Master Software License and Professional Services Agreement

This Master Software License and Professional Services Agreement (this "Agreement") is made and entered into as of March 14, 2006 (the "Effective Date") by and between Tyler Technologies, Inc., a Delaware corporation ("Software Provider"), with its principal place of business located at 6500 International Parkway, Suite 2000, Plano, Texas 75093, the Texas Conference of Urban Counties (the "Urban Counties"), with its principal place of business located at 500 W. 13th Street, Austin, Texas 78701, and to the extent applicable, each Participating Member County (as defined herein).

Background

Whereas, the Urban Counties is a non-profit organization comprised of 37 member counties in the State of Texas responsible to provide technical guidance and leadership, including the standardization and improvement of technology through the acquisition of a common integrated court administration system.

Whereas, in furtherance of the project and pursuant to Section 791.025 of the Texas Government Code, the Urban Counties desires to contract with Software Provider to (i) obtain a license for Software Provider's judicial administration system in order to sublicense such software to each Participating Member County and (ii) procure for each such Participating Member County certain software customization, implementation, installation, training, and maintenance services related to the judicial administration system, upon the terms and subject to the conditions set forth in this Agreement.

Whereas, Software Provider desires to provide such licenses and services upon the terms and subject to the 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, the parties agree as follows:

1. DEFINITIONS

1.1 Agreement means this Master Software License and Professional Services Agreement, including all exhibits attached hereto and to be attached throughout the term of this Agreement (including, without limitation, the Participation Agreements to be executed by future Participating Member Counties and Implementation Plans to be developed between Software Provider and such Participating Member Counties pursuant to this Agreement), all of which are incorporated by reference herein.

1.2 Authorization Confirmation means an Authorization Order that has been approved in writing as set forth in Section 5.6.

1.3 Authorization Order means a signed, written order submitted by Software Provider to the Urban Counties or a Participating Member County, as the case may be, identifying specific Software Provider services required pursuant to this Agreement and requesting authorization to allocate and incur the number of hours to perform such services in accordance with the respective Implementation Plan.

1.4 Budget Proposal means the proposal developed by Software Provider for each Member County prior to such Member County becoming a Participating Member County, which shall include for each respective Participating Member County an outline of the estimated Project costs (including, without limitation, the costs for Local Modifications and other implementation services as well as estimated costs for any travel expenses that may be incurred by the Software Provider in delivering the proposed implementation services), the scope of the Project, the assumptions made by Software Provider associated with such costs, the County staffing expectations for the implementation of the Project, the estimated project start date and duration, and the estimated cost for completion of the implementation plan. The Budget Proposal shall be developed at Software Provider's own expense and shall be completed within 60 days of receiving a request from a Member County to prepare a Budget Proposal. The Budget Proposal will be incorporated into each respective Participating Member County's Participation Agreement.

1.5 Change means a change, amendment, or modification to a Statement of Work, Specifications, SRS Document, Implementation Plan, or other Deliverable.

1.6 Change Confirmation means a Change Order that has been approved in writing as set forth in Section 5.5.

1.7 Change Order means a signed, written order submitted by Software Provider to the Urban Counties or a Participating Member County, as the case may be, requesting any Change as set forth in Section 5.5.

1.8 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.

1.9 Court Admin System means a common integrated court administration system, which includes the Current Production Software Version plus Prosecutor plus Enterprise Modifications.

1.10 Urban Counties means the Texas Conference of Urban Counties.

1.11 Urban Counties Non-Public Information means all past, present, and future non-public information related to the official business of the Urban Counties that may be obtained orally, in writing, or from any source, as well as all non-public information on any Urban Counties servers, LANs, and workstations and all software, middleware, firmware, licensed internal code and groupware, whether owned or licensed currently or in the future accessed by Software Provider by any direct or remote access method, including, but not limited to, any information relating to juvenile criminal records or any other record that must be maintained as confidential pursuant to the Texas Family Code or any applicable state or federal law, including, without limitation, the Health Insurance Portability and Accountability Act of 1996 and related privacy regulations. Urban Counties Non-Public Information does not include information that (a) is or becomes public other than as a result of a disclosure by Software Provider or a Participating Member County in breach hereof, (b) is or becomes available to Software Provider on a non-confidential basis from a source other than Software Provider, which is not prohibited from disclosing such information by obligation to the Urban Counties, (c) is or becomes known by Software Provider prior to its receipt from the Urban Counties without any obligation of confidentiality with respect thereto, or (d) is developed by Software Provider independently of any disclosures made by the Urban Counties to Software Provider of such information. All

provisions protecting "Urban Counties Non-Public Information" in this Agreement shall be deemed to also protect "Urban Counties Trade Secrets" as well, but references to "Urban Counties Trade Secrets" shall not be deemed to automatically refer to "Urban Counties Non-Public Information".

1.12 Urban Counties Technical Committee means the committee of individuals set forth on Exhibit D performing the functions set forth in Section 2.3(b).

1.13 Urban Counties Trade Secret Information means all methodologies (subject to the same being the subject of an issued patent), pricing strategies, marketing information, and other confidential information that the Urban Counties informs Software Provider in writing is a trade secret, as well as other confidential information reasonably the subject of trade secret protection pursuant to or arising from relevant and applicable state statutes, which may include, without limitation, software, documentation, release notes, database layouts, algorithms, techniques, processes, and systems designs relating to the Judicial Software.

1.14 Current Production Software Version means the most recent production version of Software Provider's court management system that is then running on Software Provider's client sites as of the relevant date.

1.15 Defect means any bug, inaccuracy, error, contaminate, malfunction, or other defect in the Licensed Property caused by, arising from, or emanating from the reasonable control of Software Provider that would otherwise render the Licensed Property in non-conformance with the Specifications.

1.16 Deliverable means any deliverable required to be delivered by Software Provider to the Urban Counties or a Participating Member County, as the case may be, pursuant to this Agreement.

1.17 Discounted County Price List means the discounted license fees associated with each Member County as set forth on Column B of the Price List, which includes the license fees for the Initial Case Type and the Second Case Type.

1.18 Documentation means the user's manuals and any other materials in any form or media provided by Software Provider to the users of the Judicial Software for the users' respective operation of the Judicial Software in accordance with this Agreement.

1.19 Effective Date means the date set forth in the first paragraph of the Agreement.

1.20 Embedded Third Party Software means licensed third party software (other than Third Person Software) that is required to provide the functionality of the Court Admin System, which as of the date of this Agreement, consists of the software set forth on Exhibit J

1.21 Enterprise Modification Fee means, $ 661,986, the fee to be paid by the Urban Counties to Software Provider for Enterprise Modifications.

1.22 Enterprise Modifications means the list of functions designated by the Urban Counties as an Enterprise Modification as set forth on Exhibit E or to be designated by the Urban Counties Technical Committee as an Enterprise Modification during the Term of this Agreement.

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

1.24 Escrow Agreement means the form master technology escrow agreement executed between Software Provider and Escrow Agent as set forth on Exhibit G.

1.25 Executive Dispute Level has the meaning set forth in Section 23.2.

1.26 Implementation Plan means the Implementation Plan to be developed between Software Provider and each Participating Member County upon such Participating Member County becoming a Party to this Agreement by executing a Participation Agreement. The Implementation Plan shall provide for timetables, milestones, Deliverables, and fees and expenses for, among other things, (a) the development of Local Modifications to the Court Admin System for the Participating Member County, (b) the delivery and installation of the Licensed Property for the Participating Member County, (c) the training of Participating Member County personnel, all in accordance with the terms of this Agreement, (d) the staffing plan for the implementation of the Project, and (e) a scheduled timetable for periodic update reporting on the status of the project by Parties to the respective Participating Member County's Commissioners Court. The Implementation Plan, along with the Notice to Proceed, will be incorporated into each respective Participating Member County's Participation Agreement.

1.27 Indemnified Parties mean, as the case may be, the Urban Counties and/or each Participating Member County and each of their respective personnel, agents, successors, and assigns.

1.28 Initial Case Type has the meaning set forth in Section 3.8.

1.29 Intermediary Dispute Level has the meaning set forth in Section 23.2.

1.30 Joint Modifications has the meaning set forth in Section 13.2.

1.31 Judicial Software means: (a) the Court Admin System; (b) Embedded Third Party Software; (c) Enterprise Modifications; (d) Local Modifications; and (e) Software Provider Modifications. The Judicial Software shall have the functionality set forth in Software Provider's proposal to the Urban Counties, which functionality is set forth on Exhibit A.

1.32 License Fee means $12,395,600 made payable in various payments pursuant to Section 4.1.

1.33 Licensed Property means the Judicial Software and the Documentation.

1.34 Local Modification Fees means the hourly fees set forth in an Implementation Plan for the development by Software Provider of modifications to the Court Admin System as requested by a Participating Member County.

1.35 Local Modifications means the list of functions designated by a Participating Member County and set forth in an Implementation Plan to be developed by Software Provider and implemented into the Court Admin System for the respective Participating Member County.

1.36 Member Counties means the thirty-seven Texas counties set forth on Exhibit H.

1.37 Notice to Proceed means a written notice issued by a Participating Member County to Software Provider after Software Provider's delivery of the Implementation Plan,

which shall constitute the Participating Member County's consent for Software Provider to begin the project and perform services on behalf of such Participating Member County.

1.38 Notice to Cancel means a written notice issued by a Participating Member County to Software Provider after Software Provider's delivery of the Implementation Plan. The Notice to Cancel shall constitute the Participating Member County's rejection of the Implementation Plan and shall terminate the Participating Member County's participation in this Agreement.

1.39 Operational Analysis has the meaning set forth in Section 5.3.

1.40 Operational Use has the meaning set forth in Section 9.1.

1.41 Optional Modules has the meaning set forth in Section 3A1.

1.42 Participating Member Counties means Member Counties that desire to become a Party to this Agreement and avail themselves to the benefits and obligations of this Agreement, including the desire to acquire the services of Software Provider under the terms and conditions of this Agreement, by the execution of a Participation Agreement.

1.43 Participating Member County Modifications has the meaning set forth in Section 13.2.

1.44 Participating Member County Non-Public Information means all past, present, and future non-public information related to the official business of any Participating Member County that may be obtained orally, in writing, or from any source, as well as all non-public information on any Participating Member County's servers, LANs, and workstations and all software, middleware, firmware, licensed internal code and groupware, whether owned or licensed currently or in the future accessed by Software Provider by any direct or remote access method, including, but not limited to, any information relating to juvenile criminal records or any other record that must be maintained as confidential pursuant to the Texas Family Code or any applicable state or federal law, including, without limitation, the Health Insurance Portability and Accountability Act of 1996 and related privacy regulations. Participating Member County Non-Public Information does not include information that (a) is or becomes public other than as a result of a disclosure by Software Provider in breach hereof, (b) is or becomes available to Software Provider on a non-confidential basis from a source other than Software Provider, which is not prohibited from disclosing such information to Software Provider by obligation to the Participating Member County, (c) is or becomes known by Software Provider prior to its receipt from the Participating Member County without any obligation of confidentiality with respect thereto, or (d) is developed by Software Provider independently of any disclosures made by the Participating Member County to Software Provider of such information. All provisions protecting "Participating Member County Non-Public Information" in this Agreement shall be deemed to also protect "Participating Member County Trade Secrets" as well, but references to "Participating Member County Trade Secrets" shall not be deemed to automatically refer to "Participating Member County Non-Public Information".

1.45 Participating Member County Trade Secret Information means all methodologies (subject to the same being the subject of an issued patent), pricing strategies, marketing information, and other confidential information that a Participating Member County informs Software Provider in writing is a trade secret, as well as other confidential information reasonably the subject of trade secret protection pursuant to or arising from relevant and applicable state

statutes, which may include, without limitation, software, documentation, release notes, database layouts, algorithms, techniques, processes, and systems designs relating to the Judicial Software.

1.46 Participation Agreement means the agreement required to be executed by a Member County in order for such Member County to become a Participating Member County under this Agreement, the form of which is attached hereto as Exhibit C. Upon execution of the Participation Agreement, each Member County shall become a Party to this Agreement as a Participating Member County.

1.47 Party means, individually, each of the parties to this Agreement, including Software Provider, the Urban Counties, and Participating Member Counties.

1.48 Phase means a phase as set forth in any applicable Implementation Plan.

1.49 Price List means the license fees and maintenance fees associated with each Member County as set forth in Exhibit I (including the Standard County Price List and the Discounted County Price List).

1.50 Project means the development, delivery, installation, testing, and license of the Licensed Property and the performance of all services to be provided by Software Provider in accordance with the provisions of this Agreement.

1.51 Project Personnel has the meaning set forth in Section 12.1.

1.52 Project Director means the person designated by each Party who is responsible for the management and implementation of this Agreement as more fully described in Section 2.3.

1.53 Prosecutor means the Prosecutor Case Type for the Court Admin System that has the functions set forth on Exhibit A.

1.54 Second Case Type has the meaning set forth in Section 3.8.

1.55 Service Level 1 Defect has the meaning set forth in Exhibit B – Standard Maintenance Agreement.

1.56 Service Level 2 Defect has the meaning set forth in Exhibit B – Standard Maintenance Agreement.

1.57 Software Provider means Tyler Technologies, Inc., a Delaware corporation.

1.58 Software Provider Confidential Information means all information in any form relating to, used in, or arising out of the Software Provider's operations and held by, owned, licensed, or otherwise possessed by Software Provider (whether held by, owned, licensed, possessed or otherwise existing in, on, or about Software Provider's premises or the Urban Counties's or a Participating Member County'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 Software Provider's inventions, ideas, creations, works of authorship, works of visual art, business documents, contracts ,other than this

Agreement and any other agreement with the Urban Counties or Participating Member Counties that is subject to the Texas Open Records Act, licenses, business and non-business relationships, correspondence, operations, manuals, performance manuals, operating data, projections, bulletins, supplier and customer lists and data, sales data, cost data, profit data, strategic planning data, financial planning data, designs, logos, motifs, proposed trademarks or service marks, test results, product or service literature, product or service concepts, manufacturing or sales techniques, process data, specification data, know how, show how, software, databases, research and development information and data. Software Provider Confidential Information does not include information that (a) becomes public other than as a result of a disclosure by the Urban Counties or a Participating Member County in breach hereof, (b) becomes available to the Urban Counties or a Participating Member County on a non-confidential basis from a source other than Software Provider, which is not prohibited from disclosing such information to the Urban Counties or Participating Member County, as the case may be, by obligation to Software Provider, (c) is known by the Urban Counties or a Participating Member County prior to its receipt from Software Provider without any obligation of confidentiality with respect thereto, or (d) is developed by the Urban Counties or a Participating Member County independently of any disclosures made by Software Provider to the Urban Counties or Participating Member County, as the case may be, of such information. All provisions protecting "Software Provider Confidential Information" in this Agreement shall be deemed to also protect "Software Provider Trade Secrets" as well, but references to "Software Provider Trade Secrets" shall not be deemed to automatically refer to "Software Provider Confidential Information".

1.59 Software Provider Confidentiality Agreement means the agreement to be executed by contractors, subcontractors, or other third parties employed by either the Urban Counties or a Participating Member County prior to such parties being permitted access to Software Provider Trade Secrets, which is attached hereto as Exhibit F.

1.60 Software Provider Modifications has the meaning set forth in Section 13.1.

1.61 Software Provider Trade Secret Information means all methodologies (subject to the same being the subject of an issued patent), pricing strategies, marketing information, and other Software Provider Confidential Information that Software Provider informs either the Urban Counties or a Participating Member County in writing is a trade secret, as well as other Software Provider Confidential Information reasonably the subject of trade secret protection pursuant to or arising from relevant and applicable state statutes, which may include, without limitation, software, documentation, release notes, database layouts, algorithms, techniques, processes, and systems designs relating to the Judicial Software.

1.62 Specifications mean the information, functions, capabilities, requirements, and other specifications of the Judicial Software as set forth in the respective Implementation Plans.

1.63 SRS Document means a systems requirements document identifying in detail the screen shots, data flow, functions, interoperability, interfaces, and other information reasonably necessary to enable an Enterprise Modification or a Local Modification, a form of which is attached hereto as Exhibit L.

1.64 SRS Review Period has the meaning set forth in Section 5.3.

1.65 Standard Maintenance Agreement means the maintenance and support services agreement to be executed by Software Provider, the Urban Counties, and each Participating

Member County upon its receipt of a sublicense from the Urban Counties for the Licensed Property, the form of which is attached hereto as Exhibit B.

1.66 Standard County Price List means the non-discounted license fees associated with each Member County as set forth on Column A of Exhibit I.

1.67 Term has the meaning set forth in Section 22.1.

1.68 Third Person Software means the operating systems and other software to be licensed, purchased, or otherwise acquired by each Participating Member County from a third party that is minimally required to operate the Judicial Software and such operating systems and other software that each Participating Member County has actually licensed, purchased, or otherwise acquired and/or may be minimally required in the future to operate the Judicial Software, which as of the date of this Agreement, consists of the software set forth on Exhibit K.

1.69 Verification Procedure has the meaning set forth in Section 8.1.

1.70 Version Release has the meaning set forth in Section 13.1.

2. PROJECT FRAMEWORK

2.1 Purpose. This Agreement sets forth the terms whereby Software Provider shall provide to the Urban Counties, and the Urban Counties shall acquire from the Software Provider, a license for the Court Admin System and for Software Provider to provide certain services related thereto. The scope of the license granted to Urban Counties will be limited to sublicensing the Court Admin System to Participating Member Counties for a license fee to be determined between the Urban Counties and each respective Participating Member County. The intent of the Urban Counties is to acquire and distribute a Court Admin System to the Participating Member Counties for the License Fee and the Enterprise Modification Fee, which is substantially less than the aggregate of the license fees that would be incurred by such counties if they individually contracted with Software Provider for such licenses. Each Participating Member County, by executing a Participation Agreement, shall become a Party to this Agreement and, accordingly, acquire the implementation, installation, and training services of Software Provider with respect to the Court Admin System as more fully set forth in this Agreement, including the development of Local Modifications. As more fully set forth herein, if the license to the Urban Counties is revoked by Software Provider for failure to timely pay in full the License Fee, then each sublicense granted to a Participating Member County shall immediately terminate; provided, however, that each Participating Member County may reinstate its license by complying with Section 3.8.

2.2 Project Framework. Subject to the terms and conditions set forth in the Agreement, the Project shall consist of the following:

(a) Software Provider shall provide the Urban Counties with a limited license for the Current Production Software Version, Prosecutor, and the Documentation for the License Fee;

(b) the Urban Counties shall provide Software Provider with a list of Enterprise Modifications, and Software Provider shall develop and implement the Enterprise Modifications, into the Current Production Software Version for the Enterprise Modification Fee; and

(c) with respect to each Member County: (i) Software Provider shall, upon the request of the Member County, meet with the Member County and prepare and issue a Budget Proposal within 60 days of the request; (ii) upon reaching an agreement with respect to the Budget Proposal, the Member County shall (A) contract with the Urban Counties to obtain a sublicense for the Judicial Software, which sublicense shall be subject to the terms and conditions of this Agreement, for a license fee to be agreed upon by the Urban Counties and the Participating Member County and (B) execute a Participation Agreement, which shall include the Budget Proposal; (iii) Software Provider shall meet with the Participating Member County Project Director and the Urban Counties Project Director and develop an Implementation Plan for the Participating Member County, which shall include the development of Local Modifications; (iv) the Participating Member County shall issue either a Notice to Proceed or Notice to Cancel; (v) if the Participating Member County issues a Notice to Proceed, the Software Provider shall develop, deliver, install, and test the Court Admin System for the Participating Member County per the Implementation Plan and this Agreement , shall train the Participating Member County personnel according to such Implementation Plan and this Agreement, and shall provide maintenance and support of the Judicial Software for the Participating Member County according to the terms of this Agreement and the Standard Maintenance Agreement, and (vii) if the Participating Member County issues a Notice to Cancel, the Participating Member County shall have no further obligation to participate in the Project except for paying Software Provider for the costs incurred in preparing the Implementation Plan.

2.3 Project Management.

(a) Software Provider, Urban Counties, and each Participating Member County shall designate and cause the employees identified on Exhibit D (or other qualified employees designated to replace such employee in accordance with this Agreement) to manage and implement the Party's respective obligations pursuant to this Agreement and serve as the primary contact for the respective Party (respectively, the "Project Directors") and hereby respectively grants authority to the Project Directors to negotiate Change Orders and Change Confirmations; provided, however, that a Participating Member County Project Director shall not have authority to increase the aggregate cost of the Project as set forth in the respective Implementation Plan without the Participating Member County's Commissioners' Court approval. Each Party represents that its respective Project Director is and will be fully qualified and authorized to perform the tasks assigned to him/her and any written execution shall be binding on the respective Party.

(b) The Urban Counties shall designate a technical committee (the "Urban Counties Technical Committee"), which shall be responsible for negotiating and designating Enterprise Modifications with Participating Member Counties. All technical and other Project decisions made by the Urban Counties Technical Committee shall be binding on all Participating Member Counties and Software Provider shall be able to rely on such decisions in the implementation of the Project.

2.4 Relationship with Participating Member Counties.

(a) Throughout the term of this Agreement, the Urban Counties shall manage the relationship among the Participating Member Counties and shall be

responsible for (i) contracting with Participating Member Counties for the provision of the Licensed Property; (ii) identifying Enterprise Modifications; (iii) collecting and distributing sublicense fees among Participating Member Counties; and (iv) payment of the License Fee and Enterprise Modification Fee to Software Provider.

(b) Notwithstanding the foregoing, the Software Provider shall work directly with each Participating Member County, without Urban Counties participation, for the day-to-day implementation of the Project for such Participating Member County, including, without limitation, the issuance of Authorization Orders, Authorization Confirmations, Change Orders, and Change Confirmations. In connection therewith, Software Provider shall invoice each Participating Member County directly for all fees incurred by Software Provider on behalf of such Participating Member County (including, without limitation, Local Modification Fees) in accordance with the respective Implementation Plan, which shall be paid in accordance with Section 4. Software Provider shall also provide each Participating Member County directly with all maintenance and support services under the terms of the Standard Maintenance Agreement, but the invoicing and payment of all related maintenance fees shall occur between Software Provider and the Urban Counties as provided in the Standard Maintenance Agreement. In no event shall the Urban Counties be responsible for paying Software Provider maintenance and support service fees until the Urban Counties has been paid by Participating Member Counties for said services.

2.5 Member County Participation. The Urban Counties shall have the right to sublicense only to each Participating Member County the Licensed Property for the License Fee; provided, however, that each Member County must execute the Participation Agreement. Prior to the execution of a Participation Agreement, Software Provider agrees to meet with each Member County, at no additional cost, to develop a Budget Proposal for the development of Local Modifications and other implementation services to be performed under this Agreement.

2.6 Covenant Not to Sell Directly to Member Counties. Software Provider covenants and agrees that, throughout the Term of this Agreement, it will not, directly or indirectly (except as directed by the Urban Counties), sell or otherwise market the Judicial Software to the Member Counties for a license fee that is less than the aggregate of the license fee for the Initial Case Type and the Second Case Type associated with such Member County as set forth on the Price List. Nothing in this Agreement shall prohibit Software Provider from selling or otherwise marketing its Judicial Software to any non-Member County or any Member County not participating in the Urban Counties Court Admin System project. In the event that Software Provider breaches the foregoing covenant, such breach shall constitute a material breach of this Agreement and the Urban Counties may either: (a) pursue its remedies under Section 22; or (b) make a written demand for liquidated damages and Software Provider shall pay such liquidated damages within thirty (30) days of its receipt of license fees from the Member County. For purposes of this Section 2.6 only, "liquidated damages" means the difference between the aggregate license fees for the Initial Case Type and Second Case Type for such Member County as set forth in the Price List and the actual aggregate amount of license fees for the Initial Case Type and Second Case Type sold and collected by Software Provider from such the Member County.

2.7 Cooperation. The Urban Counties shall use its reasonable efforts to provide such information regarding the Participating Member Counties, and to cause the Participating Member Counties to provide such reasonable access to their respective facilities and personnel, as may be reasonably required by Software Provider for it to fulfill its obligations hereunder.

3. LICENSE

3.1 Delivery of Court Admin System. Upon execution of this Agreement and in consideration for the License Fee, Software Provider shall deliver to the Urban Counties a copy of the Court Admin System and Documentation, which will be subject to the licenses and other restrictions set forth in this Agreement. Upon such delivery, the License Fee shall be due and payable in accordance with Section 4.

3.2 License Grant.

(a) Software Provider hereby grants to the Urban Counties a non-exclusive, royalty-free, revocable license (and sublicense with respect to the Embedded Third Party Software) for the sole purpose of sublicensing the Licensed Property only to Participating Member Counties under the terms and subject to the conditions of this Agreement. The sublicense to Participating Member Counties is only to allow such Participating Member County to use and reproduce the Court Admin System for purposes of enabling such Participating Member County's internal administration, operation, and/or conduct of the judicial system by an unlimited number of users employed by the Participating Member County as well as an unlimited number of computers and/or computer stations utilized by the Participating Member County.

(b) The foregoing licenses and sublicenses are revocable by Software Provider only after this Agreement is terminated in accordance with the provisions herein and the Urban Counties does not pay the License Fee in full. In such event, the license to the Urban Counties and each sublicense granted to any Participating Member County shall immediately terminate effective as of the termination date of this Agreement; provided, however, that each Participating Member County may reinstate its license by complying with the provisions of Section 3.8.

(c) Upon the Urban Counties's timely payment of the License Fee in full, the foregoing licenses and rights to sublicense shall become irrevocable, subject to the restrictions on use set forth herein.

3.3 Restrictions. Unless otherwise expressly set forth in this Agreement or otherwise agreed in writing by Software Provider, the Urban Counties and each Participating Member County shall not reverse engineer, de-compile, or disassemble any portion of the Judicial Software. To the extent the Urban Counties or any Participating Member County employs contractors, subcontractors, or other third parties to assist in the Project, the Urban Counties or the Participating Member County, as the case may be, shall obtain from such third parties an executed Software Provider Confidentiality Agreement prior to such parties being permitted access to Software Provider Confidential Information and/or Trade Secret Information.

3.4 Copies. The Urban Counties and each Participating Member County may make and maintain such copies of the Licensed Property as are reasonably appropriate for its use of the Licensed Property and for archival and backup purposes provided that all proprietary notices, logos, copyright notices, and similar markings shall be retained on such copies.

3.5 Embedded Third Party Software. The license grant set forth in Section 3.2 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. Software Provider shall pass through to the Urban Counties and each Participating Member County any and all warranties granted to Software Provider by the owners,

licensors, and/or distributors of such Embedded Third Party Software. The Urban Counties and each Participating Member County shall be responsible for procuring and paying for all Third Person Software and hardware. Exhibit J includes a list of all Embedded Third Party Software at the time of execution of this Agreement and shall be updated by Software Provider if additional Embedded Third Party Software is included in a future Version of the Licensed Software.

3.6 Title.

(a) Software Provider represents and warrants that it is the owner of all right, title, and interest in and to the Judicial Software (other than Embedded Third Party Software or other Third Person Software) and all components and copies thereof and has the right to grant the license and sublicense with respect to Embedded Third Party Software. Nothing in this Agreement (other than the licenses) shall be deemed to vest in the Urban Counties or any Participating Member County any ownership or intellectual property rights in and to the Software Provider's intellectual property, any components and copies thereof, or any derivative works based thereon prepared by Software Provider.

(b) All training materials developed solely by either Party will 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 the provisions regarding confidentiality.

3.7 License Fee. In consideration for the delivery of the Court Admin System and of the license granted to the Urban Counties herein, the Urban Counties shall pay to Software Provider the License Fee, which shall be due and payable in accordance with the provisions of Section 4.

3.8 Reinstatement of Revoked License.

(a) The Parties acknowledge that each Participating Member County may (i) implement each case type, civil or criminal, in different sequential order (as implemented for each respective Participating Member County, the "Initial Case Type" and the "Second Case Type"), (ii) only implement an Initial Case Type, or (iii) implement different modules within each case type. Set forth on Exhibit I is a list of the license fees associated with the implementation of an Initial Case Type and Second Case Type for each Participating Member County, regardless of which case type is implemented initially or secondarily and regardless of which modules are implemented within each case type.

(b) If the licenses and sublicenses are revoked by Software Provider because of the Urban Counties's failure to timely pay the License Fee in full, each Participating Member County may reinstate its respective sublicense by paying to Software Provider the license fee in full (regardless of which modules within a case type are to be implemented for the Participating Member County) with respect to (i) the Initial Case Type, if any module with respect to the Initial Case Type has been installed by Software Provider, and (ii) the Second Case Type, if any module has been installed by Software Provider with respect to such Second Case Type; provided, however, that Software Provider shall provide each Participating Member County a credit for license fee payments attributed to each such Participating Member County, if any, as identified by the Urban Counties in writing in connection with each installment payment of the License Fee, if any, under Section 4.1. In no event shall a Participating Member County receive a credit for any payments for services made to Software Provider or for any license payments made to the Urban Counties that have not been identified for a license fee credit in connection with an installment payment of the License Fee.

3A. OPTIONAL ODYSSEY LICENSES – SHERIFF, HOT CHECKS, AND PROBATION

3A1. Optional Licenses. Software Provider hereby grants to the Urban Counties the option to acquire a license for the then current version of the Sheriff, Hot Checks, and Probation Modules (the "Optional Modules") for the purpose of sub-licensing such Optional Modules to each Participating Member County, which license will be subject to all of the terms, conditions, rights, and restrictions as set forth in Section 3. The license fee for each Participating Member County for the Optional Modules is set forth on Exhibit M. To exercise such option, the Urban Counties shall provide Software Provider with written notice of its intent to exercise, which shall include the following: (a) the name of the Participating Member County for which the Optional Modules are to be licensed; (b) the Optional Modules to be licensed; and (c) the Parties shall amend each Participating Member County's Participation Agreement to reflect the exercise of such option. The option shall expire at the end of the Term, subject to any renewal of this Agreement.)

3A2. Budget Proposal. Software Provider shall, within 60 days of its receipt of written notice of the option exercise, meet with the Participating Member County at its own expense for the purpose of creating a Budget Proposal for the implementation of the Optional Modules.

3A3. Implementation Plan and Other Services. Upon approval of the Implementation Plan and issuance of the Notice to Proceed, Software Provider shall invoice the Urban Counties for the fifty percent (50%) of the license fees associated with the Optional Modules to be implemented for the Participating Member County, and the Urban Counties shall pay such invoice in accordance with Section 3A5.Upon receipt of the first payment (fifty percent) of the license fees for the Optional Modules, Software Provider shall meet with the Participating Member County, at the Participating Member County's expense, for the purpose of developing an Implementation Plan. The implementation, delivery, installation, and other procedures set forth in this Agreement for the Judicial Software shall also apply to the implementation of the Optional Modules.

3A4. Annual Maintenance. When the first deliverable of any Optional Module has completed the Operational Use period set forth in Section 9.1, the Optional Module shall then become subject to the terms and conditions of the Standard Maintenance Agreement and the Member County shall pay the maintenance fees associated with such Optional Module as set forth on Exhibit M. When all of the functions of the Optional Modules have completed Operational Use, the Optional Modules shall be deemed to be fully installed and operational with respect to such Member County and this Agreement will terminate with respect to the Optional Modules for such Member County (subject to Section 22.4 (Survival)).

3A5 Operational Use. The Software Provider shall invoice the Urban Counties for the remaining fifty percent (50%) of the license fees associated with the Optional Modules upon completion of the Thirty Day Operational Use period for the Optional Modules as discussed in Section 9.

4. FEES AND INVOICING

4.1 License Fee. The Urban Counties shall pay to Software Provider the License Fee in accordance with the payment plan set forth below:

Payment Date	Amount to be Paid
90 days after contract execution	$ 1,200,000
January 1, 2007	$ 2,475,000
January 1, 2008	$ 4,770,000
January 1, 2009	$ 3,950,600

Software Provider shall invoice the Urban Counties thirty (30) days prior to each Payment Date, which shall be paid in accordance with Section 4.4. With each License Fee payment, the Urban Counties shall identify for Software Provider the license fee amounts attributable to each Participating Member County and to be credited against the Discounted County Price List for each Participating Member County in the event of a termination of this Agreement, which amounts shall, in the aggregate, equal the total amount of the License Fee paid by the Urban Counties on each such Payment Date.

4.2 Software Provider Service Charges. Charges for all hourly services to be performed by Software Provider hereunder shall be invoiced to and paid by the Party on whose behalf such fees were incurred, in accordance with Section 4.4.

4.3 Expenses. Each Party will reimburse Software Provider for travel, lodging, and food expenses reasonably incurred by Software Provider in performing its services herein on behalf of such Party in accordance with Section 4.4. All such costs, payments, and reimbursements shall be subject to the same terms, and in no greater amount, than provided by the lesser of Software Provider's internal travel reimbursement policy or the Participating County's travel reimbursement policy, or, when the work is performed for the Urban Counties, the Urban Counties's travel reimbursement policy.

4.4 Invoice and Payment. Software Provider shall invoice each Party for services and associated expenses on a monthly basis. For example, Software Provider shall invoice each respective Participating Member County monthly for all services related to the development and implementation of Local Modifications, and Software Provider shall invoice the Urban Counties monthly for the development of Enterprise Modifications. Software Provider shall invoice the Urban Counties for maintenance fees in accordance with the terms of the Standard Maintenance Agreement. Each invoice shall state the total invoiced amount, shall identify the Party on whose behalf the fees and expenses were incurred (either the Urban Counties and/or a Participating Member County), and shall be accompanied by a reasonably detailed itemization of services and expenses. Following receipt of a properly submitted invoice, each Party shall pay Software Provider all undisputed amounts owing therein thirty (30) days in arrears, except for annual maintenance and support fees which shall be invoiced and paid in accordance with the terms of the Standard Maintenance Agreement. All payments shall be made in U.S. currency. Any undisputed sum not paid when due shall bear interest calculated on an annual basis pursuant to Chapter 2251 of the Texas Government Code as follows. The interest rate shall be the sum of one percent and the prime rate as published in the Wall Street Journal on the first day of July of the preceding fiscal year that does not fall on a Saturday or Sunday. The rate of interest that accrues on an overdue payment is the rate in effect on September 1 of the fiscal year in which the payment becomes overdue. Interest begins to accrue on the thirty first (31) day after the undisputed amount is due. Interest on an overdue payment stops accruing on the date the Participating Member County mails or electronically transmits the payment.

5. IMPLEMENTATION FOR PARTICIPATING MEMBER COUNTIES

5.1 Implementation Plans for Participating Member Counties. Upon a Member County becoming a Participating Member County pursuant to Section 2.5, Software Provider shall meet with the Participating Member County Project Director and the Urban Counties Project Director, at Participating Member County's expense, for the purpose of developing an Implementation Plan for the Participating Member County, which shall include the development of Local Modifications, timetables and milestones, fees, and payment schedules. Upon finalization of the Implementation Plan and the issuance by the Participating Member County of the Notice to Proceed, along with the amended Participation Agreement that incorporates the Implementation Plan, Software Provider and the Participating Member County shall perform its obligations pursuant to this Agreement and the Implementation Plan (including, without limitation, that Software Provider shall develop the Local Modifications and deliver and install the Court Admin System for the Participating Member Counties) in accordance with the timetables set forth in the Implementation Plan. The Implementation Plan for each Participating Member County shall be subject to the Authorization Orders, Authorization Confirmations, Change Orders, and Change Confirmations as set forth in this Section 5. Software Provider shall invoice the Participating Member County for the services to be performed under the Implementation Plan on a monthly basis.

5.2 Enterprise Modifications.

(a) The parties acknowledge and agree that, as of the date of this Agreement, neither Software Provider nor the Urban Counties has sufficient information to specify in detail the type, quantity, and/or required service hours needed to adequately identify, define, and/or develop the Enterprise Modifications; however, the parties have to the extent practical identified in general certain proposed Enterprise Modifications, which are set forth on Exhibit E. The parties acknowledge that such preliminary, general Enterprise Modifications are not functional requirements and that Software Provider shall have no obligation regarding such until the parties further refine and define the functional requirements as set forth in this Section 5.2. In addition, Exhibit E identifies the number of service hours that Software Provider shall provide to the Urban Counties under this Section 5.2 at the discount rate set forth therein. Software Provider may not charge the Urban Counties or any Participating Member County for any services related to Enterprise Modifications at the rates set forth on Exhibit I unless and until Software Provider has provided, in the aggregate, the number of discounted hours set forth on Exhibit E.

(b) After the execution of this Agreement, Software Provider agrees to work in good faith with the Urban Counties and any Participating Member County for the purposes of collecting and analyzing sufficient data to further refine and define in detail the Enterprise Modifications set forth on Exhibit E as well as identify other Enterprise Modifications that may not be listed on Exhibit E. After the parties collect and analyze sufficient data to adequately identify and define in detail the scope of any Enterprise Modification, Software Provider shall then discuss with the Urban Counties Technical Committee the Specifications, conduct a detailed analysis with respect to the Enterprise Modifications, and present to the Urban Counties Technical Committee a detailed written report with respect to the findings of such analysis. For each Enterprise Modification authorized by the Urban Counties Technical Committee pursuant to a signed, written Authorization Order, Software Provider shall prepare a respective SRS Document, at the Urban Counties's expense, and deliver it to the Urban Counties Technical Committee for inspection and approval. Upon approval by the Urban Counties Technical

Committee, Software Provider shall develop and implement the Enterprise Modifications into the Court Admin System on a hourly basis at the Urban Counties's expense in accordance with the timetable set forth in the applicable SRS Document. In no event shall Software Provider be responsible to the Urban Counties or any Participating Member County for delays attributable to the Urban Counties's failure to timely inspect and approve a SRS Document. Software Provider shall perform its functions hereunder, and invoice the Urban Counties in accordance with Section 4.4, on an hourly basis. Upon completion of the Enterprise Modifications, the SRS Document will be considered part of the agreed upon Functional Requirements identified as Exhibit A to this Agreement.

5.3 Local Modifications. With respect to each phase of an Implementation Plan for each Participating Member County, Software Provider shall discuss with each respective Participating Member County Project Director the Specifications, conduct a detailed analysis with respect to Local Modifications, and present to each Participating Member County a detailed written report with respect to the findings of such analysis, along with a recommendation for any Local Modifications ("Operational Analysis"). For each Local Modification authorized by a Participating Member County pursuant to a signed, written Authorization Order, Software Provider shall prepare a respective SRS Document at the Participating Member County's expense and deliver it to the Participating Member County Project Director for inspection and approval. Upon receipt of the SRS Document, the Participating Member County shall have ten (10) Business Days (each such period being a "SRS Review Period") to inspect the SRS Document and to notify Software Provider of approval or disapproval of the SRS Document; provided, however, that any SRS Document not expressly approved or disapproved in a signed writing by the Participating Member County shall be deemed approved. Upon approval by the Participating Member County of an SRS Document, Software Provider shall submit the appropriate Authorization or Change Order in accordance with Section 5.5 or 5.6 to perform services on behalf of the Participating Member County for the implementation of each such Local Modification in accordance with the timetable set forth in the applicable SRS Document.

5.4 Implementation Services. Attached to each respective Implementation Plan shall be a statement of Software Provider's hours and fees associated with the services to be performed by Software Provider for each respective Participating Member County and for which each Participating Member County will pay on a monthly basis.

5.5 Change Orders. From time to time, a Participating Member County (or, with respect to Enterprise Modifications, the Urban Counties) or Software Provider may discuss, request, and/or recommend a Change. Promptly after any request or recommendation for a Change, Software Provider shall submit a respective Change Order to the Participating Member County or the Urban Counties, as applicable, for review identifying, at a minimum: (a) the nature of the Change; (b) the additional cost, if any, of implementing the Change (including, without limitation, potential changes in the server configuration); (c) the timetable for implementing the Change; and (d) the effect, if any, of the Change on the anticipated implementation schedule and Deliverables. The Participating Member County or the Urban Counties, as applicable, shall use its good faith efforts to either approve or disapprove any Change Order within ten (10) Business Days; provided, however, that any Change Order not expressly approved in writing by the Participating Member County or Urban Counties, as applicable, shall be deemed disapproved. No such Change Order shall be effective unless the Participating Member County Project Director or the Urban Counties Project Director, as applicable, approves the Change Order in a signed writing ("Change Confirmation"). Any Change Confirmation shall constitute a formal amendment to the respective Implementation Plan.

5.6 Authorization Orders. The Participating Member County (or, with respect to Enterprise Modifications, the Urban Counties) or Software Provider may discuss, request, and/or recommend specific Software Provider obligations and an allocation of hours to fulfill such obligations pursuant to the this Agreement and the respective Implementation Plan, including, without limitation, to develop Local Modifications in accordance with the respective Implementation Plan and Statement of Work. Promptly after any request or recommendation for such allocation, Software Provider shall submit a respective Authorization Order to the Participating Member County or the Urban Counties, as applicable, for review identifying, at a minimum: (a) the nature of Software Provider's obligation and (b) the number of hours to be allocated. If the Authorization Order requires Software Provider to exceed the hours designated on the Implementation Plan for any particular phase, the Participating Member County or the Urban Counties, as applicable, may, in its sole discretion, elect to: (i) request a Change Order; (ii) allocate hours from another phase to cover the excess hours; or (iii) reject the Authorization Order. The Participating Member County or the Urban Counties, as applicable, shall use its good faith efforts to either approve or disapprove any Authorization Order in a signed writing (any approved Authorization Order being a "Authorization Confirmation") within ten (10) Business Days (or other period as reasonably requested by Participating Member County or the Urban Counties, as applicable, in writing); provided, however, that any Authorization Order not expressly approved or disapproved in a signed writing by the Participating Member County or the Urban Counties, as applicable, shall be deemed disapproved. In the event a Participating Member County fails to approve or disapprove the Authorization Order in the ten (10) day period, the Participating Member County shall be responsible for any delays in the Implementation Plan and Tyler shall have no liability related thereto. In addition, Tyler may, at its option, submit a Change Order for a new Implementation Plan to the Participating Member County that takes into account the delays caused by the failure to timely approve Authorization Orders. At Tyler's sole discretion, Tyler may stop work until such time the Change Order is approved by the Participating Member County.

5.7 Changes to the Budget. In no event shall a Participating Member County's Project Director have the right or authority to increase the aggregate cost of the respective Participating Member County's project, and Software Provider shall not rely on any action by a Participating Member County's Project Director, without the Participating Member County's Commissioner's Court written approval of a Change Order.

5.8 Office Space. Each Participating Member County shall, at its sole expense, provide reasonable office space, telephone access, network access, Internet connections, and such other reasonable facilities available as may be reasonably requested by Software Provider for use by Software Provider personnel only for the purpose of performing this Agreement while such personnel are working on-site on the installation and implementation of the Licensed Property. Software Provider personnel will have access to such facilities at reasonable times for the purpose of performing this Agreement. The Urban Counties shall not be responsible for providing office space with respect to the development of Enterprise Modifications.

6. DELIVERY AND INSTALLATION OF THE JUDICIAL SOFTWARE

6.1 Risk of Loss. Risk of loss of the Documentation and Judicial Software and media on which such may be delivered shall remain with Software Provider at all times until delivery to, and if required pursuant to this Agreement, installation at the Participating Member County's or the Urban Counties's, as applicable, respective places of business.

6.2 Shipments. Software Provider shall ship the Documentation (unless delivering pursuant to Section 6.3) to the Participating Member County or the Urban Counties, as applicable, place of business in accordance with the timetables set forth in each respective

Implementation Plan. Shipments shall be prepared and packed at Software Provider's expense and delivered at Software Provider expense via air or other fast transportation to minimize delay.

6.3 Judicial Software Installation.

(a) Software Provider shall conduct its standard diagnostic evaluation to determine that the Judicial Software is ready for productive use and shall notify the Participating Member County's Project Director after completion thereof.

(b) Following the diagnostic evaluation, Software Provider shall deliver and install the Judicial Software at the Participating Member County's places of business and make such Licensed Property ready for productive use in accordance with the timetables set forth in each respective Implementation Plan.

7. DATA CONVERSION

7.1 Participating Member County Responsibilities. Each Participating Member County shall have the following responsibilities with respect to data conversion: the Participating Member County will, at its expense: (a) deliver to Software Provider legacy data in an electronic SQL, ASCII delimited or other format reasonably recommended by Software Provider; (b) provide Software Provider with basic explanation of the delivered legacy data (to include, at a minimum, data elements and, where reasonably possible, relationship explanations); and (c) such other responsibilities as set forth in the applicable Implementation Plan.

7.2 Software Provider Responsibilities. Software Provider shall have the following responsibilities with respect to data conversion: Software Provider shall receive the legacy data delivered pursuant to Section 7.1 and enable access to such data through the Judicial Software, including, without limitation, that Software Provider shall perform Software Provider's conversion obligations set forth in the applicable Implementation Plan issued under each respective Implementation Plan and in accordance with the conversion specification produced by Software Provider, which hourly services shall be invoiced to the respective Participating Member County on a monthly basis.

8. VERIFICATION OF ENTERPRISE AND LOCAL MODIFICATIONS

8.1 Verification Procedure. Upon delivery, installation, and diagnostic testing of (a) Enterprise Modifications to the Urban Counties Technical Committee or (b) Local Modifications at a Participating Member County site, and regardless of whether or not the Urban Counties or respective Participating Member County, as the case may be, supplies any test scripts pursuant to Section 8.2, Software Provider shall perform its standard test procedures set forth in the applicable SRS Document and shall certify to the Urban Counties Technical Committee or the Participating Member County, as the case may be, that the Enterprise Modifications or Local Modifications in each applicable phase is operating in accordance with the Specifications for that phase and shall demonstrate such successful operation to the Urban Counties Technical Committee or the Participating Member County, as appropriate (the "Verification Procedure"). Any Defect to an Enterprise Modification or Local Modification that is revealed during any phase of the Verification Procedure shall be promptly corrected by Software Provider, and appropriate documentation for such correction shall be produced and delivered to the Urban Counties Technical Committee or respective Participating Member County, as appropriate, within thirty (30) days of such correction. The Urban Counties Technical Committee and the Participating Member County, in its sole and absolute discretion, may monitor its respective Verification Procedure.

8.2 Optional – Urban Counties Technical Committee or Participating Member

County Supplied Test Scripts. During the Operational Analysis of each Phase set forth in the respective Implementation Plan, the Urban Counties Technical Committee or the respective Participating Member County may, but is not required to, submit to Software Provider functional test scripts for each Enterprise Modification or Local Modification function, as appropriate, to be delivered during such Phase, which test scripts will be consistent with the SRS Document and will be used by the Urban Counties Technical Committee or the respective Participating Member County as the case may be for purposes of verification testing of the Enterprise Modification or Local Modification. To facilitate the Participating Member County's development of any such test scripts, Software Provider shall provide to the Urban Counties Technical Committee and such Participating Member County for its internal use a Test Script Sample Set containing test scripts that the Urban Counties Technical Committee or the Participating Member County personnel may use as examples for the development of its test scripts. The Parties must agree on the specifics of any supplied test scripts in order for the test scripts to become a part of the Verification Procedures. The Project Directors will promptly, but in any event not less than five Business Days, meet in good faith to resolve any issues or disagreements associated with each test script supplied by the Urban Counties Technical Committee or the respective Participating Member County, as the case may be. Urban Counties Technical Committee or Participating Member County supplied test scripts delivered subsequent to the Operational Analysis activity of any particular Phase for an Enterprise Modification or Local Modification will not apply to the Verification Procedure. The Urban Counties Technical Committee or Participating Member County supplied test scripts, if any, will be in addition to Software Provider's Verification Procedures set forth in Section 8.1.

9. THIRTY (30) DAY OPERATIONAL USE; MAINTENANCE SERVICES

9.1 Operational Use. Promptly after the diagnostic testing and installation of each Phase for each case type (criminal or civil) as set forth in the respective Implementation Plan, the Participating Member County will begin an operational use period in accordance with the Implementation Plan to begin operation by the respective Participating Member County of the Judicial Software ("Operational Use"). Each respective Deliverable, including Local Modifications, will be deemed to have successfully completed Operational Use when such Deliverable has operated for a period of thirty (30) consecutive calendar days without a Service Level 1 Defect or Service Level 2 Defect.

(a) If a Service Level 1 Defect or Service Level 2 Defect occurs during the initial thirty (30) day period, then the Participating Member County's Project Director shall promptly notify Software Provider's Project Director in writing, and Software Provider shall use all reasonable efforts to promptly cure such Defect. Upon Software Provider's cure of any such Defect, the thirty (30) day timetable shall begin again.

(b) At the end of the initial or additional thirty (30) day period(s), as the case may be, each of the functions for which the Participating Member County has not reported a Service Level 1 or Service Level 2 Error shall be deemed to have successfully passed Operational Use. When each of the functions for which the Participating Member County did report a Service Level 1 or Service Level 2 Error during the initial thirty (30) day period has performed for a period of thirty (30) consecutive days without a further Service Level 1 or Service Level 2 Error, that function shall also be deemed to have successfully passed Operational Use.

(c) When all of the functions for each phase have successfully passed Operational Use as described in this Section 9, the Judicial Software relating to such phase will have completed the thirty (30) day Operational Use by the Participating Member County.

9.2 Initiation of Maintenance Services. When the first case type of either civil or criminal has completed the Operational Use period set forth in Section 9.1, the as installed Judicial Software shall then become subject to the terms and conditions of the Standard Maintenance Agreement and the Participating Member County shall pay 50% of the maintenance fees as set forth on the Price List (as adjusted pursuant to the terms of the Standard Maintenance Agreement). When the first case type of the remaining systems (civil or criminal, as the case may be) has completed Operational Use, the as installed Judicial Software shall also become subject to the terms and conditions of the Standard Maintenance Agreement and the Participating Member County shall then pay the remaining 50% of the maintenance fees as set forth on the Price List (as adjusted pursuant to the terms of the Standard Maintenance Agreement). When all of the functions of the Judicial Software have completed Operational Use, the Judicial Software shall be deemed to be fully installed and operational with respect to such Participating Member County, this Agreement will terminate with respect to such Participating Member County (subject to Section 22.4 (Survival)), and the Judicial Software shall then become subject to the terms and conditions of the Standard Maintenance Agreement.

10. DOCUMENTATION AND TRAINING

10.1 Documentation. Prior to Operational Use, Software Provider shall provide to the applicable Participating Member County the Documentation, in electronic format, sufficient to allow such Participating Member County to utilize the Judicial Software in accordance with the Specifications.

10.2 User Group, Bulletin Boards, and Internet Sites. In addition to any other maintenance obligation or obligation to provide Documentation, Software Provider shall notify any applicable Participating Member County of any user group, bulletin board, or internet site relating to the Judicial Software or services provided by Software Provider pursuant to or arising from this Agreement, and to the extent requested by the Participating Member County Project Director in writing, provide access thereto.

10.3 Training Plans and Materials; Personnel Training. Software Provider shall perform the following services on an hourly basis, which shall be invoiced to the applicable Participating Member County on a monthly basis:

(a) Software Provider shall train the applicable Participating Member County personnel in accordance with a mutually agreeable training plan for each phase as defined in the respective Implementation Plan. The training plan shall detail the specific training required for personnel to operate the Judicial Software. Software Provider and the Participating Member County may jointly develop additional training materials, which training materials will, among other things, supplement Software Provider's standard training materials, incorporate the applicable Participating Member County's business processes, and emphasize the rationale and timing required by a particular operation.

(b) Software Provider shall provide the applicable Participating Member County personnel with only the number of hours of training for the respective portions of the Judicial Software as set forth in the respective Implementation Plan, subject to a Change Confirmation.

(c) Training shall be provided at the applicable Participating Member County's principal place of business or other site selected by such Participating Member County. Training shall be performed according to the training plan, but in any event shall be "hands-on" using production-ready versions of the Judicial Software. The courses shall train the applicable Participating Member County's employees or agents in a manner to provide basic end user

training. Software Provider's employees shall follow all of the Participating Member County's work rules, confidentiality rules, and drug policies. The applicable Participating Member County shall be responsible for providing an adequately equipped training facility to operate the Judicial Software.

11. MAINTENANCE SERVICES

11.1 Maintenance and Support Agreement. Concurrent with the execution of a Participation Agreement, each Participating Member County shall execute its own respective Standard Maintenance Agreement, of which the Urban Counties and Software Provider shall be a Party. Software Provider shall provide each respective Participating Member County with maintenance and support services for the Judicial Software in accordance with the terms of Section 9.2 and the Standard Maintenance Agreement.

11.2 Limited Responsibilities of Software Provider. Except as otherwise specifically set forth in this Agreement or as agreed upon by the Parties, Software Provider shall not be obligated to: (a) collect, prepare, and enter any data necessary for the internal operation of the Judicial Software; (b) retain separate copies of the conversion data delivered by each respective Participating Member County; (c) provide or maintain the Third Person Hardware or Third Person Software; (d) maintain an internal help desk function within a Participating Member County; or (e) provide the requisite networks.

12. PROJECT PERSONNEL

12.1 Project Personnel. Software Provider represents and warrants that all personnel it uses in connection with fulfilling its obligations pursuant to or arising from this Agreement (the "Project Personnel") shall be employees of Software Provider or, if applicable, Software Provider'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. Software Provider shall not utilize any subcontractor(s) without the prior written consent of the applicable Participating Member County Project Director, which consent shall not be unreasonably withheld. Software Provider shall be solely responsible for payment of all wages, benefits, worker's compensation, disability benefits, unemployment insurance, as well as for withholding any required taxes for all Project Personnel in accordance with applicable federal, state, and local law.

12.2 Termination of Project Personnel.

(a) A Participating Member County may, upon written notice to the Software Provider Project Director, require Software Provider to remove an individual immediately from the Project for the following reasons: violation of the terms and conditions of this Agreement; violation of the Participating Member County's work rules and regulations; criminal activity; or violation of state, federal, or municipal statutes.

(b) A Participating Member County may, upon fourteen days written notice to the Software Provider Project Director, require Software Provider to remove an individual immediately from the Project without cause. Software Provider may reasonably extend any deadlines adversely affected by any delays in the Implementation Plan directly attributable to such Participating Member County's request for the removal of Software Provider personnel without cause, and Software Provider will not be responsible for such delays in the Implementation Plan.

(c) If a Participating Member County seeks to remove the Software Provider

Project Director pursuant to this section, then the Participating Member County shall provide the notice set forth above to the person designated by Software Provider to serve as the Intermediary Dispute Level.

13. MODIFICATIONS

13.1 Software Provider Modifications. Software Provider shall correct Defects in the Judicial Software pursuant to this Agreement and/or the Maintenance and Support Agreement, as applicable, and may enhance from time to time the Judicial Software (the "Software Provider Modifications"). Such Defect corrections and/or enhancements generally available to all of Software Provider's clients may result in the creation of a new version(s) of the Product (a "Version Release"). Software Provider Modifications shall belong to Software Provider and shall be Judicial Software.

13.2 Participating County Modifications.

(a) A Participating Member County may extend the Licensed Property to the extent the Licensed Property enables such extensions, including, without limitation, the creation of form tokens, reports, fee calculations, business rules, and any other such extension points as are identified in a SRS Document. Any such extensions without any assistance of Software Provider (the "Participating Member County Modifications") shall belong exclusively to the respective Participating Member County.

(b) Software Provider shall have no liability pursuant to this Agreement or the Software Maintenance Agreement for any damages or defects to the Judicial Software caused, directly or indirectly, by any Participating Member County Modifications or other changes to the Judicial Software that are implemented without the assistance of Software Provider personnel.

13.3 Enterprise / Joint Modifications. Upon a Change Confirmation authorizing Software Provider to assist a Participating Member County for Participating Member County Modifications, Software Provider shall provide such assistance for Participating Member County Modifications (as jointly developed, "Joint Modifications"), which services will be performed on an hourly basis and billed to the respective Participating Member County monthly. For purposes of this Agreement, all Enterprise Modifications shall be deemed to be Joint Modifications. All Joint Modifications, related materials, documentation, and proprietary rights therein shall belong jointly to the respective Participating Member County and Software Provider.

14. CONFIDENTIAL INFORMATION; TRADE SECRETS; OWNERSHIP OF DATA; SECURITY; COMPLIANCE WITH STATE LAW

14.1 Software Provider Confidential Information and Trade Secrets.

(a) The Urban Counties and each Participating Member County acknowledges for itself that in connection with the performance of the Parties' obligations pursuant to this Agreement, the Urban Counties and each respective Participating Member County and its representatives will receive or have access to or otherwise be provided certain Software Provider Confidential Information and Software Provider Trade Secrets. The Urban Counties and each Participating Member County will not disclose, disseminate, transmit, publish, distribute, make available, or otherwise convey Software Provider Confidential Information or Software Provider Trade Secrets, and the Urban Counties and each Participating Member County will not use, make, sell, or otherwise exploit any such Software Provider Confidential Information or Software Provider Trade Secrets for any purpose other than performance of this Agreement, without Software Provider's written consent except: (i) as may be required by law, regulation, judicial or administrative process; or (ii) as required in litigation pertaining to this

Agreement, provided Software Provider is given advance notice of such intended disclosure in order to permit Software Provider the opportunity to seek a protective order. The Urban Counties and each Participating Member County will ensure that all of its respective employees shall abide by the terms of this Section 14.1 and will be responsible for breaches by such persons.

(b) While in possession or control of Software Provider Confidential Information, or any media embodying same, the Urban Counties and each Participating Member County shall take reasonable efforts to keep such Software Provider Confidential Information reasonably inaccessible from Persons who, in the Urban Counties's or such Participating Member County's knowledge, are not otherwise authorized to view Software Provider Confidential Information. While in possession or control of any of Software Provider Trade Secrets, or any media embodying same, the Urban Counties and each Participating Member County shall use best efforts to keep all Software Provider Trade Secrets inaccessible from Persons.

(c) If the Urban Counties and/or a Participating Member County 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 Software Provider Confidential Information, then such Party shall provide Software Provider with prompt written notice of such request or requirement so that Software Provider 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 Software Provider, the Urban Counties and/or a Participating Member County nonetheless is legally compelled to disclose Software Provider Confidential Information to any court or tribunal or else would stand liable for contempt or suffer other censure or penalty, the Urban Counties and/or the Participating Member County, as the case may be, may, without liability herein, disclose to such court or tribunal only that portion of the Software Provider Confidential Information which the court requires such Party to disclose, provided that the Urban Counties and/or Participating Member County, as the case may be, at Software Provider's expense, use reasonable efforts to preserve the confidentiality of the Software Provider Confidential Information, including, without limitation, by cooperating with Software Provider to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded the Confidential Information by such court or tribunal.

14.2 Participating Member County and Urban Counties Non-Public Information and Trade Secrets.

(a) Software Provider acknowledges for itself that in connection with the performance of the Parties' obligations pursuant to this Agreement, Software Provider and its representatives may receive or have access to or otherwise be provided certain Urban Counties Non-Public Information, Urban Counties Trade Secrets, Participating Member County Non-Public Information, and Participating Member County Trade Secrets. Software Provider will not disclose, disseminate, transmit, publish, distribute, make available, or otherwise convey Urban Counties Non-Public Information, Urban Counties Trade Secrets, Participating Member County Non-Public Information, or Participating Member County Trade Secrets, and the Software Provider will not use, make, sell, or otherwise exploit any such non-public information or trade secrets for any purpose other than performance of this Agreement, without the written consent of the Urban Counties or the Participating Member County, as the case may be, except: (i) as may be required by law, regulation, judicial or administrative process; or (ii) as required in litigation pertaining to this Agreement, provided the Urban Counties or the Participating Member County, as the case may be, is given advance notice of such intended disclosure in order to give such Party the opportunity to seek a protective order. Software Provider will ensure that all of its employees shall abide by the terms of this Section 14.2 and will be responsible for breaches by such persons.

(b) While in possession or control of Urban Counties Trade Secrets or Participating Member County Trade Secrets, or any media embodying same, the Software Provider shall take reasonable efforts (but not less than what it utilizes to protect its own trade secrets) to keep such Urban Counties Trade Secrets or Participating Member County Trade Secrets inaccessible from Persons.

(c) If the Software Provider 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 Urban Counties Non-Public Information or Participating Member County Non-Public Information, then Software Provider shall provide the Urban Counties or the Participating Member County, as the case may be, with prompt written notice of such request or requirement so that such Party 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 the Urban Counties or Participating Member County, Software Provider nonetheless is legally compelled to disclose Urban Counties Non-Public Information or Participating Member County Non-Public Information to any court or tribunal or else would stand liable for contempt or suffer other censure or penalty, the Software Provider may, without liability herein, disclose to such court or tribunal only that portion of the Urban Counties Non-Public Information or Participating Member County Non-Public Information, as the case may be, which the court requires such Party to disclose, provided that the Software Provider, at Software Provider's expense, use reasonable efforts to preserve the confidentiality of the non-public information, including, without limitation, by cooperating with the appropriate Party to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded the non-public information by such court or tribunal.

14.3 Ownership of Data. All Participating Member County data (including, without limitation, all content in any media or format entered into, stored in and/or susceptible to retrieval from the Participating Member County's computer systems) shall remain the property of the respective Participating Member County. Such Participating Member County data shall not be used by Software Provider other than in connection with providing the services pursuant to this Agreement; it shall not be disclosed, sold, assigned, leased or otherwise provided to third parties by Software Provider, or commercially exploited by or on behalf of Software Provider, its employees, officers, agents, subcontractors, invitees, or assigns, or any third party, in any respect.

14.4 Security of Participating Member County Non-Public Information. Software Provider shall comply with the written security procedures or other requirements of each Participating Member County that are set forth to Software Provider in writing that are in effect during the term of this Agreement for the purposes of maintaining (a) the security of each respective Participating Member County's facilities and (b) the security and confidentiality of each respective Participating Member County's Non-Public Information as may be imposed by law on such Participating Member County.

14.5 Compliance with State Law. Software Provider shall comply with the provisions of Texas Family Code and any other applicable state laws that limit or prohibit the release of information contained in records maintained by a Participating Member County including but not limited to information contained in juvenile criminal records. Software Provider shall have no obligation or liability under this Section 14.5 to the extent any information is disclosed or released by third persons not employed by Software Provider, unless such disclosure or release results from Software Provider's breach of Section 17.17.

15. ESCROW

15.1 Escrow Agreement. Software Provider has entered into that certain Escrow Agreement with Escrow Agent, the form of which is attached hereto as Exhibit G and pursuant to which Software Provider has deposited the Licensed Property. The Urban Counties and each Participating Member County shall execute a Beneficiary Agreement, the form of which is attached hereto as Exhibit G, which shall identify each such Party as a beneficiary to the Escrow Agreement.

15.2 Updates and Verification. Software Provider shall update the escrow deposit on at least an annual basis. Software Provider shall provide the Urban Counties with thirty (30) days notice prior to updating the escrow deposit. The Urban Counties shall have the right, at its expense, to be present at Software Provider's Texas facility to verify the creation and viability of the escrowed materials.

15.3 Fees. The fees of the Escrow Agent as set forth in the Escrow Agreement shall be paid by Software Provider.

15.4 License for Use of Escrowed Materials. If material deposited in escrow is released to the Urban Counties pursuant to such escrow agreement (as defined therein, a "Release Condition"), the Urban Counties may distribute such material to the Participating Member Counties, and each such Participating Member County is hereby granted the right and license, subject to Section 14.1, to make use of such material, utilizing the services of such employees and outside consultants as it may require, to do all things reasonably necessary to perform such maintenance, support, modification and enhancement of the Licensed Property as Software Provider was obligated but failed to provide pursuant to or arising from this Agreement; provided, however, that in order to avail itself of such rights, each such Participating Member County must (a) pursuant to Section 4.1, have been credited in full for the license fees associated with such Participating Member County as set forth on the Price List (or otherwise pay in full the license fees associated with such Participating Member County after taking into account the then existing credits for such Participating Member County, if any), and (b) be otherwise current on all other services invoices due directly to Service Provider. Notwithstanding the foregoing, the Urban Counties shall not have the right to use, license, or sublicense any material deposited in escrow unless the License Fee has been paid in full.

16. PROHIBITION ON PUBLICITY

Software Provider shall not use any name, trademark, or trade name of the Urban Counties or any Participating Member County, directly or indirectly, whether in connection with advertising or otherwise, without the prior signed, written consent of the Urban Counties or the Participating Member County, as the case may be, as to each circumstance and occasion of use. Software Provider shall not claim that the Urban Counties or a Participating Member County endorses its products or services without the prior signed, written consent of the Urban Counties or Participating Member County, as the case may be. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for Software Provider individually or jointly with others, or any subcontractors, with respect to this agreement or any services or Deliverables provided herein. Notwithstanding anything in this Agreement to the contrary, Software Provider may disclose to the public the existence of this Agreement, the Parties to the Agreement, and the material terms of the Agreement, including price, projected term, and scope of work.

17. SOFTWARE PROVIDER REPRESENTATIONS AND WARRANTIES

Software Provider covenants, represents, and warrants the following:

17.1 Judicial Software Warranty. During the Term of this Agreement, the Judicial Software shall perform the functionality as set forth on Exhibit A, and to the extent that the Judicial Software does not so perform, Software Provider shall fix defects and provide such other remedial services as set forth in the Standard Maintenance Agreement, which shall be the sole remedy.

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

17.3 Interoperability. The Judicial Software shall be interoperable with commercially available operating systems and applications and commercially available internet browsers.

17.4 Pass-Through of Warranties. Software Provider shall identify in writing all third-party warranties that Software Provider receives in connection with any product provided hereunder. Software Provider hereby passes through the benefits of all such warranties.

17.5 Governmental Consent. No consent, approval, or withholding of objection is required from any governmental authority with respect to the entering into or the performance of this Agreement.

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

17.7 Free and Clear Title. Software Provider has and shall continue to have free and clear title (including all proprietary rights) to any Licensed Property delivered hereunder (other than Embedded Third Party Software) and that it has and shall continue to have the right to license, transfer, or assign any and all software products that are licensed, transferred, or otherwise provided hereunder. The Urban Counties and each Participating Member County shall quietly and peacefully possess and use the Licensed Property provided hereunder, subject to an in accordance with the provisions of this Agreement. Software Provider shall not create or permit the creation of any lien, encumbrance, or security interest in any product sold, rented, leased, or licensed hereunder. Software Provider represents and warrants that, to its knowledge, as advised by counsel, the Judicial Software, and all related source code and documentation, any Embedded Third Party Software, do not, and shall not, infringe any patent, copyright, trademark, trade secret, or any other intellectual property interest owned or controlled by any other person or third party. To the knowledge of Software Provider, Software Provider is not currently the subject of, and has never been the subject of, or received any claim, notice or other matter in which any third person has accused Software Provider of misappropriation or infringement of intellectual property or breach of fiduciary duty or a duty of confidentiality.

17.8 Future Support. Throughout the term of each respective Standard Maintenance Agreement and provided that each respective Participating Member County is not in breach of the Standard Maintenance Agreement, Software Provider shall correct or otherwise cure Documented Defects to the current Version Release of Licensed Software and either the one (1) immediately

prior Version Release or all Version Releases released within the prior one (1) year, whichever is greater.

17.9 Warranty of Software Provider Capability. Software Provider is financially capable of fulfilling all requirements of this Agreement. Software Provider covenants, represents and warrants that it is not prohibited by any loan, contract, financing arrangement, trade covenant, or similar restriction from entering into this Agreement.

17.10 Compliance with Laws. In providing services herein, Software Provider shall comply with all material licenses, legal certifications, or inspections required for the services facilities, equipment, or materials. Software Provider further represents and warrants that Software Provider shall comply in all material respects with applicable federal, state, and local statutes, laws, ordinances, rules, and regulations, including, without limitation, that Software Provider shall not: (a) employ unauthorized aliens to perform any services; and (b) refuse to hire or do business with any person based upon race, color, gender, ethnicity, disability, national origin, age, or any other protected status.

17.11 Corporate Authority. Software Provider has all requisite corporate power and authority to execute and deliver this Agreement, to perform its obligations herein, and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation by Software Provider of the transactions contemplated hereby have been duly authorized by all necessary corporate action, and no other corporate proceedings on the part of Software Provider are necessary to authorize this Agreement or to consummate the transactions contemplated hereby.

17.12 Ownership. Software Provider is a Delaware corporation that is listed for trading on the New York Stock Exchange. No director, officer, or 5% or more stockholder will, 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.

17.13 Certain Business Practices. Neither Software Provider 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. Software Provider further represents and warrants that it is not listed on a local, county, State or federal consolidated list of debarred, suspended, and ineligible contractors and grantees. No person (other than permanent employees of Software Provider) has been engaged or retained by Software Provider to solicit, procure, receive, accept, arrange, or secure this Agreement for any compensation, consideration, or value.

17.14 Corporate Good Standing. Software Provider: (a) is a corporation duly incorporated, validly existing, and in good standing; (b) has all requisite corporate power and authority to execute, deliver, and perform its obligations herein; (c) is duly licensed, authorized, or qualified to do business and is in good standing in every jurisdiction in which a license, authorization, or qualification is required for the ownership or leasing of its assets or the transaction of business of the character transacted by it except when the failure to be so licensed, authorized, or qualified would not have a material adverse effect on Software Provider's ability to fulfill its obligations herein.

17.15 Signatory Warranty. The person or persons signing and executing this Agreement on behalf of Software Provider, or representing themselves as signing and executing this Agreement on behalf of Software Provider, do hereby warrant and guarantee that he, she or

they have been duly authorized by Software Provider to execute this Agreement on behalf of Software Provider and to validly and legally bind Software Provider to all terms, conditions, and provisions herein set forth.

17.16 Licenses. Software Provider has all required licenses and/or authorizations pursuant to all laws in order to conduct Software Provider's business and fulfill the obligations of this Agreement.

17.17 Illicit Code. The Judicial Software, when delivered and installed by Software Provider, does not contain, and Software Provider 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 Urban Counties or Participating Member County property.

17.18 Project Personnel. All Project Personnel shall be employees of Software Provider or, if applicable, Software Provider'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.

EXCEPT AS SPECIFICALLY SET FORTH IN THIS SECTION 17 OR ELSEWHERE IN THIS AGREEMENT, SOFTWARE PROVIDER DISCLAIMS ALL OTHER WARRANTIES, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

18. LIMITATION OF LIABILITY

THE LIABILITY OF SOFTWARE PROVIDER TO ANY PARTY 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) WITH RESPECT TO THE Urban Counties, THE ENTERPRISE MODIFICATION FEE; AND (B) WITH RESPECT TO EACH RESPECTIVE PARTICIPATING MEMBER COUNTY, (I) PRIOR TO OPERATIONAL USE BY EACH RESPECTIVE PARTICIPATING MEMBER COUNTY, THE AMOUNTS PAID TO SOFTWARE PROVIDER BY SUCH PARTY PURSUANT TO OR ARISING FROM THIS AGREEMENT; AND (II) AFTER OPERATIONAL USE BY EACH RESPECTIVE PARTICIPATING MEMBER COUNTY, SOFTWARE PROVIDER'S OBLIGATIONS SET FORTH IN THE TERMS AND CONDITIONS OF THE STANDARD MAINTENANCE AGREEMENT WITH SUCH PARTICIPATING MEMBER COUNTY.

IN NO EVENT SHALL SOFTWARE PROVIDER BE LIABLE TO THE Urban Counties OR ANY PARTICIPATING MEMBER COUNTY (NOR TO ANY PERSON CLAIMING ANY RIGHT, TITLE, OR INTEREST DERIVED FROM OR AS SUCCESSOR TO THE Urban Counties OR PARTICIPATING MEMBER COUNTY'S RIGHT, TITLE, AND INTEREST) 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. IN NO EVENT SHALL SOFTWARE PROVIDER BE LIABLE TO ANY MEMBER

COUNTY (NOR TO ANY PERSON CLAIMING ANY RIGHT, TITLE, OR INTEREST DERIVED FROM OR AS A SUCCESSOR TO A MEMBER COUNTY) IF SUCH MEMBER COUNTY IS NOT A PARTICIPATING MEMBER COUNTY NOR SHALL SOFTWARE PROVIDER BE LIABLE TO THE Urban Counties FOR ANY MEMBER COUNTY'S USE OR OPERATION OF THE LICENSED PROPERTY IF SUCH MEMBER COUNTY IS NOT A PARTICIPATING MEMBER COUNTY.

THE FOREGOING LIMITATIONS OF LIABILITY SET FORTH IN THIS SECTION 18 SHALL NOT APPLY WITH RESPECT TO: (A) DAMAGES OCCASIONED BY THE FRAUD, GROSS NEGLIGENCE, OR WILLFUL MISCONDUCTOF SOFTWARE SERVICE PROVIDER; (B) CLAIMS THAT ARE THE SUBJECT OF INDEMNIFICATION UNDER THIS AGREEMENT; (C) DAMAGES TO THE Urban Counties OCCASIONED BY VIOLATION OF LAW BY SOFTWARE SERVICE PROVIDER; AND (D) DAMAGES OCCASIONED BY THE BREACH OF CONFIDENTIALITY OBLIGATIONS OF SOFTWARE SERVICE PROVIDER UNDER THIS AGREEMENT.

19. INDEMNIFICATION

19.1 General – Bodily Injury and Property Damage. Notwithstanding any other provision of this Agreement, Software Provider shall defend, indemnify, hold, and save harmless the Indemnified Parties from and against any and all Claims arising from Software Provider's participation in this Agreement for bodily injury or property damage sustained by or asserted against the Urban Counties or any Participating Member County arising out of, resulting from, or attributable to the negligent or willful misconduct of Software Provider, its employees, subcontractors, consultants, representatives, and agents; provided, however, that Software Provider shall not be liable herein to indemnify the Urban Counties or any Participating Member County 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 the Urban Counties, a Participating Member County, its agents, or employees.

19.2 Intellectual Property.

(a) Notwithstanding any other provision of this Agreement, if any claim is asserted, or action or proceeding brought against the Urban Counties or any Participating Member County that alleges that all or any part of the Licensed Property or any other Deliverable, in the form supplied, or modified by Software Provider, or its subcontractors pursuant to Software Provider's sole directions, or the Urban Counties or a Participating Member County'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, the Urban Counties or the Participating Member County, upon its awareness, shall give Software Provider prompt written notice thereof. Software Provider shall defend, and hold the Urban Counties and/or the Participating Member County, as the case may be, harmless against any such claim or action with counsel of Software Provider's choice and at Software Provider's expense and shall indemnify the Urban Counties and the Participating Member County, as the case may be, against any liability, damages and costs resulting from such claim. Without waiving any rights pursuant to sovereign immunity, the Urban Counties and/or Participating Member County, as the case may be, shall cooperate with Software Provider in the defense of any claim, action or proceeding and shall, if appropriate, make employees available as Software Provider 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 Judicial Software made by the Urban Counties and/or a Participating Member County, or any third party pursuant to the Urban Counties's and/or a Participating Member County's directions, or upon the unauthorized use of the Judicial Software by the Urban Counties and/or a Participating Member County.

(b) If the Licensed Property or any other Deliverable 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, Software Provider shall, at its sole cost and expense, provide one of the following remedies, which selection shall be in Software Provider's sole discretion:

(i) promptly replace the Licensed Property or the other Deliverable with a compatible, functionally equivalent, non-infringing system or deliverable; or

(ii) promptly modify the Licensed Property or the other Deliverable with a compatible, functionally equivalent, non-infringing system; or

(iii) promptly procure the right of the Participating Member County to use the Licensed Property or the other Deliverable as intended.

19.3 Survival. The provisions of this Section 19 will remain in full force and effect after the termination of this Agreement.

20. TAXES

20.1 Tax Exempt Status. The Urban Counties and each Participating Member County 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 Software Provider pursuant to this Agreement are inclusive of any applicable sales, use, personal property or other taxes attributable to periods on or after the applicable effective date of this Agreement and based upon or measured by Software Provider's cost in acquiring or providing products and/or services and related materials and supplies furnished or used by Software Provider in performing its obligations herein, including all personal property and use taxes, if any, due on equipment or software owned by Software Provider.

20.2 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 pursuant to or arising from the terms of this Agreement.

21. INSURANCE

Software Provider covenants that it shall provide and maintain the following insurance:

21.1 Commercial General Liability Insurance. Commercial liability insurance, including bodily injury, property damage, and products/completed operations coverage in the amount of not less than five million dollars ($5,000,000) each occurrence or aggregate where applicable.

21.2 Property Insurance. Property insurance shall be secured in amounts appropriate to adequately cover the business and personal property of Software Provider, with no risk to any co-insurance penalty.

21.3 Workers' Compensation and Employer's Liability Insurance. Workers' compensation coverage providing statutory benefits and employer's liability insurance with minimum limits of one million dollars ($1,000,000) each accident/each employee covering all employees.

21.4 Additional Insured Endorsement. Any liability policy required hereunder shall contain an endorsement which applies such policy's coverage to Urban Counties, and the officers, agents, employees and volunteers of Urban Counties, individually and collectively as additional insureds. All Liability insurance policies shall name the Urban Counties and each County as an additional insured. Furthermore, the Workers Compensation and Liability Insurance carriers shall grant a waiver of subrogation in the Urban Counties and County's favor.

22. TERM, SUSPENSION, AND TERMINATION

22.1 Term. The term of this Agreement shall commence on the Effective Date and shall continue until the sooner of: (a) five years; (b) each Member County becomes a Participating Member County and reaches Operational Use; or (c) the Agreement is terminated as provided herein (the "Term"). Each Party agrees to meet and negotiate in good faith any extensions to this Agreement during the six-month period prior to the expiration of the Term.

22.2 Suspension. Each Participating Member County may, in its sole discretion, suspend the services to be performed under its respective Implementation Plan for a period of time by issuing a written order to stop work and by paying to Software Provider concurrently therewith for all undisputed amounts due and owing to Software Provider herein up through the date of the written order to stop work. The written order shall set out the terms of the suspension. Software Provider shall stop all services as set forth in the respective Implementation Plan and this Agreement and will cease to incur costs to the applicable Participating Member County during the term of the suspension. Software Provider shall resume work when notified to do so by the Participating Member County in a written authorization to proceed. Software Provider shall have no liability whatsoever for delays in any respective Implementation Plan caused directly and exclusively by the Participating Member County's suspension of services. In no event shall Software Provider be required to resume services after one year following the date of the written order to stop work.

22.3 Termination for Cause. Either Party may terminate this Agreement for Cause, provided that such Party follows the procedures set forth in this Section 22.3.

(a) For purposes of this Section, "Cause" means either: (i) a material breach of this Agreement, which has not been cured within thirty (30) days of the date such Party receives written notice of such breach; (ii) breach of Section 14; or (iii) if Software Provider 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 until it notifies the other Party in writing of the existence of such material breach, provides the alleged breaching Party with thirty (30) days to cure such alleged breach, cooperates with the alleged breaching Party during such thirty (30) day period on a good faith basis to cure such alleged breach, and complies in good faith with the dispute resolution procedures set forth in Section 23 following such thirty (30) day period. The cooperation procedures set forth in this Section 22.3(b) do not apply for a termination for Cause as defined in Section 22.3(a)(ii) or (iii) or if the Urban Counties or any Participating Member County fails to timely pay any obligation when due to Software Provider. If Software Provider terminates this Agreement because of a failure of the Urban Counties to timely pay when due the License Fee or the Enterprise Modification Fee, then this Agreement shall terminate in its entirety; however, if Software Provider terminates this Agreement because of a failure of a Participating Member County to timely pay when due any obligation owing to Software Provider, then this Agreement shall terminate only with respect to such Participating Member County.

(c) In the event either Party terminates this Agreement pursuant to this Section 22.3, each Party shall return all products, documentation, confidential information, and other information disclosed or otherwise delivered to the other Party prior to such termination, all revocable licenses granted herein shall terminate pursuant to Section 3.2 (including, without limitation, all Standard License Agreements executed hereunder), and each Party may pursue all legal remedies available pursuant to or arising from this Agreement.

22.4 Survival. The following provisions shall survive any termination of this Agreement: 3.2; 3.3; 3.4; 3.5; 3.6; 3.8; 6.1; 9.2; 11; 13; 14; 15; 16; 18; 19; 20; 22; and 24.

22.5 Urban Counties No Longer a Party to this Agreement. In the event that the Urban Counties no longer is a Party to this Agreement because it has been dissolved or because the Member Counties lawfully elect in writing to not have the Urban Counties administer this Agreement, then the Parties shall have ninety days to assign this Agreement to a new third party administrator, which must be reasonably acceptable to Software Provider. If the Parties cannot mutually agree to an assignment during such ninety day period, then this Agreement shall terminate, subject to Section 22.4.

23. DISPUTE RESOLUTION

23.1 Resolution of Disputes of Invoices. If any Party disputes in good faith any amount on any Software Provider invoice, the Parties agree to use all reasonable efforts to resolve such dispute within thirty (30) days after Software Provider receives written notification of the dispute from the Urban Counties. The Parties agree to promptly provide full supporting documentation concerning any disputed amount or invoice. If, upon expiration of the thirty (30) day period, an amount remains in dispute, then the Parties shall attempt resolution of the dispute in accordance with the terms of Section 23.2. Notwithstanding the foregoing, the Urban Counties shall pay to Software Provider (and each Participating Member County will be obligated to pay to Software Provider their respective portion of) all undisputed invoice amounts as required pursuant to Section 4.

23.2 Dispute Resolution Escalation Disputes arising out of, or relating to, this Agreement shall first be discussed by the Project Directors. Any dispute that cannot be resolved within five (5) business days at the Project Director level (or such other date as agreed upon by the Project Directors) shall be referred to the individual reasonably designated by the Urban

Counties and/or the Participating Member County, as the case may be, and Software Provider's Vice President of Courts and Justice Systems Division assigned to the Urban Counties'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 the Executive Director or other individual reasonably designated by the Urban Counties and Software Provider's President of Courts and Justice Systems Division ("Executive Dispute Level"), at such time and location reasonably designated by the Parties. If a dispute cannot be resolved in ten (10) Business Days at the Executive Dispute Level, the Parties may then, upon notification by a Party to the other Party's Executive Dispute Level personnel, agree to conduct a mediation conference within 10 days. Any negotiations pursuant to this Section 23.2 are confidential and will be treated as compromise and settlement negotiations for purposes of the applicable rules of evidence.

24. PERFORMANCE BOND

24.1 Performance Bond. Software Provider shall be required, at the sole discretion of a Participating Member County, to execute a good and sufficient bond in an amount equal to the Budget Proposal and Software Pricing as shown in Exhibits I and M, respectively, or otherwise guaranteeing the full and faithful execution of the work and performance of the Agreement in accordance with the plans, specifications and contract documents, including any extensions thereof, for the protection of the Participating Member County. The costs of obtaining, maintaining, and modifying the performance bond as described herein, shall be the responsibility of the Participating Member County and shall be designated as a clearly identified line item in the Budget Proposal.

24.2 Bond Requirements. The performance bond shall identify the Principal (Software Provider) and Surety with the Owner (Participating Member County). The Principal and Surety shall be identified by their full legal names, addresses, full telephone numbers, and legal status of the parties (i.e., sole proprietorship, general partnership, joint venture, unincorporated association, limited partnership, corporation (general or professional), etc.). The identification of the Owner will be for informational purposes only. Each bond must be separately signed by the Principal and the Surety. The parties executing the bond should indicate their companies, print their names and titles, and impress the corporate seals, if any. The bonds must be payable to the Participating Member County, and shall be delivered to the designated representative of the Participating Member County within thirty (30) calendar days after execution of a Participation Agreement. The performance bond must clearly and prominently display on the bond or on an attachment to the bond the name, mailing address, physical address, and telephone number, including the area code, of the surety company to which any notice of claim should be sent, or the toll-free telephone number maintained by the Texas Department of Insurance under Article 1.35D of the Texas Insurance Code, and a statement that the address of the surety company to which any notice of claim should be sent may be obtained from the Texas Department of Insurance by calling the toll-free telephone number.

24.3 Surety Companies. Any performance bond obtained hereunder must be executed by a duly authorized Surety company satisfactory to the Participating Member County, which in any event, must be a surety company listed in Circular 570 "Surety Companies Acceptable on Federal Bonds published in the Federal Register, U.S. Department of the Treasury" and authorized to do business in the State of Texas in accordance with Article 7.19-1 of the Texas Insurance Code. No surety will be accepted by a Participating County who is now in default or delinquent on any bonds or who is interested in any litigation against any Urban County. Each Surety shall designate an agent resident in the State of Texas to whom any requisite notices may be delivered and on whom service of process may be had in matters arising out of such suretyship.

24.4 Modifications. Should the Participating Member County exercise any modifications to the Participation Agreement that increase the overall cost of the Budget Proposal, it will be the Software Provider's responsibility, subject to Section 24.1, to have the Surety company provide to Participating Member County confirmation of the existing bond or provide a new bond, if applicable.

24.5 Use of Performance Bond. In the event the Participation Agreement is prematurely terminated due to the Software Provider's breach and/or non-performance, the Participating Member County reserves the right to act on the performance bond and/or seek monetary restitution. In the event civil suit is filed to enforce this provision, the prevailing Party shall be entitled to recover its reasonable attorneys' fees from such action. 24.6 Failure to Acquire Performance Bond. In the event the Software Provider does not secure and deliver a performance bond to the Participating Member County in accordance with the provisions of this Section 24, the Participating Member County, at its sole discretion, may immediately terminate the Participation Agreement at no cost to the Participating Member County.

24.7 Termination of Performance Bond. If the Software Provider executes the performance bond as described herein, then upon completion of Operational Use pursuant to Section 9.1, the Participating Member County will promptly, but in any event not less than thirty (30) days from the date of completion of Operational Use, take all reasonable steps necessary to terminate the performance bond set forth herein or otherwise release Software Provider from any obligations arising under such performance bond.

25. MISCELLANEOUS

25.1 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. This Agreement shall be binding upon and inure to the benefit of each of the Parties and, except as otherwise provided herein, their respective legal successors and permitted assigns.

25.2 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.

25.3 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 above, 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.

25.4 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.

25.5 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.

25.6 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.

25.7 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.

25.8 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.

25.9 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. Each Party shall be solely responsible for all matters relating to, associated with, or arising from the payment of such Party's employees, including, without limitation, compliance with social security, disability insurance, withholding and all other wages, salaries, benefits, taxes, demands, and regulations of any nature whatsoever, as well as all employment reporting for such Party or any of its employees or agents. Neither Party shall be considered an agent, representative, or employee of the other Party for any purpose, and shall not be entitled to any of the benefits or rights afforded to employees of the other Party, including, without limitation, sick leave, vacation leave, holiday pay, public employees retirement system benefits (if applicable), or insurance benefits.

25.10 Governing Law; Choice of Forum. Any dispute arising out of or relating to this Agreement or the breach thereof shall be governed by the laws of the State of Texas, without regard to or application of choice of law rules or principles. Each Party hereby consents to the exclusive jurisdiction of the state and federal courts located within the county of the relevant Participating Member County and agrees to venue lying in such courts, and expressly waives any objections or defenses based upon lack of personal jurisdiction or venue or forum non conveniens. If multiple Participating Member Counties are involved in a dispute arising out of the same facts and circumstances, the Parties agree that the cases shall be consolidated.

25.11 Audit. Software Provider shall maintain complete and accurate records of all work performed pursuant to and arising out of this Agreement. A Participating Member County may, upon the written request of the Project Director, audit any and all work or expense records of Software Provider relating to materials and/or services provided herein. The Participating Member County shall provide Software Provider twenty-four hour notice of such audit or inspection. Software Provider shall have the right to exclude from such inspection any of its confidential or proprietary information that was not otherwise required to be provided to the Participating Member County as a part of this Agreement. Software Provider shall make such books and records available to Participating Member County during normal business hours. Any such audit shall be conducted at Software Provider's principal place of business during Software Provider's normal business hours and at Participating Member County's expense.

25.12 Non-Discrimination. This Agreement is subject to applicable federal and state laws and executive orders relating to equal opportunity and nondiscrimination in employment. Neither Software Provider nor its agents or subcontractors shall discriminate in their employment practices against any person by reason of disability, age, race, religion, color, sex, national origin, creed, political affiliation, or veteran status. In addition, Software Provider assures that no person will, on the grounds of disability, age, race, creed, national origin, color, religion, sex, political affiliation, or veteran status, be excluded from, be denied the benefit of or be subjected to discrimination pursuant to or arising from any program or activity funded in whole or in part

pursuant to or arising from this Agreement. Software Provider agrees to comply, and to cause its agents and subcontractors to comply, with the provisions of said laws and orders to the extent any such laws and orders are applicable in the performance of this Agreement.

25.13 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, including any Member County (except to the extent that a Member County becomes a Participating Member County and executes a Participation Agreement).

25.14 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.

25.15 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.

25.16 Equitable Relief. Each Party covenants, represents, and warrants that any violation of this Agreement by the such Party with respect to its respective obligations set forth in Sections 14 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.

IN WITNESS WHEREOF, this Agreement has been executed by the Parties hereto as of the date first above written.

TEXAS CONFERENCE OF URBAN COUNTIES		**TYLER TECHNOLOGIES, INC.**	
Signature:		Signature:	
Name:	Donald Lee	Name:	Glenn A. Smith
Title:	Executive Director	Title:	President – Courts & Justice Division

Exhibits

A – Judicial Software (including Prosecutor) Functionality
B – Standard Maintenance Agreement
C – Participation Agreement
D –Project Management
E – Enterprise Modifications
F – Software Provider Confidentiality Agreement
G – Escrow Agreement
H – Member Counties; Initial Participating Member Counties
I – Price List
J – Embedded Third Party Software
K – Third Person Software
L – Form SRS Document
M – Optional Modules License and Maintenance Fees