - Integration Toolkit (Jail Manager Libraries)	\$50,000	\$10,500
<small>LICENSE FEE PAYMENT TERMS</small> Net 30 in full upon contract execution.		<small>ANNUAL M&S INCREASE</small> \$10,500
<small>TOTAL LICENSE FEE</small> \$50,000		<small>MAINT. EFFECTIVE DATE</small> 3/31/2011

PROFESSIONAL SERVICES	HOURS	RATE/HR.	T&M AMOUNT
<small>TOTAL T&M SERVICES</small>			<small>TOTAL LIC & SERVICES</small> \$50,000

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.

CLIENT

Lisa L. Birkman
Authorized Signature

Lisa L. Birkman
Name (Print)

Presiding Commissioner
Title

12-7-10
Date

TYLER TECHNOLOGIES, INC.

James Briggs
Authorized Signature

James Briggs
Name (Print)

Director of Sales
Title

11-26-2010
Date

Terms and Conditions

1. SOFTWARE PRODUCT LICENSE

1.1. **License Grant.** In consideration for the License Fee, Tyler hereby grants to Client a non-exclusive, royalty-free, revocable license to use the Software Products for Client's internal administration, operation, and/or conduct of Client's business operations by an unlimited number of users employed by Client on an unlimited number of computers and/or computer stations utilized by Client. Upon Client's payment of the License Fee in full, the foregoing licenses shall become irrevocable, subject to the restrictions on use set forth herein.

1.2. **Restrictions.** Unless otherwise expressly set forth in this Agreement, Client shall not (a) reverse engineer, de-compile, or disassemble any portion of the Software Products or (b) sublicense, transfer, rent, or lease the Software Products or its usage. To the extent Client employs contractors, subcontractors, or other third parties to assist in the Project, Client shall obtain from such third parties an executed Tyler confidentiality agreement prior to such parties being permitted access to Tyler Confidential and Proprietary Information.

1.3. **Copies.** Client may make and maintain such copies of the Software Products as are reasonably appropriate for its use and for archival and backup purposes; provided, however, that Client shall retain all proprietary notices, logos, copyright notices, and similar markings on such copies.

1.4. **Embedded Third Party Software.** The license grant set forth herein includes the right to use any embedded third party software, which shall be accessed and used only in accordance with the terms, conditions, and licenses imposed by the manufacturers and licensors of such embedded third party software. Tyler hereby passes through to Client all warranties granted by the owners and licensors of embedded third party software, if any.

1.5. **Title.** Tyler represents and warrants that it is the owner of all right, title, and interest in and to the Software Products and all components and copies thereof. Nothing in this Agreement shall be deemed to vest in Client 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.

2. RESPONSIBILITIES OF TYLER

For the License Fee(s) set forth in the first page hereof, Tyler shall deliver, install and/or enable Tyler proprietary Software Product on Client's equipment and perform such other obligations, including the correction of defects, as set forth in Section 6.

3. RESPONSIBILITIES OF CLIENT

In addition to the other responsibilities set forth herein, Client shall 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 Tyler 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 Tyler in accordance with this Agreement; and (g) allow remote access by Tyler for purposes of software support via a secure Microsoft-based connection (VPN). To the extent data conversion is required, Client shall (i) deliver to Tyler legacy data in an electronic SQL, ASCII delimited, or other format requested by Tyler and (ii) provide Tyler with a basic explanation of the delivered legacy data, including data elements and relationship explanations.

4. PROFESSIONAL SERVICES

4.1. Set forth on the first page of this Agreement is Tyler's good faith estimate of the hours and fees associated with the services to be performed by Tyler for Client, including travel time by Tyler's personnel from Tyler's place of business to and from Client's place of business, and for which Client shall pay on a T&M basis. Additional services requested by Client which are beyond those hours detailed in this Agreement will be billed at Tyler's then current services rates.

4.2. In the event Client purchases professional services from Tyler for the purpose of making Software Product changes, improvements, or enhancements, any such Software Product changes, improvements or enhancements delivered there under shall be subject to the same license as set forth in Section 1 and subject to the same restrictions thereon.

5. FEES AND INVOICING

5.1. **License Fee.** Tyler shall invoice to the Client the License Fee in accordance with the payment terms set forth on the first page of this Agreement, and Client shall pay such License Fee in accordance with Section 5.4.

5.2. **Professional Services Charges.** T&M charges for all professional services to be performed hereunder shall be invoiced and paid by Client in accordance with Section 5.4.

5.3. **Expenses.** Client 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 5.4.

5.4. **Invoice and Payment.** Tyler shall invoice Client 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, Client 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 the 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.

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

6. ACCEPTANCE OF THE SOFTWARE PRODUCT

6.1. Acceptance of the Software Product by Client shall be final and conclusive except for latent defects, fraud, and 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 Section 6, Client's sole right and remedy against Tyler therefore shall be to require Tyler to correct the cause thereof.

6.2. Notwithstanding anything to the contrary herein, Client's use of the Software Product for its intended purpose ("Operational Use") shall constitute Client's acceptance of the Software Product, without exception and for all purposes. Upon Operational Use, the Software Products shall then become subject to the terms and conditions of the Existing M&S Agreement.

7. TYLER CONFIDENTIAL AND PROPRIETARY INFORMATION

7.1. **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 Client'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, operations, manuals, operating data, projections, customer lists and data, sales data, cost data, profit data, financial statements, strategic 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 Client in breach hereof; (b) becomes available to Client 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 Client prior to its receipt from Tyler without any obligation of confidentiality with respect thereto; or (d) is developed by Client independently of any disclosures made by Tyler.

7.2. **Protection of Tyler Confidential and Proprietary Information.** Client shall not disclose, disseminate, transmit, publish, distribute, make available, or otherwise convey Tyler Confidential and Proprietary Information, and Client 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. Client 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.

7.3. **Judicial Proceedings.** If Client 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, Client shall 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, Client 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, Client 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 Client uses reasonable efforts to preserve the confidentiality of Tyler Confidential and Proprietary Information, including, without limitation, 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.

8. LIMITATION OF LIABILITY

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.

TYLER'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 (A) PRIOR TO OPERATIONAL USE, THE LICENSE FEE SET FORTH HEREIN OR THE TOTAL AMOUNT PAID BY CLIENT HEREUNDER, WHICHEVER IS LESS, OR (B) AFTER OPERATIONAL USE, TYLER'S OBLIGATIONS AS SET FORTH IN CLIENTS EXISTING M&S AGREEMENT. NOTWITHSTANDING ANYTHING TO THE CONTRARY, IN NO EVENT SHALL TYLER BE LIABLE TO CLIENT FOR (A) INDIRECT, REMOTE, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE, OR CONSEQUENTIAL DAMAGES, OR (B) FOR ANY DAMAGES WHATSOEVER DUE TO CAUSES BEYOND THE REASONABLE CONTROL OF TYLER, OR (C) 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 TYLER BY CLIENT.

9. CLIENT INFORMATION

All data provided to Tyler 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. Tyler agrees to use reasonable care to safeguard said Proprietary Information against disclosure to unauthorized employees of Tyler and all persons not employed by Tyler.

10. DATA SECURITY

10.1. 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 Section 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, disk, tapes, or other media.

10.2. 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.

10.3. 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.

11. GOVERNING LAW

This Agreement shall be interpreted in accordance with the laws of the state of the domicile of Client. 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.

12. ENTIRETY OF AGREEMENT; AMENDMENTS

12.1. 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.

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

13. APPROVAL OF GOVERNING BODY

Client represents and warrants to Tyler that this Agreement has been approved by its governing body and is a binding obligation upon Client.