

# Software as a Service and Professional Services Agreement

This Software as a Service ("SaaS") and Professional Services Agreement (this "Agreement") is made and entered into by and between Tyler Technologies, Inc., a Delaware corporation ("Tyler"), and Panola County, TX (the "Client")

#### **Background**

Client desires to engage Tyler to provide certain products and professional services, all on the terms and conditions set forth in this Agreement

Client is empowered under §791 025 of the Texas Government Code to enter into this Agreement through the National Joint Powers Alliance ("NJPA"), a political subdivision of the State of Minnesota

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 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 General Terms & Conditions
- Exhibit B Service Level Terms and Conditions
- Schedule B-1 Application Availability Period Service Level

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")

Signature ACAS DEAK CAS

Title PRESIDENT, CAS

CLIENT - NJPA 93202

Signature All County Judge

Title County Judge

Approved as to form and legality

Date

Name

) , , ,

riminal District Attorn

Title

# (Schedule 1) Investment Summary

Hosting Term			Contract Term			
Commencing on February 1, 2016 - January 31, 2021 SaaS Fee Payments Commencing on February 1, 2016		Commencing on Effective Date SaaS Fee Quarterly Amount \$47,871 per Quarter				
						Software Licenses
Odyssey Online - Licensed Software		No. Users	Cost/User per Month		aaS Fee (Annual)	
Odyssey Jail Manager		28	197 00	\$	66,192	
Odyssey Prosecutor		5	197 00	\$	11,820	
Odyssey Case Management - Enterprise		16	197 00	\$	37,824	
Odyssey Financial Manager (Full GL Lite)			197 00	\$	-	
Odyssey Check Manager		2	197 00	\$	4,728	
Odyssey Law Enforcement RMS		28	197 00	\$	66,192	
Tyler Jury		2	197 00	\$	4,728	
	Total Users	81	_			
		Total Ann	Total Annual SaaS Fee		\$191,484	

Pricing in this Schedule 1 is set under the terms of Tyler's current contract with NJPA.

## (Exhibit A) General Terms and Conditions

#### 1 CERTAIN DEFINITIONS

- 1 1 Agreement means this Software as a Service 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 <u>Business Day</u> means any day, Monday through Friday, excluding any Tyler holiday
- 13 <u>Business Hour</u> means 7 00 a m to 7 00 p m , Central Time during Business Days
- 1.4 <u>Claims</u> 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 5 <u>Current Production Software Version</u> means the current production version of Tyler's software listed on the Investment Summary
- 1 6 <u>Defect</u> 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
- 17 <u>Documentation</u> 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
- 1.8 <u>Embedded Third Party Software</u> 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 9 <u>Indemnified Parties</u> mean Client and each of its personnel, agents, successors, and permitted assigns
- 1 10 <u>Investment Summary</u> means the summary of fees and services set forth on Schedule 1
- 1 11 SaaS Fee means the "Total Annual SaaS Fee" as set forth on the Investment Summary, which is due and payable as set forth in Section 3.1
- 1 12 <u>Licensed Property</u> means the Licensed Software and the Documentation
- 1 13 <u>Licensed Software</u> means (a) the Current Production Software Version, (b) Embedded Third Party Software, and (c) any Local Enhancements
- 1 14 <u>Local Enhancements</u> means any refinement, enhancement, or other customization to the Current Production Software Version to be developed by Tyler per the Investment Summary
  - 1 15 Party means, individually, Tyler and Client
- 1 16 <u>Project</u> 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 17 <u>Project Manager</u> means the person designated by each Party who is responsible for the management of the Project
- 1 18 <u>Service Level Terms and Conditions</u> means the terms and conditions for Tyler's maintenance and support of the Licensed Software, which are set forth in Exhibit B
  - 1 19 T&M means time and materials

- 1 20 Third Person Hardware means the workstations and other hardware to be leased, purchased, or otherwise acquired by Client from a third party that is minimally required to operate the Licensed Software and such other hardware that Client has actually leased, purchased or otherwise acquired and/or may be minimally required in the future to operate the Licensed Software
- 1 21 Third Person Software means the operating systems and other software to be licensed, purchased, or otherwise acquired by Client from a third party that is minimally required to operate the Licensed Software and such operating systems and other software that Client has actually licensed, purchased, or otherwise acquired and/or may be minimally required in the future to operate the Licensed Software
- 1 22 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, 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 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
- 1 23 <u>Users</u> means individuals who are employed and authorized by Client to use the Licensed Property, and who have been supplied with user identifications and passwords by Client (or by Tyler at Client's request)

#### 2. TITLE AND LICENSE

2.1 <u>License Grant</u> In consideration for the SaaS Fee, which shall be due and payable as set forth in Section 3, Tyler hereby grants to Client a limited, non-exclusive, revocable and non-transferable license (and sublicense with respect to the Embedded Third Party Software) to use the Licensed Property for Client's internal administration, operation, and/or conduct of Client's business operations by the number of Users as set forth on the Investment Summary

TYLER HAS THE RIGHT TO REVOKE THIS LICENSE IF CLIENT TERMINATES, CANCELS OR FAILS TO RENEW THIS AGREEMENT TYLER HAS THE RIGHT TO UNILATERALLY REVOKE THIS LICENSE AND DENY CLIENT ACCESS TO THE LICENSED PROPERTY IF CLIENT FAILS TO REMIT ANY REQUIRED FEES WITHIN THIRTY DAYS OF THE DATE SUCH FEES BECOME DUE AS SET FORTH HEREIN AND SUCH AMOUNTS REMAIN OUTSTANDING FOR A PERIOD OF THIRTY DAYS FOLLOWING TYLER'S WRITTEN NOTICE OF ITS INTENT TO REVOKE THE LICENSE

2.2 <u>User Licenses</u> Unless otherwise specified on the Investment Summary (a) the Licensed Property is purchased as User subscriptions and may be accessed by no more than the specified number of Users, (b) additional User subscriptions may be added during the Term at the same pricing as that for the pre-existing subscriptions, prorated for the remainder of the Term in effect at the time the additional User subscriptions are added, and (c) the added User subscriptions shall terminate on the same date as the pre-existing subscriptions. User subscriptions are for designated Users and cannot be shared or used by more than one User, provided, however, that User subscriptions may be reassigned to new Users replacing former Users who no longer require ongoing use of the Licensed Property

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- 23 Restrictions Unless otherwise expressly set forth in this Agreement, Client 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 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
- 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 SaaS Fee Tyler shall pass through to Client any and all warranties granted to Tyler by the owners, licensors, and/or distributors of such Embedded Third Party Software

#### 25 Title

- (a) Tyler represents and warrants that it is the owner of all nght, 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 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
  - (b) All training materials shall be the sole property of Tyler
- (c) All Client data shall remain the property of Client Tyler shall not use Client data other than in connection with providing the services pursuant to this Agreement

### 3 FEES AND INVOICING

- 3.1 <u>SaaS Fee</u> Tyler shall invoice Client for the SaaS Fee as set forth on the Investment Summary, and Client shall make payment in accordance with Section 3.4
- 3.2 <u>Professional Services Charges</u> T&M charges for all professional services to be performed hereunder shall be invoiced and paid by Client in accordance with Section 3.4
- 3.3 <u>Expenses</u> 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 3.4
- 3 4 <u>Invoice and Payment</u> Tyler shall invoice Client for professional 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 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 <u>Electronic Payment</u> Tyler prefers to receive payments electronically Tyler's electronic payment information is as follows

Bank Wells Fargo Bank, N A

420 Montgomery San Francisco, CA 94104

ABA 121000248 Account 4124302472

Beneficiary Tyler Technologies Inc - Operating

## 4 PROJECT IMPLEMENTATION

4.1 <u>Professional Services</u> 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 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 Schedule 1 will be billed at Tyler's then current services rates

- 4 2 Office Space Client shall, at its sole expense, provide reasonable access to office space, telephone access, 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
- 4.3 <u>Third Person Hardware and Third Person Software</u> Client 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 <u>Cooperation</u> Client acknowledges that the implementation of the Project is a cooperative process requiring the time and resources of Client personnel Client 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 Section17.14) or to the failure by Client personnel to provide such cooperation and assistance (either through action or omission)

#### 5 INSTALLATION OF THE LICENSED SOFTWARE

Tyler shall use commercially reasonable efforts to promptly install the Licensed Software on Tyler's Servers in accordance with a mutually agreed upon timetable. Upon installation, Tyler shall conduct its standard diagnostic evaluation to determine that the Licensed Software is properly installed, and upon completion, shall deliver written instructions for accessing the Licensed Software to Client.

## 6. VERIFICATION OF THE LICENSED SOFTWARE

- 6.1 <u>Verification Procedure</u> Upon installation of the Licensed Software, Tyler shall perform its standard test procedures and shall certify to Client that the Licensed Software is in substantial conformance with Tyler's then current published specifications and is ready for Client's use in the event Tyler cannot so certify, Tyler's sole obligation shall be to correct the cause thereof, which shall be Client's sole right and remedy against Tyler
- 6 2 <u>Certification Final</u> Tyler's certification 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
- 6.3 <u>Use</u> Notwithstanding anything to the contrary herein, Client's use of the Licensed Software for its intended purpose shall constitute Tyler's verification of the software products, without exception and for all purposes

## 7 TRAINING

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

## 8. MAINTENANCE AND SUPPORT SERVICES

8 1 <u>Service Level Terms and Conditions</u> Upon Tyler's certification of the Licensed Software or Client's use, whichever occurs first, Tyler shall provide Client with the maintenance and support services for the Licensed Software as set forth in Exhibit B

8 2 <u>Responsibilities of Client</u> In addition to the other responsibilities set forth herein, Client 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 end user workstations that conform to Tyler's minimum requirements, and (e) provide the requisite networks

## 9. TYLER CONFIDENTIAL AND PROPRIETARY INFORMATION

- 9 1 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.
- 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

## 10. REPRESENTATIONS AND WARRANTIES

- 10 1 <u>Project Personnel</u> 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
- 10.2 <u>Pass-Through of Warranties</u> Tyler hereby passes through the benefits of all third party warranties that it receives in connection with any product provided to Client
- 10.3 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
- 10.4 <u>Compliance with Laws</u> 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.
- 10.5 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
- 10 6 <u>Certain Business Practices</u> 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, Client, 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

EXCEPT AS SPECIFICALLY SET FORTH IN THIS SECTION 10 OR ELSEWHERE IN THIS AGREEMENT, TYLER DISCLAIMS ALL OTHER WARRANTIES, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE

### 11 LIMITATION OF LIABILITY

TYLER'S LIABILITY TO CLIENT 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 TYLER'S CERTIFICATION OF THE LICENSED SOFTWARE AND CLIENT'S USE THEREOF, THE SAAS FEES PAID BY CLIENT, IF ANY, AND (B) AFTER TYLER'S CERTIFICATION OF THE LICENSED SOFTWARE AND CLIENT'S USE THEREOF, FIXING DEFECTS IN ACCORDANCE WITH EXHIBIT B THE FOREGOING LIMITATIONS DO NOT APPLY TO THE FOLLOWING CIRCUMSTANCES (1) FRAUD, OR (2) FOR BREACH OF SECTION 12 1 (CLAIMS FOR BODILY INJURY OR PROPERTY DAMAGE) OR SECTION 12 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, LOSS OF BUSINESS, OR LOSS, CORRUPTION, OR MISAPPROPRIATION OF DATA ARISING OUT OF THIS AGREEMENT, IRRESPECTIVE OF WHETHER THE PARTIES HAVE ADVANCE NOTICE OF THE POSSIBILITY OF SUCH DAMAGE

#### 12 INDEMNIFICATION

12 1 <u>General – Bodily Injury and Property Damage</u> 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 Client 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 Client 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 Client, its agents, contractors, subcontractors, or employees

## 12.2 Intellectual Property

- (a) Notwithstanding any other provision of this Agreement, if any claim is asserted, or action or proceeding brought against Client that alleges that all or any part of the Licensed Software, in the form supplied, or modified by Tyler, or Client'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, Client, upon its awareness, shall give Tyler prompt written notice thereof Tyler shall defend, and hold Client harmless against, any such claim or action with counsel of Tyler's choice and at Tyler's expense and shall indemnify Client against any liability, damages, and costs resulting from such claim Without waiving any rights pursuant to sovereign immunity, Client 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 Client, or any third party pursuant to Client's directions, or upon the unauthorized use of the Licensed Software by Client
- (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 Client to use the Licensed Software as intended

#### 13 TAXES

- 13.1 <u>Tax Exempt Status</u> Client represents and warrants that it 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.
- 13.2 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, salanes, or other remuneration pay to persons employed by such Party for work performed under this Agreement

#### 14 INSURANCE

Tyler shall provide, upon the written request of Client (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 Client 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. Client shall be named as an additional insured party and such notation shall appear on the certificate of insurance furnished by Tyler's insurance carrier.

## 15 TERM, SUSPENSION, AND TERMINATION

- 15.1 <u>Term</u> The term of this Agreement (the "Term") shall commence on the start date specified in the investment Summary and continue for the subscription term specified therein Except as otherwise specified in the Investment Summary, the term of this Agreement, and the corresponding payment of all SaaS Fees, shall automatically renew for additional periods equal to the then expiring subscription term or one year (whichever is longer), unless either party gives the other notice of non-renewal at least 30 days before the end of the relevant subscription term. The per-unit pricing during any such renewal term shall be the same as that during the prior term unless Tyler has given Client written notice of any pricing change at least 90 days before the end of such prior term, in which case the change in pricing shall be effective upon renewal and thereafter.
- 15.2 <u>Early Termination by Client</u> This Agreement may be terminated by Client prior to the end of the then current term by Client providing Tyler with (a) ninety (90) days written notice of its intent to terminate, and (b) payment equal to the lesser of (i) 50% of the SaaS Fees still due for the remainder of the then current term or (ii) one year's SaaS Fees
- 15.3 <u>Termination for Cause</u> Either Party may terminate this Agreement for Cause, provided that such Party follows the procedures set forth in this Section 15.3
  - (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 Client 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,
    - (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 15 3(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 16 following such period
- (c) Upon any termination for Cause by Client, Tyler shall refund any prepaid SaaS Fees covering the remainder of the Term after the effective date of termination. Upon any termination for Cause by Tyler, Client shall pay Tyler the lesser of (a) any unpaid SaaS Fees covering 50% of remainder of the Term after the effective date of termination, or (b) one year's SaaS Fees. In no event shall any termination relieve Client of the obligation to pay any fees payable to Tyler for the period prior to the effective date of termination.
- 15.4 Non-Appropriation Client intends to remit and reasonably believes that moneys in an amount sufficient to remit all payments under this Agreement can and will lawfully be appropriated. Client acknowledges that appropriation of moneys for the payments beyond the current fiscal year is a governmental function to which Client cannot contractually commit and this Agreement does not constitute (i) a multiple-fiscal year direct or indirect debt or financial obligation, or (ii) an obligation payable in any fiscal year beyond the fiscal year for which funds are lawfully appropriated, or (iii) an obligation creating a pledge of or a lien on tax or general revenues. If Client's governing board does not approve an appropriation of funds for the payment of payments coming due during the following fiscal year(s) Client shall have the right to terminate this Agreement on the last day of such fiscal year without penalty or expense, provided, however, Client shall give Tyler at least sixty (60) days prior written notice of such non-appropriation and the resulting termination of this Agreement. Client acknowledges that this non-appropriation provision is not intended to be used as a substitute for convenience termination nor for the purpose of replacing the products and/or services with products or services intended to perform substantially similar functions. Client, therefore, agrees to the extent permitted by applicable law (i) not to utilize these non-appropriation provisions for such purposes and (ii) if this Agreement is terminated because of nonappropriation of funds, not to purchase, lease, rent, or otherwise acquire property or services which are intended to perform substantially similar functions as those provided by the products during the fiscal year following termination of this Agreement
- 15 5 Effect of Termination Upon termination of this Agreement for any reason (a) the licenses provided hereunder shall automatically terminate as of the effective date of the termination and Client's access to the licensed applications shall be denied, (b) subject to payment of all amounts due hereunder, and upon written request, Tyler will provide to Client such contents of the database that are owned by Client, as such contents exist on the date of termination, in a standard industry data file format within five business days, and (c) upon written request, Client shall return all documentation, products, Tyler Confidential and Proprietary Information, and other information disclosed or otherwise delivered to Client by Tyler
- 15.6  $\,$  Survival  $\,$  The following provisions shall survive after the Term of this Agreement 1, 2, 9, 11, 12, 13, 15, 16, and 17

#### 16. 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 Client and Tyler's Vice President of Courts and Justice Systems Division assigned to Client'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 Client's chief executive officer or other individual reasonably designated by Client 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 16 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 or pursuant to the dispute resolution and escalation procedures set forth in this Agreement, the Parties shall submit the matter to binding arbitration. Any such arbitration proceeding shall be governed by the rules of the American Arbitration Association. Any award or other relief granted by the arbitrators may be enforced in any court of competent jurisdiction. The foregoing shall not apply to claims for equitable relief under Section 9.

#### 17 MISCELLANEOUS

- 17 1 <u>Assignment</u> 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
- 17.2 <u>Cumulative Remedies</u> 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
- 17.3 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
- 17.4 <u>Counterparts</u> 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
- 17.5 <u>Waiver</u> 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
- 17 6 <u>Entire Agreement</u> 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
- 17 7. 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.
- 17 8 <u>Severability of Provisions</u> 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
- 17 9 <u>Relationship of Parties</u> 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

- 17 10 <u>Governing Law</u> 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 Client, without regard to or application of choice of law rules or principles
- 17 11 <u>Audit</u> Tyler shall maintain complete and accurate records of all work performed pursuant to and arising out of this Agreement. Client 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. Client 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 Client as a part of this Agreement. Tyler shall make such books and records available to Client 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 Client's sole expense.
- 17 12 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
- 17 13 <u>Contra Proferentem</u> 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
- 17 14 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.
- 17 15 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 3 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
- 17 16 Attorneys' Fees and Costs If attorneys' fees or other costs are incurred by either Party to secure the performance of any obligations under this Agreement, or to establish damages for the breach thereof or to obtain any other appropriate relief, whether by way of prosecution or defense, the prevailing Party shall be entitled to recover from the other Party its reasonable attorneys' fees and costs incurred in connection therewith

[Remainder of this page intentionally left blank]

#### (Exhibit B)

## Service Level Terms and Conditions

#### 1. CERTAIN DEFINITIONS

- 1 1 <u>Terms Not Defined</u> Terms not otherwise defined in this Exhibit B shall have the meanings assigned to such terms in the Software as a Service and Professional Services Agreement (the "Agreement")
- 1.2 <u>Application Availability Period</u> has the meaning set forth in Schedule B-1
- 1.3 <u>Circumvention or Circumvention Procedures</u> means, as applied to a Documented Defect, a change in operating procedures whereby Client can reasonably avoid any deleterious effects of such Documented Defect
- 1 4 <u>Defect</u> 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 5 <u>Documented Defect</u> means a Defect that Client documents for Tyler pursuant to Section 2 1
- 1 6 <u>Downtime</u> means minutes during the Application Availability Period where the Licensed Software is not available as set forth in Section 3 1
- 1.7 <u>Operational Maintenance Window</u> has the meaning set forth in Schedule B-1
- 1.8 <u>Service Level 1 Defect</u> Documented Defect that causes (a) complete application failure or application unavailability, (b) application failure or unavailability in one or more of Purchasers remote locations, (c) systemic loss of multiple essential system functions
- 1 9 <u>Service Level 2 Defect</u> 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 10 <u>Service Level 3 Defect</u> means a Priority 1 Defect with an existing Circumvention Procedure, or a Priority 2 Defect that affects only one User or for which there is an existing Circumvention Procedure
- 1 11 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 12 <u>Version Release</u> means new versions of the Licensed Software that contain technical improvements, functional enhancements, updates, extensions, and/or maintenance changes to the Licensed Software
- 1 13 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

## 2 CLIENT RESPONSIBILITIES

2.1 <u>Documenting Defects</u> Client 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. Client shall deliver such information to Tyler concurrently with its notification to Tyler of a Defect Client 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, Client-produced extensions, and data problems not caused by the Licensed Software. Any technical or other issue that Client requests services, but which is not a Documented Defect, shall be treated as a request for other services and governed by Section 6

2.2 <u>Training</u> Except as provided in Exhibit A, Client shall provide training to its employees on the Licensed Software and any Version Releases related thereto

## 3 TYLER RESPONSIBILITIES – APPLICATION AVAILABILITY AND OPERATIONS SUPPORT

#### 3 1 Application Availability

- (a) Tyler shall use its commercially reasonable efforts to provide access to the Licensed Software during the Application Availability Period as set forth in the goals listed in Schedule B-1
- (b) Tyler shall maintain a log of any system issues that result in Downtime of more than 1 hour, excluding (i) scheduled maintenance by Tyler's Internet Service Provider or colocated data center, (ii) periods needed to deter or correct problems due to malicious attacks or denial of service attempts, (iii) Client hardware or network failure, (iv) negligent actions by Client's agents, employees, or vendors, and (v) events of Force Majeure (as set forth in Exhibit A, Section 17 14)

## 3 2 Operations Support, Procedures for Reporting Downtime

- (a) Tyler shall provide Client with procedures for contacting support staff on a twenty-four hour, seven days a week basis for the limited purpose of reporting Downtime Client agrees to designate no more than two (2) of Client's employees who are authorized to utilize this procedure after normal Business Hours
- (b) For each reported Downtime incident, Tyler shall assign appropriate personnel to diagnose and correct the Downtime Tyler's initial response shall include an acknowledgement of notice of the Downtime, confirmation that Tyler has received sufficient information concerning the Downtime, and an action plan for resolving the Downtime

## 3 3 Credit for Downtime

- (a) At the end of each calendar quarter, Tyler shall prepare a report for the prior three months detailing the average percentage of Downtime during that three month period
- (b) Client shall earn a credit towards the next annual payment as follows
  - (i) If the average percentage of Downtime during the prior quarter is less than 4%, no Downtime credit shall be earned,
  - (ii) If the average percentage of Downtime during the quarter is between 4% and 6% of the Application Availability Period during the prior quarter, Tyler shall issue a Downtime credit towards 3% of the prorated SaaS Fee for that quarter, to be applied on the next annual payment due, and
  - (III) If the average percentage of Downtime is greater than 6% of the Application Availability Period during the prior quarter, Tyler shall issue a Downtime credit towards 5% of the prorated SaaS Fee for that quarter, to be applied on the next annual payment due
- (c) The issuance by Tyler of any Downtime credit shall not relieve Tyler of its obligations to correct the problem that resulted in Downtime in accordance with its obligations herein. However, Client acknowledges that correction may occur in the following quarter and, because of the time reasonably needed to perform any such correction, the quarter in which the correction occurs may also be affected by Downtime.

(d) Notwithstanding the foregoing, the total of all credits that would be due under this SLA shall not exceed 5% of the prorated annual SaaS Fee for any one quarter

#### 4 TYLER RESPONSIBILITIES - HELP DESK

Tyler shall provide Client with procedures for contacting support staff during normal business hours (7 00 a m to 7 00 p m, Central Time, 0Monday through Friday, excluding Tyler holidays) for general application assistance

#### 5 TYLER RESPONSIBILITIES -DOCUMENTED DEFECTS

- 5.1 General Services for Reporting Documented Defects
- (a) Tyler shall provide Client 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 Client in the diagnosis of any Documented Defect, including the assigned Priority 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
- 5 2 <u>Service Level 1 Defects</u> 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
- 5 3 <u>Service Level 2 Defects</u> Tyler shall provide an initial response to Service Level 2 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 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
- 5.4 <u>Service Level 3 Defects</u> 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.
- 5 5 <u>Service Level 4 Defects</u> 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 Documented Defect with a future Version Release
- 5 6 <u>Help Desk & Desktop Support</u> 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.

- 5.7 <u>Technical Server & Systems Support</u> 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

#### 6 ADDITIONAL SUPPORT SERVICES

Client may request support services in addition to the correction of Documented Defects by delivering to Tyler a written request outlining the nature of the services desired (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 Client 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 Client and shall be invoiced monthly, which shall be due and payable within thirty (30) days.

#### 7 VERSION RELEASES

Tyler shall provide Version Releases of the Licensed Software on not less than an annual basis. Tyler shall notify Client of the occurrence of a new Version Release and shall provide Client with access to such Version Releases for the Licensed Software in a prompt manner that is consistent with Tyler's business practices for client's utilizing the Licensed Software under a software as a service agreement

#### 8 THIRD PERSON SOFTWARE

- 8 1 Notice of New Third Person Software Tyler shall provide Client with advanced notice of any mandated new Third Person Software revision that shall be required to use the Licensed Software Tyler shall, to the extent practicable, minimize the need for Client to rely upon updates of Third Person Software
- 8 2 <u>Tyler Certification</u> 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
- 8.3 <u>Costs</u> Client 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

[Remainder of this page intentionally left blank]

# (Schedule B-1) Application Availability Period Service Levels

Туре	Description	Goal
Application Availability Period	All operational time as set forth under "Goal", and which is outside the Operational Maintenance Window, and where Tyler has not announced its intent to perform maintenance at least forty-eight (48) hours in advance	10 00 a m Central Time Sunday to 06 00 a m Central Time Sunday  Total of 164 hours per week
Operational Maintenance Window	The Operational Maintenance Window happens weekly During this time, Tyler can take its Odyssey servers off-line (no internet access) and perform work on supporting hardware. Tyler will provide 48 hours notice to the Client if the Odyssey application will be unavailable during the maintenance period.  The Application maintenance period includes upgrades or replacements of Tyler servers, data storage, data backup, and supporting hardware. This period also covers software maintenance items that include scheduled hot fixes, quarterly service releases, operating system security patches and upgrades, and so forth.  If an Odyssey application hot fix must be performed outside the Application maintenance period and impacts application availability, Tyler will provide 24-hour notice to the Client.	06 00 a m to 10 00 a m Central Time Sunday
Backups	Nightly backups of the following files will be completed production databases, images, forms, and other documents  Client data transactions are saved every 15 minutes during the Application Availability Period Every night, a full database backup is performed, including client images, forms, and other documents  Back-up media will be cycled off-site nightly to a fireproof vault  Nightly backups are stored offsite	Nightly