This agreement ("Agreement") is made this _____ day of _____ 2014 ("Effective Date") by and between Tyler Technologies, Inc., a Delaware corporation with offices at 5519 53rd Street, Lubbock, Texas 79414 ("Tyler") and the City of Killeen, Texas, with offices at 200 East Avenue D, Killeen, Texas 76540 ("Client").

WHEREAS Client selected Tyler to furnish, deliver, install and implement the products set forth in the investment summary attached hereto as Exhibit 1 ("Investment Summary");

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and promises set forth herein, Tyler and Client agree that Tyler shall provide products and services, and Client shall pay prices, as set forth in this Agreement.

SECTION A – SOFTWARE LICENSE AGREEMENT

1. <u>License Grant</u>.
a) Upon the Effective Date, Tyler hereby grants to Client a non-exclusive, non-transferable, royalty-free, revocable license to use the Tyler software products set forth in the investment summary attached hereto as Exhibit 1 ("Investment Summary") and related interfaces (collectively, the "Tyler Software Products") and documentation provided in or with the Tyler Software Products ("Documentation") for Client's internal business purposes only and otherwise subject to the terms and conditions of this Agreement. This license is revocable by Tyler if Client fails to comply with the terms and conditions of this Agreement, including without limitation, Client's failure to timely pay the Software fees in full. Upon Client's payment in full for the Tyler Software Products, this license will become irrevocable, subject to the restrictions on use and other terms set forth in this Agreement.
b) Tyler shall retain ownership of, including all intellectual property rights in and to, the Tyler Software Products and Documentation.
c) The Tyler Software Products are not licensed to perform functions or processing for subdivisions or entities that were not disclosed to Tyler prior to the Effective Date.
d) The right to transfer the Tyler Software Products to a replacement hardware system is included in this Agreement. Client shall pay Tyler for the cost of new media or any required technical assistance to accommodate the transfer. Client shall provide advance written notice to Tyler of any such transfer.
e) Client acknowledges and agrees that the Tyler Software Products and Documentation are proprietary to Tyler and have been developed as trade secrets at Tyler's expense. Client shall use best efforts to keep the Tyler Software Products and Documentation confidential and to prevent any misuse, unauthorized use or unauthorized disclosure of the Tyler Software Products or Documentation by any party.
f) The Tyler Software Products may not be modified by anyone other than Tyler. If Client modifies the Tyler Software Products without Tyler's prior written consent, Tyler's obligations to provide maintenance services on, and the warranty for, the Tyler Software Products will be void. Client shall not perform decompilation, disassembly, translation or other reverse engineering on the Tyler Software Products.
g) Client may make copies of the Tyler Software Products for archive purposes only. Client shall repeat any and all proprietary notices on any copy of the Tyler Software Products. Client may make copies of the Documentation for internal use only.
h) Tyler maintains an escrow agreement with an escrow services company under which Tyler places the source code of each major release of the Tyler Software Products. At Client's request, Tyler will add Client as a beneficiary to such escrow agreement. Client will pay the annual beneficiary fee and is solely responsible for maintaining its status as a beneficiary.

2. <u>Limited Warranty</u>. For the purposes of this Agreement, a "Defect" is defined as a failure of the Tyler Software Products to substantially conform to the then-current specifications and the functional descriptions of the Tyler Software Products in Tyler's written proposal to Client. In the event of conflict between the afore-mentioned documents, the then-current specifications will control. A Tyler Software Product is "Defective" if it contains a Defect. For as long as a current Maintenance Agreement is in place, Tyler warrants that the Tyler Software

Products will not contain Defects. If the Tyler Software Products do not perform as warranted, Tyler will use reasonable efforts, consistent with industry standards, to cure the Defect in accordance with Tyler's then-current support call process.

3. Intellectual Property Infringement Indemnification.
a) Tyler's Obligations. Tyler shall defend and indemnify Client against any claim by an unaffiliated third party of this Agreement that a Tyler Software Product, if used within the scope of this Agreement, directly infringes that party's registered United States patent, copyright or trademark issued and existing as of the Effective Date or as of the distribution date of a release to the Tyler Software Product, and will pay the amount of any resulting adverse final judgment issued by a court of competent jurisdiction or of any settlement made by Tyler in writing.
b) Client's Obligations. Tyler obligations in this section are contingent on the Client performing all of the following in connection with any claim as described herein:
     i. Promptly notifies Tyler in writing of any such claim;
     ii. Gives Tyler reasonable cooperation, information, and assistance in connection with the claim; and
     iii. Consents to Tyler's sole control and authority with respect to the defense, settlement or compromise of the claim.
c) Exceptions to Tyler's Obligations. Tyler will have no liability hereunder if the claim of infringement or an adverse final judgment rendered by a court of competent jurisdiction results from:
     i. Client's use of a previous version of a Tyler Software Product and the claim would have been avoided had Client used the current version of the Tyler Software Product;
     ii. Client's combining the Tyler Software Product with devices or products not provided by Tyler;
     iii. Use of a Tyler Software Product in applications, business environments or processes for which the Tyler Software Product was not designed or contemplated, and where use of the Tyler Software Product outside such application, environment or business process would not have given rise to the claim;
     iv. Corrections, modifications, alterations or enhancements that Client made to the Tyler Software Product and such correction, modification, alteration or enhancement is determined by a court of competent jurisdiction to be a contributing cause of the infringement;
     v. Use of the Tyler Software Product by any person or entity other than Client or Client's employees; or
     vi. Client's willful infringement, including Client's continued use of the infringing Tyler Software Product after Client becomes aware that such infringing Tyler Software Product is or is likely to become the subject of a claim hereunder.
d) Remedy.
     i. In the event a Tyler Software Product is, by a court of competent jurisdiction, finally determined to be infringing and its use by Client is enjoined, Tyler will, at its election:
          (a) Procure for Client the right to continue using the infringing Tyler Software Products; or
          (b) Modify or replace the infringing Tyler Software Products so that it becomes non-infringing.
     ii. The foregoing states Tyler's entire liability and Client's sole and exclusive remedy with respect to the subject matter hereof.

SECTION B – PROFESSIONAL SERVICES AGREEMENT

1. Expenses. Expenses shall be billed in accordance with the then-current Tyler Business Travel Policy, based on Tyler's usual and customary practices, plus a 10% travel agent processing fee. The current Tyler Business Travel Policy is attached hereto as Exhibit 2. Copies of receipts shall be provided on an exception basis at no charge. Should all receipts for non per diem expenses be requested, an administrative fee shall be incurred. Receipts for mileage and miscellaneous items less than twenty-five dollars ($25) are not available.

2. Cancellation of Services. In the event Client cancels services less than two (2) weeks in advance, Client is liable to Tyler for (i) all non-refundable expenses incurred by Tyler on Client's behalf; and (ii) hourly fees associated with the canceled services if Tyler is unable to re-assign its personnel.

3. Additional Services.
a) The Investment Summary contains a good faith estimate of service fees and travel expenses. Training and/or

consulting services utilized in excess of those set forth in the Investment Summary and additional related services not set forth in the Investment Summary will be billed at Tyler's then-current rates, plus travel expenses incurred in accordance with Section B(1).

b) Programming and/or interface quotes are estimates based on Tyler's understanding of the specifications supplied by Client. In the event Client requires additional work performed above the specifications provided, Tyler will submit to Client an amendment containing an estimate of the charges for the additional work. Client will have thirty (30) calendar days from the date the estimate is provided to approve the amendment.

SECTION C – MAINTENANCE AGREEMENT

1. <u>Maintenance Services</u>.

a) This Maintenance Agreement is effective on the earlier of (i) ninety (90) days after use of a Tyler Software Product in live production, or (ii) one hundred eighty (180) days from the date Tyler made the Tyler Software Products available to Client for downloading; and will remain in force for an initial one (1) year term, which will renew automatically for additional one (1) year terms unless terminated in writing by either party at least fifteen (15) days prior to the end of the then-current term. Fees for subsequent years are subject to change.

b) <u>Maintenance Services Terms, Conditions, Limitations and Exclusions</u>.

  i) For as long as a current Maintenance Agreement is in place, Tyler shall, in a professional, good and workmanlike manner, perform its obligations in accordance with Tyler's then current support call process in order to conform the Tyler Software Products to the applicable warranty under this Agreement. If Client modifies the Tyler Software Products without Tyler's prior written consent, Tyler's obligations to provide maintenance services on and warrant the Tyler Software Products shall be void. Tyler reserves the right to suspend maintenance services if Client fails to pay undisputed maintenance fees within sixty (60) calendar days of the due date. Tyler will reinstate maintenance services upon Client's payment of the overdue maintenance fees.

  ii) For as long as a current Maintenance Agreement is in place Tyler shall provide Client with all releases Tyler makes to the Tyler Software Products that Tyler makes generally available without additional charge to customers possessing a current Tyler annual Maintenance Agreement. Third Party Products; and installation, consulting and training services related to the new releases will be provided to Client at Tyler's then-current rates. Client acknowledges and agrees that a new release of the Tyler Software Products is for implementation in the Tyler Software Products as they exist without Client customization or modification. Tyler shall support prior releases of the Tyler Software Products in accordance with Tyler's then-current release life cycle policy.

  iii) Maintenance fees do not include installation or implementation of the Tyler Software Products, onsite support (unless Tyler cannot remotely correct a defect in a Tyler Software Product), application design, other consulting services, support of an operating system or hardware, and support outside Tyler's normal business hours.

c) <u>Client Responsibilities</u>.

  i) Client shall provide, at no charge to Tyler, full and free access to the Tyler Software Products; working space; adequate facilities within a reasonable distance from the equipment; and use of machines, attachments, features, or other equipment necessary to provide maintenance services set forth herein.

  ii) Tyler currently utilizes "Go To Assist" as a secure commercial PC to PC remote connectivity tool to provide remote maintenance services. Client shall maintain for the duration of the Agreement a high-speed Internet connection capable of connecting to Client's PC's and server. As a secondary connectivity tool to the Tyler Servers, Tyler will install a third party secure unattended remote connectivity program which is currently Bomgar. Client will need to provide Tyler a login account with local administrative privileges to the Tyler Servers. Tyler requires that Client also maintain an alternate remote connectivity method (including VPN, if necessary) for backup connectivity purposes. Tyler, at its option, will use the connections to assist with problem diagnosis and resolution.

2. <u>Support Terms for Clients Not Participating in Annual Maintenance Agreement</u>. The Software License Agreement includes ninety (90) days free maintenance. If Client elects not to participate in the Annual Software Maintenance Agreement, Client shall receive support on a Time and Materials basis following ninety (90) days

after the Tyler Software is verified in accordance with the following terms.

a) Such Clients:

      i) will receive the lowest priority for Software Support.

      ii) will be required to purchase new releases of the Software. New releases will include fixes, enhancements, and updates, such as Tax Tables, W/2 reporting formats, 1099 changes, etc.

      iii) will be charged $175 per hour with a two-hour minimum for all software support calls.

      iv) will not be granted access to Tyler's software support web-site.

      v) are subject to higher rates for training and continuing education performed by Tyler employees. This is due to the fact that the Client may not be utilizing the most current version of our software.

b) Tyler will not guarantee a program fix to a documented bug for software versions that are not the currently released version.

c) If a Client decides to discontinue the Software Maintenance Agreement and later chooses to reinstate the Software Maintenance Agreement, the Client will be required to pay the portion of annual software support maintenance fees for the Enhancement and Software Updates (27%) dating back to the date when the Client discontinued the Software Maintenance Agreement.

SECTION D – THIRD PARTY PRODUCT AGREEMENT

1. <u>Agreement to License or Sell Third Party Products</u>.

a) For the price set forth in the Investment Summary, Tyler agrees to license or sell and deliver to Client, and Client agrees to accept from Tyler the hardware ("Hardware") and third party software ("Third Party Software") set forth in the Investment Summary (collectively, the "Third Party Products").

b) <u>Third Party Product Warranties</u>. Client acknowledges and agrees that Tyler is not the manufacturer of the Third Party Products. As such, Tyler does not warrant or guarantee the Third Party Products. Tyler hereby grants and passes through to Client any warranty adjustments that Tyler may receive from the developer, manufacturer or supplier of the Third Party Products ("Developer").

c) <u>Third Party Software Maintenance</u>.

      i) In the event Client elects not to purchase through Tyler maintenance services on the Third Party Software, it shall be the responsibility of Client to repair and maintain the Third Party Software and purchase enhancements as necessary after installation.

      ii) In the event Client elects to purchase through Tyler maintenance services on the Third Party Software, Tyler will facilitate resolution of a defect in Third Party Software with the Developer.

      iii) In the event the Developer charges a fee for future Third Party Software release(s), Client shall be required to pay such fee.

SECTION E – GENERAL TERMS AND CONDITIONS

1. <u>Taxes</u>. The fees set forth in the Investment Summary do not include any taxes, including, without limitation, sales, use or excise tax. All applicable taxes shall be paid by Tyler to the proper authorities and shall be reimbursed by Client to Tyler. In the event Client possesses a valid direct-pay permit, Client will forward such permit to Tyler on the Effective Date, in accordance with Section E(21). In such event, Client will be responsible for remitting all applicable taxes to the proper authorities. If tax-exempt, Client will provide Tyler with Client's tax-exempt certificate.

2. <u>Force Majeure; Client Assistance</u>. "Force Majeure" is defined as an event beyond the reasonable control of a party, including governmental action, war, riot or civil commotion, fire, natural disaster, labor disputes, restraints affecting shipping or credit, delay of carriers, inadequate supply of suitable materials or any other cause which could not with reasonable diligence be foreseen, controlled or prevented by the party. Neither party shall be liable for delays in performing its obligations under this Agreement to the extent that the delay is caused by Force Majeure.

Force Majeure will not be allowed unless:

a) Within ten (10) business days of the occurrence of Force Majeure, the party whose performance is delayed thereby provides the other party or parties with written notice explaining the cause and extent thereof, as well as a

request for a time extension equal to the estimated duration of the Force Majeure events.

b) Within ten (10) business days after the cessation of the Force Majeure event, the party whose performance was delayed provides the other party written notice of the time at which Force Majeure ceased and a complete explanation of all pertinent events pertaining to the entire Force Majeure situation.

Either party will have the right to terminate this Agreement if Force Majeure suspends performance of scheduled tasks by one or more parties for a period of one hundred-twenty (120) or more days from the scheduled date of the task. This paragraph will not relieve Client of its responsibility to pay for services and goods provided to Client and expenses incurred on behalf of Client prior to the effective date of termination.

In addition, Client acknowledges that the implementation of the Tyler Software Products is a cooperative process requiring the time and resources of Client personnel. Client shall, and shall cause Client personnel to, use all reasonable efforts to cooperate with and assist Tyler as may be reasonably required to meet the project deadlines and other milestones agreed to by the parties for implementation. Tyler shall not be liable for failure to meet such deadlines and milestones when such failure is due to Force Majeure (as defined above) or to the failure by Client personnel to provide such cooperation and assistance (either through action or omission).

3. Indemnification.

a) Tyler shall indemnify and hold harmless Client and its agents, officials and employees from and against any and all direct claims, losses, liabilities, damages, costs and expenses (including reasonable attorney's fees and costs) for personal injury or property damage arising from Tyler's negligence or willful misconduct.

b) Client shall indemnify and hold harmless Tyler and its agents, officials and employees from and against any and all direct claims, losses, liabilities, damages, costs and expenses (including reasonable attorney's fees and costs) for personal injury or property damage arising from Client's negligence or willful misconduct.

4. Limitation of Liability. In no event shall Tyler be liable for special, indirect, incidental, consequential, or exemplary damages, including, without limitation, any damages resulting from loss of use, loss of data, interruption of business activities, or failure to realize savings arising out of or in connection with the use of the Tyler Software Products, Services, or Third Party Products. Tyler's liability for damages and expenses arising from the Tyler Software Products or Services, whether based on a theory of contract or tort, including negligence and strict liability, shall be limited to the Fees set forth in the Investment Summary related to the defective product or service. Tyler's liability for damages and expenses arising from the Third Party Products, whether based on a theory of contract or tort, including negligence and strict liability, shall be limited to the license fee/purchase price of the Third Party Products. Such fees reflect and are set in reliance upon this limitation of liability.

5. Disclaimer. THE RIGHTS, REMEDIES, AND WARRANTIES SET FORTH IN THIS AGREEMENT ARE EXCLUSIVE AND IN LIEU OF ALL OTHER RIGHTS, REMEDIES, AND WARRANTIES EXPRESSED, IMPLIED, OR STATUTORY, INCLUDING, WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND SYSTEM INTEGRATION, WHICH ARE HEREBY DISCLAIMED BY TYLER.

6. Notice of Dispute. The parties agree to notify each other within fifteen (15) business days of becoming aware of a dispute under this Agreement ("Dispute Notice Date").

7. No Intended Third Party Beneficiaries. This Agreement is entered into solely for the benefit of Tyler and Client. No third party will be deemed a beneficiary of this Agreement, and no third party will have the right to make any claim or assert any right under this Agreement.

8. Governing Law. This Agreement will be governed by and construed in accordance with the laws of Client's state of domicile.

9. Severability. If any term or provision of this Agreement or the application thereof, to any extent, be held invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable will not be affected thereby, and each

term and provision of this Agreement will be valid and enforced to the fullest extent permitted by law.

10. <u>No Waiver</u>. In the event that the terms and conditions of this Agreement are not strictly enforced by Tyler or Client, such non-enforcement shall not act as or be deemed to act as a waiver or modification of this Agreement, nor shall such non-enforcement prevent Tyler or Client from enforcing each and every term of this Agreement thereafter.

11. <u>Amendment</u>. This Agreement may only be modified by written amendment signed by authorized representatives of both parties.

12. <u>Termination</u>.
a) <u>Termination for Cause</u>. Client may terminate this Agreement for cause in the event Tyler does not cure a material breach of this Agreement within thirty (30) days of receiving notice of such breach from Client. Upon such termination, Client shall pay Tyler for all services and expenses not in dispute and non-Defective Tyler Software Products which were delivered or incurred prior to the date Tyler received Client's notice of termination. Payment for services and expenses in dispute will be determined in accordance with the dispute resolution process.
b) <u>Termination for Non-appropriation</u>. If Client should not appropriate or otherwise make available funds sufficient to purchase, lease, operate or maintain the products set forth in this Agreement, or other means of performing the same functions of such products, Client may unilaterally terminate this Agreement only upon thirty (30) days written notice to Tyler. Upon termination, Client shall remit payment for all products and services delivered to Client and all expenses incurred by Tyler prior to Tyler's receipt of the termination notice. Client will not be entitled to a refund or offset of previously paid license and other fees.

13. <u>No Assignment</u>. Client may not assign its rights and responsibilities under this Agreement without Tyler's prior written permission, not to be unreasonably withheld.

14. <u>Successors and Assigns</u>. This Agreement shall inure to the benefit of and be binding on the parties hereto and their permitted successors and assigns.

15. <u>Confidentiality</u>. Both parties recognize that their respective employees and agents, in the course of performance of this Agreement, may be exposed to confidential information and that disclosure of such information could violate rights to private individuals and entities. Each party agrees that it shall not disclose any confidential information of the other party and further agrees to take appropriate action to prevent such disclosure by its employees or agents. The confidentiality covenants contained herein will survive the termination or cancellation of this Agreement for a period of two (2) years. This obligation of confidentiality will not apply to information that:
a) At the time of the disclosure is in the public domain;
b) After disclosure, becomes part of the public domain by publication or otherwise, except by breach of this Agreement by a party;
c) A party can establish by reasonable proof was in that party's possession at the time of disclosure;
d) A party receives from a third party who has a right to disclose it to that party; or
e) Is subject to Freedom of Information Act requests, only to the extent disclosure is based on the good faith written opinion of the receiving party's legal counsel that disclosure is required by law: provided, however, that that receiving party shall give prompt notice of the service of process or other documentation that underlies such requirement and use its best efforts to assist the disclosing party if the disclosing party wishes to obtain a protective order or otherwise protect the confidentiality of such confidential information. The disclosing party reserves the right to obtain protective order or otherwise protect the confidentiality of its confidential information.

16. <u>Shipping</u>. Delivery shall be F.O.B. shipping point.

17. <u>Payment Terms</u>.
a) Tyler shall invoice Client $55,163.00 upon the Effective Date. Such amount equals 25% of the license fees for the Tyler Software Products.
b) Tyler shall invoice Client $138,925.00 when Tyler has made the Tyler Software Products available to Client for

downloading. Such amount equals 60% of the license fees for the Tyler Software Products.

c) Tyler shall invoice Client the Hardware fees of $13,920.00 and the year 1 Hardware maintenance fees of $2,010.00 upon delivery of such Hardware.

d) Tyler shall invoice Client $33,098.00 upon the earlier of (i) the first use of a Tyler Software Product in live production, or (ii) one hundred eighty (180) days from the date Tyler made the Tyler Software Products available to Client for downloading. Such amount equals 15% of the license fees for the Tyler Software Products.

e) The Hosted Applications set-up fee of $800.00 is due upon availability of such services.

f) The year 1 Hosted Applications annual fee of $1,200.00 is due upon availability of such services.

g) Tyler shall invoice Client fees for services, plus expenses, if and as provided/incurred.

h) Tyler shall invoice a 50% deposit for modifications upon delivery of specifications and 50% upon delivery of modification. Tyler will perform a modification upon receipt of written notice to proceed from Client. Client will have thirty (30) days from delivery of a modification to test such modification. In the event Client does not report an issue with such modification to Tyler within such thirty (30) day period, the modification will be deemed in compliance with the specifications.

i) Prices do not include travel expenses incurred in accordance with Tyler's then-current Business Travel Policy.

j) Payment is due within thirty (30) days of the invoice date.

k) Maintenance fees are waived through the earlier of (i) ninety (90) days after use of a Tyler Software Product in live production, or (ii) one hundred eighty (180) days from the date Tyler made the Tyler Software Products available to Client for downloading. Subsequent annual Maintenance fees will be due on the anniversary of such date.

18. <u>Electronic Payment</u>. Tyler prefers to receive payments electronically. Tyler's electronic payment information is as follows:

Bank:	Wells Fargo Bank, N.A.
	420 Montgomery
	San Francisco, CA 94104
ABA:	121000248
Account:	4124302472
Beneficiary:	Tyler Technologies Inc. – Operating

19. <u>Entire Agreement</u>. This Agreement represents the entire agreement of Client and Tyler with respect to the subject matter hereof, and supersedes any prior agreements, understandings, and representations, whether written, oral, expressed, implied, or statutory. Client hereby acknowledges that in entering into this Agreement it did not rely on any information not explicitly set forth in this Agreement.

20. <u>Multiple Originals and Signatures</u>. This Agreement may be executed in multiple originals, any of which shall be independently treated as an original document. Any electronic, faxed, scanned, photocopied or similarly reproduced signature on this Agreement or any amendment hereto shall be deemed an original signature and shall be fully enforceable as if an original signature.

21. <u>Notices</u>.

a) All notices or communications required or permitted as a part of this Agreement will be in writing (unless another verifiable medium is expressly authorized) and will be deemed delivered when:

    i) Actually received,

    ii) Upon receipt by sender of a certified mail, return receipt signed by an employee or agent of the party,

    iii) Upon receipt by sender of proof of email delivery, or

    iv) If not actually received, ten (10) days after deposit with the United States Postal Service authorized mail center with proper postage (certified mail, return receipt requested) affixed and addressed to the respective other party at the address set forth in this Agreement or such other address as the party may have designated by notice or Agreement amendment to the other party.

b) Consequences to be borne due to failure to receive a notice due to improper notification by the intended receiving party of a new address will be borne by the intended receiving party. The addresses of the parties to this Agreement are as follows:

City of Killeen, Texas   Tyler Technologies, Inc.
200 East Avenue D   5519 53rd Street
Killeen, Texas 76540   Lubbock, Texas 79414
Luevada Posey – Clerk of the Court   Albert Mendoza – Contract Specialist

22. Independent Contractor. This is not an agreement of partnership or employment of Tyler or any of Tyler's employees by Client. Tyler is an independent contractor for all purposes under this Agreement.

23. Tyler Products and Services. Client may purchase additional Tyler products and services at then-current list price, pursuant to the terms of this Agreement, by executing a mutually agreed addendum.

IN WITNESS WHEREOF, persons having been duly authorized and empowered enter into this Agreement.

City of Killeen, TX   Tyler Technologies, Inc.

By:_____   By:_____

Name:_____   Name:_____

Title:_____   Title:_____

Date:_____   Date:_____

Exhibit 1

Investment Summary
Luevada Posey
City of Killeen, TX

tyler
technologies

Prepared for:	**City of Killeen, TX**	**Contract ID # :**	**2013-0293**
Contact Person:	Luevada Posey	**Issue Date:**	**2/20/14**
Address:	200 East Ave D		
	Killeen, TX 76540	**Salesman:**	**L. Midkiff**
Phone:	(254) 501-7869		
Fax:	(254) 501-7889		
Email:	lposey@killeentexas.gov	**Tax Exempt:**	*Yes / No*

Product, Service & Equipment	Milestone # 1	Milestone # 2	Milestone # 3	As Progress Occurs	Totals	Maintenance
Total Hardware		13,920			13,920	2,010
Total Applications Software	55,163	132,390			193,600	55,163
License Fees - INCODE Court Case Management Suite			29,040			
License Fees - INCODE Document Management Suite			4,058		27,050	
Total System Software		6,535			6,535	1,634
Total Professional Services						
Hardware Services				625	625	
On-Site Services				30,000	30,000	
Final Implementation				5,000	5,000	
Project Management				13,533	13,533	
Data Conversion & Assistance				43,000	43,000	
Totals	**55,163**	**152,845**	**33,098**	**92,158**	**333,263**	**58,806**

Please Note: Travel expenses will be billed as incurred.
Please Note: Incode Notification fees are not included in the totals above. See Incode Notification page for detail and billing schedule.

		Initial Fees	Monthly Fees**
Total Monthly Services		800	100
Internet Services and Products			
**Please note this is not an Annual agreement, the fees listed herein			
are monthly fees.			
Totals		**800**	**100**

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Software Licenses

Luevada Posey
City of Killeen, TX
February 20, 2014

Application Software	Estimated Services	License Fee	Estimated Services	Annual Fee
Incode Court Case Management Suite		193,600	22,000	48,400
Criminal Court Case Management	20,000			
Centralized Cash Collections	2,000			
Incode Scheduling	Included			
(Warrant Scheduling, Macro Scheduling, Citation Import Scheduling)				
Officer Email Notification	Included			
Court Incode Web Services/API (Selectron)	Included			
Citation Issuing Device Interface-APS	Included			
General Ledger (non-Incode) Interface H.T.E	Included			
Refund Process Inteface to H.T.E.	Included			
GIS/Street Index Import	Included			
Jury Data Import	Included			
Collection Agency Export Interface	Included			
Caseless Warrant Program	Included			
Incode Content/Document Management Suite		27,050	8,000	6,763
Incode Printing and Reporting Solutions				
Secure Signatures *(includes 3 signatures)*	Included			
Output Director				
Output Director	1,000			
(Base Engine, Print Output Channel, Tyler Content Management Output Channel, Email Output Channel)				
Content Management				
Tyler Content Manager Standard Edition (TCM SE)	7,000			
(Unlimited Full & Retrieval Licenses, Multiple Scan Stations, Advanced OCR, Content Manager for Incode Applications)				
System Software & Network Services		6,535		1,634
System Software				
System Software	Included			
Professional Services				
Incode Migration Services				
Professional Services				
Final Implementation	5,000		5,000	
Project Management	13,533		13,533	
Incode Application Subtotal	30,000	220,650	30,000	55,163
System Software Subtotal		6,535		1,634
Professional Services			18,533	
Application and System Software Total	**30,000**	**227,185**	**48,533**	**56,796**

Professional Services

Luevada Posey
City of Killeen, TX
February 20, 2014

Conversion Services	Programming Fee	Hours	Estimated Services	Conversion Fee
Court Applications				43,000
Court Case Management Court - Basic Case Data	15,000	24	3,000	
Warrants & Judgements	5,500	8	1,000	
Fee Instance , Payment Plans, Restitution	7,000	16	2,000	
Distributuin Records	7,500	16	2,000	
Conversion Services Total				**43,000**

Misc. Hardware and Network Equipment	QTY	Price	Maintenance	Maintenance Source
Cash Collection				
All TM-H6000IV printers include PS-180 power supply, ribbon, USB Cable and 50 roll case of paper				
Epson TM-H6000IV Thermal Receipt Printer - Black, USB NEW	6	6,300	1,218	INCODE - 12 mos warranty
Media Plus Automated Cash Drawer -Black NEW (INCODE)	6	1,200	240	INCODE - 12 mos warranty
Mag Stripe Reader - *V8,V9,PS,V.X*	6	510		
Topaz Signature Pad T-L462 - USB w/ Serial Emulation TLBK462-BSB	6	2,760	552	INCODE - 12 mos warranty
Xerox Documate 2115	6	2,760		
Eyeball Camera	6	390		
Hardware & System Software Subtotal		13,920	2,010	
Installation & Configuration of System		625		
Hardware and System Software Total		**14,545**	**2,010**	

Hosted Applications

Luevada Posey
City of Killeen, TX
February 20, 2014

Service	QTY	Charges		Initial Year	Annual Fee
Citizen Portal					
One Time Setup Fee	1	800		800	
- Hardware Configuration					
- DNS registration					
INCODE Court Online Component					
Monthly support/maintenance fee		100	/month	1,200	1,200
- Display of citation/citations for payment					
- Display of Payment Plans					
- Payment Options					
- Drivers Safety Course					
- Deferred Disposition					
- Make Payment					
- Collects plea from defendant					
- Security -- SSL (Secure Socket Layer)					
- Payment Processing - Credit Card					
• Payment packet is created to be					
imported to Court System					
NOTE: Defendant pays $2.50 - $3.50 fee per transaction for payment on-line.					
Hosted Applications Total				2,000	1,200

INCODE Notification

Luevada Posey
City of Killeen, TX
February 20, 2014

Service	Annual Cases		Charges	Annual Fee

INCODE Notification for Courts

Service	Annual Cases		Charges	Annual Fee
INCODE Notification for Courts ($1 per violation)	15,000	$ 1.00	/violation	15,000

- Defendant Notification by Phone
- Call can be made for:
  - Citation Issued
  - Court Date Missed, Notify of Next Step
  - Warrant Issued
  - Payment Plan due date reminder
  - Etc.
- Case updated after call
  - Call taken live
  - Left message
  - No answer
- Court creates unique message for each call type
- Call message can be English or Spanish
- Call Attorney, rather than Defendant

Note: The Court will be billed for the cases in which calls are made. The $1.00 charge per violation includes up to 4 calls per violation, as shown above. The Court will be billed by Tyler Technologies monthly for the calls conducted.

The Court will be allowed 2 call campaigns in the first 30 days at no charge. Incode will assist with creating the campaigns.
- Trial offer is free for 30 days.
- Campaign is limited to a one year time frame. Example; All warrants in 2012.
- Both campaigns must be used within the 30 day time frame.
- If more than 2 campaigns are used, then customer will be billed for the additional campaigns.

INCODE Notification For Court Total

Exhibit 2

Tyler Business Travel Policy

1. Air Travel

    A.   Reservations and Tickets

The travel coordinator has been directed to provide travelers the lowest available airfare within two hours before or after the requested departure time (a.k.a. two-hour window). Employees are encouraged to make reservations far enough in advance to take full advantage of discount opportunities.

    B.   Baggage Fees

Fees for checking up to two pieces of baggage will be fully reimbursed, provided they are directly related to Tyler business. Baggage fees for sports equipment are not reimbursable.

2. Ground Transportation

    A.   Private Automobile

Business use of an employee's private automobile will be reimbursed at the current IRS rate plus out of pocket costs for tolls and parking. Mileage will be calculated by using the employee's office as the starting and ending point, in compliance with IRS regulations. Employees who have been designated a home office should calculate miles from their home.

    B.   Rental Car

Employees are authorized to rent cars when cost, convenience and the specific situation require their use. The Company has selected specific providers as its primary rental car firms. Reservations must be made through the travel coordinator or online booking tool to ensure that we take full advantage of the contract. When renting a car for Company business, employees should decline the "collision damage waiver" and "personal accident insurance" on the rental agreement as the Company carries leased vehicle coverage for any employee leasing a vehicle for business purposes. Travelers should also decline the "fuel purchase option" and return the car with a full tank of gas. The Company will not reimburse for non-essential products and services such as GPS devices and Satellite Radio.

    C.   Public Transportation

Taxi or airport limousine services should be considered when traveling in and around cities or to and from airports. The Company will reimburse the actual fare plus a reasonable tip (15-18%). In the case of a free hotel shuttle to the airport, a $1 tip per bag is reimbursable.

3. Lodging

The Company has selected specific providers as its preferred hotel vendors. Reservations must be made through the travel coordinator or online booking tool to ensure that we take full advantage of the contracts. Hotel chains that are well established, reasonable in price and conveniently located in relation to the traveler's work assignment should be selected. Typical hotel cost per night

should not exceed $100 per night before taxes. If the customer has a discount rate with a local hotel, please notify the travel coordinator as soon as possible to ensure that all employees can take advantage of the rate.

4. Meals

Meals while on travel status are reimbursable per the rate published by the IRS at www.gsa.gov/perdiem

The split for the per diem meals is:

15% Breakfast
25% Lunch
60% Dinner

A.   Overnight Travel

Employees on overnight travel status are eligible to claim all three meals on their expense report except as follows:

Departure Day

Depart before 12:00 noon	lunch and dinner
Depart after 12:00 noon	dinner

Return Day

Return before 12:00 noon	breakfast
Return between 12:00 noon & 8:00 p.m.	breakfast and lunch
Return after 7:00* p.m.	breakfast, lunch and dinner

*7:00 is defined as direct travel time and does not include time taken to stop for dinner

B.   Same Day Travel

Employees traveling at least 2 hours to a site and returning in the same day are eligible to claim lunch on an expense report. Employees on same day travel status are eligible to claim dinner in the event they return home after 8:00* p.m.

*8:00 is defined as direct travel time and does not include time taken to stop for dinner

5.   Internet Access – Hotels and Airports

Employees who travel may need to access their e-mail at night. Many hotels provide free high speed internet access and Tyler employees are encouraged to use such hotels whenever possible. If your hotel charges for internet access it is reimbursable up to $15.00 per day. Charges for internet access at airports are not reimbursable.

Effective April 1, 2012

Exhibit 3

The Data Conversion Process

Purpose

One of the most difficult aspects of software transition revolves around data conversion. This process takes place in one of two ways:

1. The manual method - In the manual mode the Client enters data from the existing system into the new Tyler system.

2. The automated method - In the automated mode a software program is written or coded in order to facilitate moving information from the existing system to the new Tyler system.

This document is provided to aid the Client in understanding the automated conversion process and to provide clear direction as to the responsibility and the scope of the process.

Who should read this document?

The obvious answer to this question is the individual at the Client site that is most responsible for the transition. Specifically, it should be:

1. The individual responsible for extracting and providing data from the old system to the Tyler system.

2. Any individuals responsible at a department level.

3. Any individual that would benefit from understanding the conversion process

The Conversion Process

The process itself has a predefined set of steps that must take place for a successful conversion:

1. Initial data extraction - The Client must perform the preliminary extraction and transmission of data.

2. Data Evaluation - Tyler will then be responsible for evaluating the information that has been transmitted. Upon a successful evaluation, the Client will be contacted for further scheduling.

3. Conversion scheduling - Once a schedule has been decided upon, Tyler will proceed in development of the conversion programs. During the development step, the Client will be responsible for providing knowledge and insight into the information from its current system.

4. On-Site Conversion - Upon Tyler's arrival at the Client's site for the conversion, the Client will be responsible for a final extraction of the data. In most situations the Client will not have to transmit the final extraction to Tyler. The Tyler trainer on site will assist the Client in preliminary Tyler application setup that is required for the conversion as well as execute the conversion programs and assist in the verification of the converted information's integrity.

Even though the Tyler trainers possess a great deal of knowledge in the area of conversion, it is ultimately the Client's responsibility to validate any converted data. The sections that follow clearly outline and describe each of the above steps.

Data Extraction and Transmission of Data

The Client must supply data in ASCII file format with unpacked data fields. The ASCII (pronounced as AS-key) is an abbreviation that represents the American Standard Code for Information Interchange. This standard was established in 1967 and still represents one of the most important standards in the computer industry. Vendors also use compression techniques in their data structures to pack numeric fields and dates. Since these techniques are not standard and vary from vendor to vendor, we are unable to process this information. In the simplest of terms, the Client's data that is transmitted to the Tyler system should be legible in a standard text processing program such as Windows textpad or wordpad. The characters that you view on screen should be the same characters that are on your computer keyboard.

File Descriptions and layout

The Client must supply sufficient file descriptions and layout information for the data. Sometimes file descriptions will be referenced as data definitions. Normally data files have one row after another. Each row represents a record or grouping of information. As an example, a vendor file would normally have a row for each vendor in the system. The rows then have to be broken down further into columns or fields. An example of a field in the vendor file could be vendor name. The file description provides the information needed to know exactly what position each field starts and stops in each row. In all cases, file descriptions are absolutely necessary for any type of conversion.

Media Type

Unless the Client's existing system has a unix operating system, the most desirable media to transmit the data would be a cd. In situations where a writable cd is not available, the Client can submit the information on a zip disk or 4mm tape. If a 4mm tape is used then the Client should transfer the information to the tape using the standard Windows backup software. The Client may also submit the data via email when the Client has a compression utility such as winzip and a fast and reliable internet connection. When the Client's existing system has a unix operating system, the Client may use any of the methods mentioned above with the additional transmittal method of a 4mm tape with the maximum capacity of 4gb or a ¼ inch tape with the maximum capacity of 1gb. The Client should include the Data Transmission Form with the media. If the Client is using email to transmit the data, include the information from the Data Transmittal Form in the email as text or an attachment. In situation where none of the above options are available to the Client, arrangements should be made with Tyler as to viable alternatives. These alternatives may involve additional fees.

There are certain vendors that Tyler has had considerable conversion experience and has developed processes to extract the information from their proprietary data files. Other vendors store their data in Microsoft Access or Microsoft SQL Server database. It is possible in these situations that the Client can provide their existing data files in their current state without data extraction. In this scenario the Client would only be responsible for providing a backup of their current data.

The first data extraction is for the sole purpose of developing the conversion software. This extraction should contain all the tables or files that are to be converted along with the appropriate record layouts. An incomplete extraction can produce time delays and undesirable results during the actual conversion.

Final Data Extraction

The final data extraction will be performed on the day of or a day very close to the final conversion. This extraction will be coordinated with Tyler's conversion personnel and implementation coordinator.

Data Extraction Assistance

In almost all instances the Client owns its data, but the current software provider's file descriptions will be considered proprietary information. There will be scenarios where the software provider will not provide file descriptions or will provide the descriptions for a fee. Any fees required by the vendor are the responsibility of the Client and are not included in the contract. In many situations the data will have proprietary fields with no easy solution for extraction. Tyler's years of experience with data conversions has lead to many innovative techniques for data extraction. When the Client has exhausted its available options, Tyler can assist with the data extraction for additional fees. The Client will have the responsibility of contacting their sales representative for a quote for additional services. Upon receipt of a purchase order from the Client, Tyler will proceed with this assistance.

Conversion Scheduling

Once Tyler has received the data from the Client a three stage evaluation process will be implemented. Media will be evaluated as to its readability. Each data file transmitted will be reviewed as to its format, file description, and estimated complexity. When these two stages have been successfully completed, Tyler's implementation coordinator will schedule with the Client a time for the data conversion, conversion assistance, and training. The third stage of the evaluation is more detailed and will follow in approximately 3 weeks. During this stage the data will be evaluated for its completeness, validity, and mandatory fields needed in the conversion. If problems arise during this process, Tyler will communicate to the Client the problems. The Client will be responsible for resolving the problems in a timely a manner as possible so that the schedule is not affected. If no problems arise then the Client can assume that Tyler is on schedule.

Timing is an important element during a data conversion. Scheduling of the conversion will revolve around the most advantageous cutoff dates. For example, if a Client bills their utility customers at the end of each month, the best time to do the conversion would be during the last two weeks of the month. Financial conversions will be easier to validate if performed after a period has been closed. All of these elements will be discussed by the implementation coordinator with the Client during scheduling.

Conversion Program Development

After Tyler receives and validates the Client's data, the development of the conversion program will begin. During the development process, questions about the Client's current data or application may be raised. The Client is responsible for providing contact information for staff member(s) that are capable of responding to questions for each module being converted.

It is important for the Client to understand that Tyler has a minimal amount of experience with the Client's current application. Questions raised by Tyler will be the result of analyzing data. There are a significant number of times when the data being analyzed does not correspond with the information that the Client views on the screen in their current application. Providing staff members that have an in depth knowledge of the Client's current application is a key element of a successful conversion.

Part of the development process will be testing the program with the data provided in the first extraction. This testing will take place at Tyler's facilities. Any potential problem areas will be communicated to the Client.

Conversion Assistance

As part of the contract, a Tyler trainer will be at the Client location during the actual conversion. The trainer will

provide conversion assistance in the areas of preliminary setup, conversion program execution and data validation. Even though the primary focus of the trainer is a successful completion of the conversion process, the trainer will be providing a limited amount of training in certain areas. In a majority of cases, the trainer responsible for the conversion assistance will also be responsible for the training that will occur either before or after the conversion.

It is important to note that the trainer will not be the programmer responsible for the creating or modifying conversion program. The trainer will be responsible for conveying to the programmer discovery of Client specific information before the final conversion and any mistakes found after the conversion. The Client will need to facilitate the trainer by providing a comfortable place to work, access to facilities before and after normal work hours and telephone communications.

Data Validation

The final step in the conversion process is the data validation. Much attention will be given to data integrity during the testing phase by the program developers. The conversion assistant will also spend time testing the integrity of the information. Balances and the output of processes will be tested after the conversion. A visual inspection of different modules will be performed by choosing different records on a random base. But data validation is ultimately the responsibility of the Client.

Conclusion

After over 20 years and several hundred conversion experiences, Tyler has determined that there are several key factors in a successful conversion. The Client needs to have a realistic expectation of what is going to happen. The Client must understand that there are no pleasant conversions; therefore a successful conversion is one that provides the least amount of displacement and discomfort. More than likely, the Client will have to change their schedules and prepare for a heavier work load during the conversion. The Client has to realize that the data on the system being converted is exactly how the data will be on the new system. The conversion process does not clean up or correct any information during the conversion process. The old adage "garbage in, garbage out" is very relevant during the conversion process. One example would be a general ledger conversion where the current system's ledger is out of balance. After the conversion, the Tyler general ledger will be out of balance. And finally, to have a successful conversion, there must be a team approach by all those involved.

COMPANY WEB SERVICES - INTERNET BASED PRODUCTS SUBSCRIPTION AGREEMENT TERMS AND CONDITIONS

THIS AGREEMENT is effective as of the date of acceptance set forth at the end hereof, and is by and between Tyler Technologies, Inc., hereinafter referred to as COMPANY and the party signing this agreement as the "SUBSCRIBER".

DEFINITIONS

COMPANY Web Services   COMPANY Web Services are designed to enable SUBSCRIBER to easily establish a presence on the Internet. COMPANY Web Hosting and Design is composed of the COMPANY Web Hosting and Design Publishing Component and other miscellaneous components. These components may be used independently or in conjunction with each other.

COMPANY Court On-Line   The COMPANY Court On-Line Component provides the ability for municipal court fines to be paid by credit card via the Internet. Since it was designed by COMPANY, this system interfaces seamlessly with COMPANY's InCourt Municipal Court System.

AGREEMENTS

1) **TERM.**   SUBSCRIBER must return an executed copy of this Agreement to COMPANY within 90 days from the issue date. Thereafter, the Agreement will be voided and is subject to change. Subject to the limitations of this Section 1, and unless otherwise provided for in this Agreement, the term of this Agreement shall commence as of the effective date and shall continue for three (3) years. The term shall thereafter be automatically extended in separate consecutive periods of twelve (12) months duration unless either party gives written notice to terminate. Notice to terminate must provide at least sixty (60) day notice of said intent. In the event that the SUBSCRIBER fails to pay any amount payable to COMPANY hereunder, when due, or fails to comply with any other provision of this Agreement, COMPANY may terminate the SUBSCRIBER's rights by written notice to that effect to the SUBSCRIBER. COMPANY may, by written notice to the SUBSCRIBER, terminate its obligations under this Agreement in the event that COMPANY, for whatever reason, ceases to host SUBSCRIBER's Web Site. A termination of the SUBSCRIBER's rights under this Agreement shall not terminate any of the parties' rights under this Agreement to receive or hold amounts rightfully owing to the respective party pursuant to the terms of this agreement or to enforce the intellectual and proprietary rights in the COMPANY concept, web site, software, and technology. Upon termination or non-renewal of this agreement, the parties shall each promptly account for all due but unpaid amounts hereunder. If SUBSCRIBER wishes to terminate before the stated term expires, SUBSCRIBER must give sixty (60) days written notice in order not to incur termination costs of $300.00. Please also see section entitled "**TERMINATION**" in this Agreement.

2) **NATURE OF WEB SITE.** COMPANY shall maintain a web site accessible over the Internet, for SUBSCRIBER. This web site shall contain both static information pages, non-static interactive pages as well as payment function pages. The web site shall allow a citizen with Internet access to view relevant data provided by SUBSCRIBER. This data may include certain data elements from SUBSCRIBER's Tyler Software System. This web site shall be equipped to accept payment of amounts owed to SUBSCRIBER, via Secured Socket Layer (SSL) encryption and credit card or debit card charge.

3) **DATA PROCUREMENT.**   COMPANY must host the components and services listed in the Investment Summary of this Agreement. The SUBSCRIBER will be required to setup a merchant account with Electronic Transaction System Corporation or authorize.net for the sole use of COMPANY Web Service transactions. The merchant account must be setup to fund to the SUBSCRIBER bank account. All fees for the merchant account will be paid by SUBSCRIBER.

SUBSCRIBER will be required to install and run Tyler Web Services in order for the COMPANY On-Line application to access and transfer the necessary data from the SUBSCRIBER's primary software system, to COMPANY's web server. The transfer will occur on a real time basis. Additionally, certain information, such as payment information, must be conveyed to SUBSCRIBER. COMPANY will assume responsibility for transferring such information back to SUBSCRIBER on a regular basis. Tyler Web Services requires a dedicated IP address. Assignment of dedicated IP address is the sole responsibility of SUBSCRIBER.

4) **LICENSED SOFTWARE OWNERSHIP.**   SUBSCRIBER agrees that COMPANY possesses exclusive title to and ownership of the COMPANY Software.
   a. SUBSCRIBER agrees that SUBSCRIBER acquires neither ownership nor any other interest in the COMPANY Software, except for the right to use and possess the COMPANY Software in accordance with the terms and conditions of this Agreement.
   b. All rights not expressly granted to SUBSCRIBER in this Agreement are retained by COMPANY.
   c. SUBSCRIBER agrees that COMPANY Software including, but not limited to, systems designs, programs in source and/or object code format, applications, techniques, ideas, and/or know-how utilized and/or developed by COMPANY are and shall remain the exclusive property of COMPANY. SUBSCRIBER agrees that the COMPANY Software consists of COMPANY's trade secrets. COMPANY shall retain all copyrights in the COMPANY Software, whether published or unpublished.
   d. COMPANY agrees that all data provided to COMPANY for the purposes of generating the web site shall remain the property of SUBSCRIBER. Should SUBSCRIBER terminate the Internet Services in good

COMPANY WEB SERVICES - INTERNET BASED PRODUCTS SUBSCRIPTION AGREEMENT TERMS AND CONDITIONS

standing and in accordance with the termination provisions of this Agreement, COMPANY agrees to return to SUBSCRIBER, all graphics, text documents, and data files held by COMPANY.

5) **SUBSCRIBER MEMBERSHIP FEES.**   For establishing new COMPANY Web Services, the SUBSCRIBER shall pay to COMPANY the amounts as stated in the Investment Summary.

6) **INSITE FEES.** COMPANY may increase the INSITE per-transaction fee for online payment no more than once per year with prior written notice.

7) **NOT ASSIGNABLE.**   The rights of the SUBSCRIBER under this Agreement are not assignable without the prior written consent of COMPANY. Any attempt to sublicense, assign, encumber or transfer any of the rights, duties or obligations under this Agreement by the SUBSCRIBER is void. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective permitted assigns and successors.

8) **SOFTWARE MAINTENANCE.**   This SUBSCRIPTION AGREEMENT includes unlimited telephone support, support by communication modem, and all software upgrades, enhancements and new releases. COMPANY reserves the right to change the functionality of future releases of its software and SUBSCRIBER understands that COMPANY is not obligated to include specific functionality in future releases unless provided for herein.

9) **PARTIAL INVALIDITY.**   Should any provision or clause of this Agreement be held to be invalid, such invalidity shall not affect any other provision or clause hereof, which can be given effect without such invalid provision or clause.

10) **RESPONSIBILITY OF DATA.**   COMPANY will assume responsibility for all data transfer, but not responsible for data accuracy.

11) **SITE REQUIREMENTS.**
   a. SUBSCRIBER shall maintain a high speed internet connection (1.5mbps download AND 512kbps upload) with a static IP address and must be able to provide COMPANY with IP connection to SUBSCRIBER's network through Citrix GotoAssist, VPN, Citrix, or Microsoft Terminal Services. COMPANY shall use the connection to assist with problem diagnosis and resolution. COMPANY is not responsible for purchase of VPN client software license or configuration of SUBSCRIBER's firewall settings. **No wireless Internet connections allowed.**
   b. COMPANY shall provide SUBSCRIBER with remote support through the use of secure connection over the Internet connection via Citrix GotoAssist. If SUBSCRIBER will not allow access through GotoAssist, COMPANY cannot guarantee support standards will be met.

12) **PROPRIETARY INFORMATION.**
   a. Distribution of COMPANY Software. SUBSCRIBER may not sell, assign, transfer, disclose, or otherwise make available, either directly or indirectly, any object code, documentation or other material relating to the Software, in whole or in part, or any copy of the same in any form, to any other person or entity.
   b. Software as Trade Secret. SUBSCRIBER shall maintain the confidentiality of the Software and unless specifically authorized by COMPANY or except for ordinary and necessary backup purposes, SUBSCRIBER may not make or have made any copies of the Software or any part thereof. SUBSCRIBER shall include COMPANY's proprietary notice or other legend on any copies made by SUBSCRIBER as permitted hereunder.

13) **WARRANTY, DISCLAIMER, LIMITATION ON LIABILITY.**   COMPANY warrants that the Software will substantially conform to current specifications delivered by COMPANY to SUBSCRIBER pursuant to this Agreement, including COMPANY's response to the Request for Proposal for six (6) months following installation; provided, however, that COMPANY's warranty hereunder shall not cover or apply to any software or part thereof that is not developed or designed by COMPANY. In the event that the Software is found to be defective in such respect and SUBSCRIBER notifies COMPANY in writing within six (6) months after its receipt of the Software of any substantial non-conformity of the Software with such specifications, COMPANY's sole obligation under this warranty is to remedy such defect within a reasonable time. THE FOREGOING WARRANTY IS EXCLUSIVE AND IS MADE IN LIEU OF ALL OTHER WARRANTIES OR REPRESENTATIONS, WHETHER EXPRESS OR IMPLIED, IN FACT OR IN LAW, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. COMPANY SHALL IN NO EVENT BE LIABLE FOR DAMAGES THAT EXCEED THE AMOUNT OF THE CHARGES PAID BY SUBSCRIBER HEREUNDER FOR THE DEVELOPMENT AND LICENSE OF THE SOFTWARE. IN NO EVENT SHALL COMPANY BE LIABLE FOR SPECIAL, INCIDENTAL, EXEMPLARY, INDIRECT OR CONSEQUENTIAL DAMAGES OR FOR LOSS OF PROFITS, REVENUES OR DATA, EVEN IF COMPANY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

COMPANY WEB SERVICES - INTERNET BASED PRODUCTS SUBSCRIPTION AGREEMENT TERMS AND CONDITIONS

14) **HOLD HARMLESS.** SUBSCRIBER agrees that it will hold COMPANY harmless against any claims, damages, liabilities, costs and expenses, including reasonable attorneys' fees, arising out of or relating to

    a. SUBSCRIBER's failure to implement any corrections, improvements and new releases relating to the Software, or any part thereof,

    b. SUBSCRIBER's unauthorized alterations to or use of the Software, or

    c. SUBSCRIBER's breach of any of its obligations to maintain the confidentiality of the Software or SUBSCRIBER's unauthorized copying thereof.

15) **TERMINATION.** This Agreement or any license referenced hereunder may be terminated by COMPANY upon written notice to SUBSCRIBER if SUBSCRIBER performs any breach of the terms of this Agreement. At the date of termination of this Agreement, SUBSCRIBER shall promptly return to COMPANY any Software, related documentation, materials and other property of COMPANY then in its possession, and any copies thereof wherever located. Notwithstanding the foregoing, all provisions hereof relating to confidentiality of the Software shall survive the termination of this Agreement.

16) **GENERAL.**

    a. This Agreement shall be governed by the laws of SUBSCRIBER's state of domicile and constitutes the entire Agreement between the parties hereto with respect to the Software described herein, and shall supersede all previous or contemporaneous negotiations, commitments and writings with respect to the matters set forth herein.

    b. All acceptances by COMPANY of purchase orders and all sales by COMPANY are expressly limited to and made on the basis of the terms and conditions set forth herein, notwithstanding receipt or acknowledgment of SUBSCRIBER's order forms or specifications containing additional or different provisions, or conflicting oral representations by an agent, representative or employee of COMPANY. Any such additional or different terms are hereby objected to. All acceptances by COMPANY are expressly conditional on SUBSCRIBER's assent to the additional or different terms and conditions set forth in this Agreement. If these terms and conditions are not acceptable, SUBSCRIBER should notify COMPANY at once.