



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Select Operating Model for Financial Systems and Adopt Resolution Authorizing City Manager to Execute Agreement with Tyler Technologies, Inc. for Replacement Financial Systems

MEETING DATE: August 21, 2013

PREPARED BY: Deputy City Manager

RECOMMENDED ACTION: Select operating model for financial systems and adopt resolution authorizing the City Manager to execute agreement with Tyler Technologies, Inc. for replacement financial systems.

BACKGROUND INFORMATION: The City is currently using software for its financial and utility billing systems that date to the late 1990s. These systems are outdated and at the end of their useful lives.

The City issued a Request for Information on November 15, 2012 and received responses from 10 vendors on January 4, 2013. A team of City staff reviewed the proposals and recommended four firms be invited to demonstrate their software for staff to evaluate. Ultimately, two firms provided demonstrations of their software capabilities.

Based upon the demonstrations and reference checks, staff is recommending that Council approve a contract with Tyler Technologies, Inc. (Tyler). Tyler provides a full suite of software designed specifically for governmental entities. Implementation of the new software will be accomplished using a phased approach over a two-year period. Financial functionality will be implemented first, followed by Human Resource/Payroll functionality, Business License and Fleet functionality and concluding with Utility Billing.

Operating Model

The proposed software can be operated in either of two models: locally hosted or vendor hosted. Staff is requesting that Council select an operating model and authorize the City Manager to execute a contract with Tyler under the selected model. Contracts for both models are attached.

Locally Hosted

Under a locally-hosted model, a license to use the software is purchased and the software is loaded on hardware owned, operated and maintained by City staff. The City has sufficient excess capacity with its existing servers and storage devices to absorb this application. The City pays the vendor annual maintenance fees for the continued use of the software. Updates to the software are included as a part of the annual maintenance fee, but it is the City's responsibility to test and load the updates in a timely manner to keep the software current. Replacement of hardware is the responsibility of the City. All data is retained locally on City hardware. Back-ups, database maintenance and disaster recovery are the City's responsibility. Additionally, City staff will need to become proficient in the operations and workings

APPROVED:

Konradt Bartlam, City Manager

of the software as City staff will be responsible for user assistance (help desk function). The City has three positions today that provide most of the above services for the existing financial systems. It is anticipated that all three positions would be required if the locally-hosted operating model were selected. The contract for the locally-hosted model includes contracting with Tyler for some database administration services along with disaster recovery services, including off-site storage of back-up data. Each of these services costs \$17,380 the first year and escalates at 5 percent per year.

Vendor Hosted

Under a vendor-hosted model, the City would be contracting with Tyler to host the software and operate and maintain the software on our behalf. Tyler maintains server operations in Maine and Texas that are fully redundant. The City essentially 'rents' the software and hardware from Tyler for the term of the hosting agreement (proposed to be seven years). Incorporated into the hosting-agreement services are disaster recovery, back-ups and database maintenance. Tyler staff will also become the primary 'help-desk' responder to user questions regarding the use of the software. The City's access to the Tyler system will be via a secure internet connection. It will be the City's responsibility to ensure that the internet connection is working. City staff will be responsible for testing software updates and authorizing Tyler to move such updates to the production environment. Tyler will be responsible for operating, maintaining and upgrading hardware. Under the vendor hosted model, the City will not need to have and maintain hardware to host this system. Since much of the operation and maintenance functions under the vendor-hosted model are contracted to Tyler, it is anticipated that two of the three positions that support the current financial systems will not be needed after the new system is fully functional. It is anticipated that two positions would be eliminated at that point (approximately two years after contract execution).

Security

System and data security should be considered when selecting the operating model. Key areas of concern are data center operations and access, application security and user security. Data center security for the City is handled through restricted access cards and keys. Tyler maintains similar restrictions through key card access to their data center facilities. Through these and other mechanisms, physical security to the data centers is maintained. Application and user security is managed at the user level under both operating models and both maintain internal controls to minimize unauthorized use. Both operating models have an exposure to hackers coming into these systems through the internet. While recognizing that no internet traffic is immune to being hacked, the likelihood of this happening is relatively low. Once a new way is found to compromise security, a new method is devised to thwart such attacks.

Availability

Under the locally-hosted model, the systems will be available to users on a 24/7/365 basis, except for any unexpected outages. Information Technology staff indicate that there will be no scheduled downtimes for this system in our virtual environment. Under the vendor-hosted model, the systems will also be available to users on a 24/7/365 basis, except for scheduled downtime or unexpected outages. Tyler schedules downtime on a daily basis between 2:00 a.m. and 3:00 a.m., local time, for maintenance and back-ups.

Under the locally-hosted model, help desk services would be available to users during normal business hours; generally Monday through Friday from 7:30 a.m. to 5:30 p.m. local time. Calls or requests outside of normal business hours would generally be handled the following business day. Urgent issues could be addressed by calling staff that would handle the call remotely or come in to the office to handle.

Under the vendor-hosted model, Tyler provides help desk services during the hours noted in the agreement. Tyler is based on the east coast and staffs their help desk based upon east coast times. For us, all help desk services would be available to us at 5:00 a.m. and be staffed through between 2:00 p.m. and 6:00 p.m., west coast time, depending upon which module is involved. Outside of these hours, we would have the ability to access a Tyler staff member for critical issues, leave a message for non-critical issues or access an extensive on-line database of Tyler processes, procedures and helpful hints.

Financial Analysis

Over a seven-year period, costs for the locally-hosted model total \$3,323,692 while costs for the vendor-hosted model total \$2,607,066, a difference of \$716,626. Refer to the table below. Each operating model reflects one-time and recurring costs.

Under the locally-hosted model, Tyler has waived annual software maintenance fees for the first year, except for the fees associated with database maintenance, disaster recovery and third-party software maintenance. One-time charges for the locally-hosted model include software license costs, implementation, data conversion, and ancillary hardware and services costs. These costs are spread over the two-year implementation cycle. Annual maintenance costs are set at 18 percent of the software cost and are initially \$105,955. Maintenance costs are estimated to increase at a rate of 5 percent per year. Total fees paid to Tyler under this agreement would be \$1,638,142.

Under the vendor-hosted model, fees are timed to coincide with the availability of the underlying modules to which the fees apply. Fees associated with database maintenance, disaster recovery, data back-ups, implementation and data conversion are factored into the annual recurring fees. One-time costs under the vendor-hosted model represent costs for ancillary hardware and services. Once the software is fully implemented, annual fees will be \$276,174. Total fees paid to Tyler under this agreement would be \$1,985,816.

Local costs represent costs or savings associated with each model. Under the locally-hosted option, costs include labor costs for the three staff supporting the system for the seven-year period, totaling \$2,215,500. It is anticipated that \$41,800 will be needed to replace the server hardware during the seven years and that some additional memory will be required. As a result of replacing the existing financial systems, annual maintenance and support fee expenses for five years totaling \$571,750 will be avoided.

Local costs under the vendor-hosted model represent staff costs totaling \$1,193,000 over the seven-year period. These costs are composed of the three support positions for two years during the implementation period and the retention of a Sr. Programmer/Analyst position as the primary local support position for the system for the final five years of the analysis. Since Tyler would be providing the hardware, no hardware upgrades/replacements would be needed under the vendor-hosted model. As noted under the locally-hosted model, costs of \$571,750 related to avoided maintenance fees for the existing financial systems would also apply.

Summary of Costs

| | Vendor Hosted | Locally Hosted |
|-------------------------------------|--------------------|--------------------|
| Year 1 – recurring | \$189,535 | \$37,118 |
| Year 1 – one time | 94,556 | 530,415 |
| Total Year 1 | \$284,091 | \$567,533 |
| Year 2 – one time | 81,120 | 313,879 |
| Year 2 – recurring | 239,735 | 111,253 |
| Total – Year 2 | \$320,855 | \$425,132 |
| Year 3 | 276,174 | 116,815 |
| Year 4 | 276,174 | 122,656 |
| Year 5 | 276,174 | 128,789 |
| Year 6 | 276,174 | 135,228 |
| Year 7 | 276,174 | 141,989 |
| Total Paid to Tyler | \$1,985,816 | \$1,638,142 |
| Initial Maintenance Fee % | | 18.0% |
| Annual Maintenance Fee Increase | | 5% |
| Local Cost/(Savings) | | |
| Sr. Programmer/Analyst | \$1,008,000 | \$1,568,000 |
| IT Specialist | 185,000 | 647,500 |
| Hardware Upgrades | | 41,800 |
| Eliminate JDE/CIS Lic/Support Costs | (571,750) | (571,750) |
| Total local cost/(savings) | \$621,250 | \$1,685,550 |
| Net Program Cost | \$2,607,066 | \$3,323,692 |

Staff anticipates that implementation of this project under either operating model will require a number of change orders as unexpected software anomalies arise. As such, staff requests that Council authorize the City Manager to execute change orders in the amount of 10 percent of the contract value.

References

Staff checked references on the proposed vendor with several clients under either operating model and also spoke with one former client. Refer to Exhibit A for a summary of the references.

Client List

During the Shirtsleeve meeting of July 6, 2013, Council requested a list of Tyler clients in California along with contact information for each client. Tyler has provided the list that is attached as Exhibit B.

FISCAL IMPACT: Costs over a seven-year period total \$3,323,692 for a locally-hosted option. Costs over a seven-year period total \$2,607,066 for a vendor-hosted option.

FUNDING AVAILABLE: \$1 million appropriated in 1211046; additional funding will be appropriated in each budget for annual fees.


Jordan Ayers
Deputy City Manager

Attachments

REFERENCES

| Customer | Contact | Phone | Deployment | Comments |
|-----------------------|---------------------------------------|--------------|--------------|---|
| Boulder City, NV | Shirley Hughes, Finance Director | 702-293-9250 | Tyler hosted | 4 th jurisdiction with Tyler; they always come through; don't need specialized reporting skills |
| Covina | Dilu de Alwis, Finance Director | 626-384-5516 | Tyler hosted | Reduced costs with hosted version; very reliable; implementation very intense; timelines are critical |
| Covina | Doc Tisuthiwongse, IT Manager | 626-384-5432 | Tyler hosted | Arrived after implementation; would prefer to host locally; occasionally unable to connect; resolved quickly |
| Winter Springs, FL | Shawn Boyle, Finance Director | 407-327-5960 | Self hosted | Moved from a prior Tyler product (Eden) to New World Systems; driver was need for consolidated customer screen that wasn't available in the Eden product |
| Ukiah | Gordon Elton, Finance Director | 707-463-6220 | Self hosted | Difficult implementation; started in-house but brought in outside help; reporting an issue between legacy and new system |
| Anderson, IN | Pam Stafford, IT Coordinator | 765-648-6050 | Self hosted | Electric utility client running since 2008; also bill water and sewer; bill 2X weekly; runs quickly; solid vendor support |
| Culver City | Jeff Muir, Chief Financial Officer | 310-253-5865 | Self hosted | Partially implemented; need to lockdown project timeline and commit to project; very few calls to Tyler for support; happy with the response |
| Chino* | Rob Burns, Finance Director | 909-334-3341 | Self hosted | Overall, happy with the system; critical to explain our processes in detail; using Crystal Reports to extract data for customized reporting; happy with Tyler response to calls |

*Also hosted a site visit for Lodi staff

| Site | Customer Since | Contact | Phone | Email | Product Suite | Deployment |
|---|----------------|---|----------------------|---------------------------------|---|-------------|
| Bonita Unified School District | January 2012 | Ann Sparks, Business Services Director | | Sparks@bonita.k12.ca.us | Financials | Self-Hosted |
| City of Chino | April 2008 | Mr. Rob Burns, Director of Finance | (909) 591-9819 | rburns@cityofchino.org | Financials, Payroll/Human Resource, Utility Billing, Business License, Work Orders Fleet & Facilities | Self-Hosted |
| City of Covina | February 2011 | Dilu de Alwis, Finance Director | (626) 384-5516 | ddealwis@covinaca.gov | Financials, Payroll/Human Resource, Business License, Work Orders Fleet & Facilities, Permit & Code Enforcement | SaaS |
| City of Culver City | October 2011 | Steve Gill, Senior Enterprise Business Analyst | (310) 253-5971 | steve.gill@culvercity.org | Financials, Payroll/Human Resource, Permit & Code Enforcement | Self-Hosted |
| City of El Centro | January 2008 | Yvonne Obeso, Accounting Manager | (760) 337-4573 | YObeso@ci.el-centro.ca.us | Financials, Payroll/Human Resource, Utility Billing, Business License | Self-Hosted |
| City of Encinitas | February 2011 | Maureen Salmon, IT Project Manager | (760) 633-2661 | msalmon@ci.encinitas.ca.us | Financials, Payroll/Human Resource | SaaS |
| City of LaMirada | February 2004 | Mr. Kevin Pregelovisk, Admin Services Director | 562-902-2323 | kpreglovisk@cityoflamirada.org | Financials, Payroll/Human Resource, Business License, Permit & Code Enforcement | Self-Hosted |
| City of Lakewood | October 2006 | Diane Perkin, Finance Director | (562) 866-9771 x2601 | dperkin@lakewoodcity.org | Financials, Payroll/Human Resource, Utility Billing, Business License | Self-Hosted |
| City of Martinez | February 2010 | Ms. Kathy DeVries, IT Director | 925-372-3535 | kdevries@cityofmartinez.org | Financials, Payroll/Human Resource, Utility Billing, Business License, Work Orders Fleet & Facilities | Self-Hosted |
| City of Monrovia | June 2006 | Buffy Bullis, Finance Director | (626) 932-5513 | bbullis@ci.monrovia.ca.us | Financials, Payroll/Human Resource, Utility Billing | Self-Hosted |
| City of Palmdale | August 2005 | Liz Atchley, System Manager | (661) 267-5525 | latchley@cityofpalmdale.org | Financials, Payroll/Human Resource, Work Orders, Parking Tickets | Self-Hosted |
| City of Redondo Beach | September 2006 | Chris Benson, IT Director | (310) 318-0658 | Chris.Benson@redondo.org | Financials, Payroll/Human Resource, Business License, Animal License | Self-Hosted |
| City of Richmond | October 2007 | Mr. Steve Furtado, Project Manager | 510-620-6745 | steve_furtado@ci.richmond.ca.us | Financials, Payroll/Human Resource, Work Orders | SaaS |
| City of Rockland | October 2006 | Ms. Roxane Bunkers, Systems Administrator | (916) 625-5073 | roxane.bunkers@rocklin.ca.us | Financials, Payroll/Human Resource, Animal License | Self-Hosted |
| West Contra Costa Unified School District | July 2012 | Ms. Sheri Gamba, Finance Manager | (510) 231-1170 | sgamba@wccusd.net | Financials, Payroll/Human Resource | Self-Hosted |
| City of San Marcos | July 2010 | Saide Emamjomeh, IT Director | 17607441050x3107 | saide@san-marcos.net | Financials, Payroll/Human Resource | Self-Hosted |
| City of Ukiah | October 2011 | Mr. Ian Roth, Asst. Finance Director | 707-463-6235 | iroth@cityofukiah.com | Financials, Payroll/Human Resource, Utility Billing, Business License, Work Orders Fleet & Facilities | Self-Hosted |
| City of Victorville | June 2010 | Mr. Joe Haggard, IT Director | 760-955-5039 | jhaggard@ci.victorville.ca.us | Financials, Payroll/Human Resource, Utility Billing, Work Orders Fleet & Facilities, Tyler Pulse | Self-Hosted |
| Padre Dam Municipal Water District | June 2010 | Karen Gassaway, Director | (619) 258-4772 | karen@padre.org | Financials, Payroll/Human Resource | Self-Hosted |
| City of Vista | May 2006 | Sandy Bobek, IT Director | (760) 639-6142 | sbobek@ci.vista.ca.us | Financials, Payroll/Human Resource, Business License | Self-Hosted |
| City of Wasco | March 2001 | Ms. Rocio Mosqueda, Accounting Manager | (661) 758-7236 | romosqueda@ci.wasco.ca.us | Financials, Payroll/Human Resource, Business License, Utility Billing | Self-Hosted |
| Clovis Unified School District | July 2010 | Michael Johnston, Assistant Superintendent, Business Services | 559 327 9127 | michaeljohnston@cusd.com | Financials, Payroll/Human Resource | Self-Hosted |
| Contra Costa County Office of Education (includes 12 additional School Districts within the County) | April 2010 | Ms. JoHanna Turner, Project Manager | 925-942-3314 | JTurner@cccoc.k12.ca.us | Financials, Payroll/Human Resource | Self-Hosted |
| Delta Diablo Sanitation District | December 2005 | Ms. Theresa Harris, Finance Supervisor | 925 756 1924 | theresah@ddsd.org | Financials, Payroll/Human Resource | Self-Hosted |
| El Monte City School District | February 2011 | Kris Olafsson, Deputy Superintendent Business Services | 626-453-3790 | kolafsson@emcsd.org | Financials | Self-Hosted |
| Encina Wastewater Authority | July 2009 | Kathy McHorney, Finance Director | (760) 268-8867 | kathym@encinajpa.com | Financials, Payroll/Human Resource, Work Orders | Self-Hosted |
| Mendocino County | July 2006 | Alex Land, IT Director | 707 463 4667 | landa@co.mendocino.ca.us | Financials, Payroll/Human Resource | Self-Hosted |
| Panama - Bueno Vista Unified School Dist. | August 2007 | Glenn Imke, Finance Director | 661 831 8331x6137 | gimke@pbvUSD.net | Financials, Payroll/Human Resource, Work Orders | Self-Hosted |

| | | | | | | |
|---|---------------|---|----------------|---------------------------------|---|-------------|
| Petaluma City School District | December 2007 | Ms. Midge Hoffman, Finance and Budget Director | 707 778 4621 | midqeh@pet.k12.ca.us | Financials, Payroll/Human Resource, Work Orders | Self-Hosted |
| San Jose Unified School District | July 2006 | Karen Stone, Finance Manager | 408 535 6142 | karen_stone@sjsud.org | Financials, Human Resource | Self-Hosted |
| Town of Danville | January 2007 | Elizabeth Hudson, Finance Director | 925-314-3371 | ehudson@ci.danville.ca.us | Financials, Payroll/Human Resource, Work Orders | Self-Hosted |
| City of Santa Barbara | December 2012 | Bob Samario, Asst. Finance Director | (805) 564-5336 | bsamario@santabarbaraca.gov | Financials, Payroll/Human Resource, Work Orders | Self-Hosted |
| City of Beverly Hills, CA | December 2012 | David Schirmer, Director - Administrative Services | (310) 285-2581 | dschirmer@beverlyhills.org | Financials, Payroll/Human Resource | Self-Hosted |
| City of Rancho Palos Verdes, CA | March 2012 | Kathryn Downs, Deputy Director of Finance & Info.Tech | (310) 544-5216 | kathrynd@rpv.com | Financials, Payroll/Human Resource | Self-Hosted |
| City of Haywood, CA | March 2012 | Mark Guenther, IT Manager | (510) 583-4857 | mark.guenther@hayward-ca.gov | Financials, Payroll/Human Resource, Work Orders | Self-Hosted |
| City of Paso Robles, CA | March 2013 | Jim Throop, Admin Services Director | (805) 237-3999 | jthroop@prcity.com | Financials, Payroll/Human Resource | Self-Hosted |
| El Dorado County | April 2013 | David Russell, Project Manager | (530) 621-5575 | david.russell@edcgov.us | Financials, Payroll/Human Resource | Self-Hosted |
| Santa Barbara Unified School District | April 2013 | Conrad Tedeschi, Director of Fiscal Services | (805) 963-4338 | ctedeschi@sbsdk12.org | Financials, Payroll/Human Resource | Self-Hosted |
| A Few Other SaaS Clients | | | | | | |
| City of Boulder City, NV | May 2012 | Shirley Hughes, Finance Director | (702) 293-9250 | shughes@bcnv.org | Financials, Payroll/Human Resource, Utility Billing, Work Orders Fleet & Facilities | SaaS |
| Flowing Wells Unified School District, AZ | April 2004 | Usha Raghavan, Finance Director | (520) 696-8812 | raghavau@flowingwells.k12.az.us | Financials, Payroll/Human Resource | SaaS |
| Wayne County Airport Authority, MI | October 2002 | Faisal Shakeel, Information Technologies | (734) 941-8912 | faisal.shakeel@wcaa.us | Financials, Payroll/Human Resource | SaaS |
| Village of Schaumburg, IL | March 2007 | Peter Schaak, IT Director | (847) 923-3825 | pschaak@ci.schaumburg.il.us | Financials, Payroll/Human Resource, Work Orders | SaaS |
| City of Eau Claire, WI | November 2000 | Thomas Hoff, Manager of Financial Services | (715) 839-6044 | trhoff@ci.eau-claire.wi.us | Financials, Payroll/Human Resource, Utility Billing | SaaS |

Vendor-hosted
option

RESOLUTION NO. 2013-_____

A RESOLUTION OF THE LODI CITY COUNCIL SELECTING THE
VENDOR HOSTED OPERATING MODEL FOR FINANCIAL
SYSTEMS AND AUTHORIZING THE CITY MANAGER TO
EXECUTE AGREEMENT WITH TYLER TECHNOLOGIES, INC FOR
REPLACEMENT FINANCIAL SYSTEMS AND HOSTING SERVICES

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WHEREAS, City has evaluated the costs and benefits of hosting financial systems software locally and by a vendor; and

WHEREAS, City has determined that it is most desirable to host financial systems software through a vendor contract; and

WHEREAS, City issued a Request for Information on November 15, 2012 for Financial Management and Utility Billing Software and Implementation Services; and

WHEREAS, City received 10 responses to said Request for Information; and

WHEREAS, City received demonstrations from two vendors; and

WHEREAS, City has selected Tyler Technologies, Inc. to be the provider of financial and utility billing software and software hosting services; and

WHEREAS, City proposes to enter into an agreement with Tyler Technologies, Inc. for the services contemplated with a total value of \$1,985,816 over a seven year period; and

WHEREAS, staff recommends that the City Manager be authorized to execute change orders in the amount of ten percent (10%) of the contract value due to unexpected software anomalies arising during implementation.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lodi does hereby authorize the City Manager to execute an agreement with Tyler Technologies, Inc. for vendor hosted financial systems software for the services contemplated with a total value of \$1,985,816 over a seven year period ; and

BE IT FURTHER RESOLVED that the City Manager is hereby authorized to execute change orders in the amount of ten percent (10%) of the contract value should unexpected software anomalies arise during implementation.

Dated: August 21, 2013

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I hereby certify that Resolution No. 2013-_____ as passed and adopted by the City Council of the City of Lodi in a regular meeting held August 21, 2013, by the following votes:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL-OLSON
City Clerk

2013-_____

AGREEMENT

This Software as a Service ("SaaS") agreement ("Agreement") is made this _____ day of _____ 201_ ("Effective Date") by and between Tyler Technologies, Inc., a Delaware corporation with offices at 1 Cole Haan Drive, Yarmouth, Maine 04096 ("Tyler") and CITY OF LODI, with offices at 221 West Pine Street, Lodi, CA 95240 ("Client").

WHEREAS Client issued a Request for Information on November 15, 2012 for the purpose of acquiring Financial Management and Utility Billing Software and Implementation Services ("Systems"); and

WHEREAS Tyler responded to Client's Request for Information with a Proposal dated January 4, 2013; and

WHEREAS Client, on [INSERT DATE OF AWARD] awarded Tyler the contract for furnishing, delivering, and implementing the specified System;

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

1. License Grant.

- 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 Tyler user guides provided in or with the Tyler Software Products ("User Guides") for Client's internal business purposes only and otherwise subject to the terms and conditions of this Agreement. The grant of license is contingent on Client remitting payment of fees required under this SaaS Agreement. TYLER HAS THE RIGHT TO REVOKE THIS LICENSE IF CLIENT TERMINATES, CANCELS OR FAILS TO RENEW AN SaaS AGREEMENT. TYLER HAS THE RIGHT TO REVOKE THIS LICENSE IF CLIENT FAILS TO REMIT ANY REQUIRED SaaS FEES AND THE AMOUNT IN ARREARS IS THIRTY (30) DAYS OR OLDER FOLLOWING THIRTY (30) DAYS WRITTEN NOTICE TO CLIENT OF TYLER INTENT TO REVOKE THE LICENSE.
- b. Tyler shall retain ownership of, including all intellectual property rights in and to, the Tyler Software Products and User Guides.
- 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. Client acknowledges and agrees that the Tyler Software Products and User Guides 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 User Guides confidential and to prevent any misuse, unauthorized use or unauthorized disclosure of the Tyler Software Products or User Guides by any party.
- e. 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.
- f. In the event Client acquires from Tyler any edition of Tyler Content Manager software other than Enterprise Edition, the license for Content Manger is restricted to use with Tyler

applications only. If Client wishes to use Tyler Content Management software with non-Tyler applications, Client must purchase or upgrade to Tyler Content Manager Enterprise Edition.

2. License Fees. Client agrees to pay Tyler, and Tyler agrees to accept from Client as payment in full for the license granted herein, the SaaS fees set forth in the Investment Summary.
3. Limited Warranty. 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 Tyler User Guides 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 Tyler User Guides will control. A Tyler Software Product is “Defective” if it contains a Defect. For as long as a current SaaS 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 (Tyler’s current support call process is set forth in the document attached hereto as Exhibit 3).
4. 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 most-current version of the Tyler Software Product made available to the Client;
 - ii. Client's combining the Tyler Software Product with devices or products not provided or recommended 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 such use is enjoined. Further, should Client become aware that a Tyler Software Product is or is likely to become the subject of a claim hereunder, then

Client shall promptly provide notice to Tyler of such fact. Should Tyler determine, in its sole discretion, that use of the Tyler Software Product must cease as a result of such notice, then Client shall cease such use, but Tyler shall either procure for Client the right to continue using the infringing Tyler Software Product(s); or modify or replace the infringing Tyler Software Products so that it becomes non-infringing, subject to the exceptions in this section 4(c).

d. Remedy.

- i. In the event a Tyler Software Product is, by a court of competent jurisdiction, finally determined to be infringing or its use by Client is enjoined, Tyler will promptly, 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

1. Services. Tyler shall provide the services set forth in the Investment Summary (and as further detailed in Exhibit 6) at Client's election, including Consulting, Training, Conversion, and other miscellaneous Services.
2. Expenses. Tyler will invoice Client for expenses in accordance with the then-current Tyler Business Travel Policy, based on Tyler's usual and customary practices. Copies of receipts will be provided on an exception basis at no charge. Should all receipts for non per diem expenses be requested, an administrative fee will be incurred. Receipts for mileage and miscellaneous items less than five dollars (\$5) are not available.
3. Additional Services.
 - a. Training and/or consulting services utilized in excess of those set forth in the Investment Summary (and as further detailed in Exhibit 6) and additional related services not set forth in the Investment Summary (and as further detailed in Exhibit 6) will be billed at Tyler's then-current rates.
 - 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.
4. Cancellation. 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) Tyler's then-current daily fees it charges to Client's obtaining such services if Tyler is unable to re-assign its personnel.
5. Services Warranty. Tyler warrants that it shall perform services in a professional, workmanlike manner, consistent with industry standards. In the event Tyler provides services that do not conform to this warranty, Tyler will re-perform the services at no additional cost to Client.
6. Journal Entries. Tyler Munis system provides a standard interface to import legacy system journal entries. Tyler staff will train and support client staff on the use of such import during implementation at no additional charge.

SECTION C – MAINTENANCE

1. Scope of Agreement. Client agrees to purchase and Tyler agrees to provide maintenance services for the Tyler Software Products in accordance with the following terms and conditions.

2. Additional Charges. Any maintenance services performed by Tyler for Client which are not covered by this SaaS Agreement, (see Limitations and Exclusions *infra*), including materials and expenses, will be billed to Client at Tyler's then current rates.

3. Maintenance Services Terms and Conditions. For as long as a current SaaS Agreement is in place, Tyler shall:

- a) In a professional, good and workmanlike manner, perform its obligations in accordance with Tyler's then-current support call process (Tyler's current support call process is set forth in the document attached hereto as Exhibit 3) 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 will be void.
- b) Provide telephone support on the Tyler Software Products. Tyler personnel shall accept telephone calls during the hours set forth in Exhibit 3 - Support Call Process.
- c) Continuously maintain a master set of the Tyler Software Products on appropriate media, a hardcopy printout of source code to the Tyler Software Products, and Tyler User Guides.
- d) Maintain personnel that are appropriately trained to be familiar with the Tyler Software Products in order to provide maintenance services.
- e) Provide Client releases of the Tyler Software Products that Tyler makes generally available without additional charge to customers possessing a current Tyler SaaS Agreement. If required by Client, Third Party Products, Consulting and Training services related to the new releases will be provided to Client at Tyler's then-current prices. 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.
- f) Support prior releases of the Tyler Software Products in accordance with Tyler's then-current release life cycle policy.

4. Limitations and Exclusions. Maintenance fees do not include installation or implementation of the Tyler Software Products, onsite support, application design, other consulting services, and support outside Tyler's normal business hours.

5. Access to Environment.

Client shall provide, at no charge to Tyler, full and free access to the Tyler Software Products hosted by Tyler in order, when necessary, to provide maintenance services set forth herein.

SECTION D – THIRD PARTY PRODUCTS

1. Agreement to License or Sell Third Party Products. 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 System Software and Hardware set forth in the Investment Summary (collectively, the "Third Party Products").

2. License of System Software.

- a) Upon Client's payment in full of the System Software fees, Tyler shall grant to Client and Client shall accept from Tyler a non-exclusive, nontransferable, non-assignable license to use the System Software and related documentation for Client's internal business purposes, subject to the terms and conditions set forth herein.
- b) The developer of the System Software (each a "Developer", collectively "Developers") shall retain ownership

of the System Software.

c) The right to transfer the System Software to a replacement hardware system, if such System Software is installed on Client owned hardware, is governed by the Developer. The cost for new media or any required technical assistance to accommodate the transfer would be billable charges to Client. Client shall provide advance written notice to Tyler of any such transfer.

d) Client acknowledges and agrees that the System Software and related documentation are proprietary to the Developer and have been developed as trade secrets at the Developer's expense. Client shall use best efforts to keep the System Software and related documentation confidential and to prevent any misuse, unauthorized use, or unauthorized disclosure of the System Software and related documentation by any party.

e) Client shall not perform decompilation, disassembly, translation or other reverse engineering on the System Software.

f) Client may make copies of the System Software if installed on Client hardware, but such copies shall be for archive purposes only. Client shall repeat any and all proprietary notices on any copy of the System Software. Client may make copies of the documentation accompanying the System Software for internal use only.

3. Delivery. Unless otherwise indicated in the Investment Summary, the prices for Third Party Products include costs for shipment while in transit from the Developer or supplier to Client.

4. Installation and Acceptance. Unless otherwise noted in the Investment Summary, the Tyler Software Product installation fee includes installation of the Third Party Products. Upon completion of installation, Client will obtain from Tyler a certification of completion, or similar document, which will constitute Client's acceptance of the Third Party Products. Such acceptance will be final and conclusive except for latent defect, fraud, and a gross mistake as amount to fraud.

5. Site Requirements. Client shall provide a suitable environment, location and space for the installation and operation of the Third Party Products being installed on Client premises; sufficient and adequate electrical circuits for the Third Party Products; and installation of all required cables.

6. Warranties.

a) Tyler is authorized by each Developer to grant licenses or sublicenses to the System Software.

b) Tyler warrants that each System Software product will be new and unused, and if Client fully and faithfully performs each and every obligation required of it under this Third Party Product Agreement, Client's title or license to each System Software product will be free and clear of all liens and encumbrances arising through Tyler.

c) Client acknowledges and agrees that Tyler is not the manufacturer of the Third Party Products. As such, Tyler does not warrant or guarantee the condition or operating characteristics of the Third Party Products. Tyler hereby grants and passes through to Client any warranty or warranty adjustments that Tyler may receive from the Developer or supplier of the Third Party Products.

7. Maintenance.

a) In the event Client elects not to purchase through Tyler maintenance services on the System Software, it will be the responsibility of Client to repair and maintain the System Software and purchase enhancements as necessary after acceptance.

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

c) In the event the Developer charges a fee for future System Software release(s), Client will be required to pay such fee.

SECTION E – SOFTWARE AS A SERVICE

1. Term. The term of this Application Service Provider (“ASP”) Agreement shall be September 1, 2013 through August 31, 2020 (“Term”).
2. Hosting. Tyler shall host and make available to Client the Tyler Software Products listed in the Investment Summary.
3. Concurrent Users. The SaaS fees are based on forty (40) concurrent users. Should the number of concurrent users be exceeded, Tyler reserves the right to re-negotiate the SaaS Fees based upon any resulting changes in the pricing categories.
4. The Client agrees to timely pay and Tyler Agrees to accept from Client the SaaS fees listed in the Investment Summary in accord with the requirements of this Agreement. Client acknowledges that continued access to the Tyler Software Products is contingent on Client’s payments of SaaS Fees as indicated in this Agreement. If Client fails to remit the SaaS Fees as required by this Agreement, Tyler shall have the undisputed right to terminate this Agreement and deny access to the hosted applications for Client following thirty (30) days written Notice of Tyler’s intent to terminate.
5. For as long as a current SaaS Agreement is in effect, Tyler shall provide Client access to the Tyler Software Products then-licensed by Client in accordance with Tyler’s then-current Service Level Agreement. The current Service Level Agreement is attached as Exhibit 2 to this SaaS Agreement.
6. Prices include test, training, and production databases.
7. Unused services listed in the Investment Summary will expire at the end of the initial Term.
8. Tyler’s Hosting of TCM SE includes up to 100 GB in storage in Tyler’s hosted environment. Should additional storage be required, it may be purchased as needed at an annual fee of \$1,000 per 100GB.
9. Tyler’s SaaS Department is currently staffed to respond to critical SaaS issues experienced by Client outside of Tyler’s standard business hours.

SECTION F – GENERAL TERMS AND CONDITIONS

1. Taxes. 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 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. Tyler agrees to file applicable federal and state tax returns and pay all applicable taxes on income received and shall be solely liable and responsible to pay such taxes and other obligations, including, but not limited to, state and federal income and FICA taxes.
2. Invoice Dispute.
 - a. In the event Client believes products or services do not conform to warranties in this Agreement, Client will provide written notice to Tyler within fifteen (15) calendar days of receipt of the applicable invoice. Client is allowed an additional fifteen (15) calendar days to provide written clarification and details. Tyler will provide a written response to Client that will include either a justification of the invoice or an adjustment to the invoice. Tyler and Client will develop a plan to outline the reasonable steps to be taken by Tyler and Client to resolve any issues presented in Client's notice to Tyler. Client may only withhold payment of the amount

- actually in dispute until Tyler completes its action items outlined in the plan. Notwithstanding the foregoing, if Tyler is unable to complete its actions outlined in the plan because Client has not completed its action items outlined in the plan, Client will remit full payment of the invoice.
- b. Any invoice not disputed as described above will be deemed accepted by Client. Tyler reserves the right to suspend delivery of all services in the event Client fails to pay an invoice not disputed as described above within sixty (60) calendar days of receipt of invoice.

3. Force Majeure; Client Assistance. "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).

4. Indemnification & Limitation of Liability.

- 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.
- c. **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. In no event, shall Tyler be

liable for damages in excess of two (2) times the amounts paid by Client for the SaaS fees identified in the Investment Summary and paid by Client during the initial seven (7) year Term of the Agreement. This limitation applies to all causes of action in the aggregate, including without limitation breach of warranty, negligence, strict liability and misrepresentation and other torts. The fees herein reflect and are set in reliance upon this allocation of risk and the exclusion of such damages as set forth in this Agreement. The limitations set forth in this paragraph shall not apply to Claims for infringement set forth in paragraph 4 of Section A of this Agreement.

5. Disclaimer. THE RIGHTS, REMEDIES, AND WARRANTIES SET FORTH IN THIS SaaS 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. Dispute Resolution. Client will notify Tyler in writing within fifteen (15) days of becoming aware of a dispute. If Tyler and Client cannot resolve such dispute within thirty (30) calendar days of Tyler's receipt of written notice from Client, the following procedure will apply:
 - a. Each party shall appoint one (1) person to act as an impartial representative. The appointed individual will be of sufficient knowledge and experience to understand and deal with the dispute but will not be a person assigned to the project. The set of four (4) individuals consisting of Tyler's Project Manager for this project, Client's Project Manager for this project, and the two (2) appointees is called a Dispute Resolution Group.
 - b. The Dispute Resolution Group shall convene no later than twenty-one (21) calendar days after the expiration of the thirty (30) calendar day period referenced above and shall meet for a maximum of four (4) four (4) hour sessions during the subsequent four (4) business days, unless otherwise mutually agreed. Any resolution will be in writing and signed by both parties. Such resolution will constitute a binding amendment to the Agreement.

In the event the Dispute Resolution Group fails to resolve the dispute as set forth above, the dispute will be referred to non-binding mediation. Thereafter, either party may assert its other rights and remedies under this Agreement within a court of competent jurisdiction.

All meetings and discussions of the Dispute Resolution Group will be deemed confidential settlement discussions not subject to disclosure under Federal Rule of Civil Procedure 408 or any similar applicable state rule.

Nothing in this Article will prevent a party from applying to a federal or state court of competent jurisdiction to obtain injunctive relief pending resolution of the dispute through the dispute resolution procedures set forth herein.

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. Entire Agreement. 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.

10. 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.
11. No Waiver. 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.
12. Multiple Originals and Signatures. 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.
13. Amendment. This Agreement may only be modified by written amendment signed by authorized representatives of both parties.
14. Non-Appropriation & Termination. If Client should not appropriate or otherwise make available funds sufficient to pay the SaaS fees for the Tyler Software Products set forth in this Agreement, Client may unilaterally terminate this Agreement only upon thirty (30) days written notice to Tyler.

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 any termination of this SaaS, Client shall pay Tyler for all services and products delivered and expenses incurred prior to the date Tyler received Client's notice of termination. Additionally, in the event Client terminates this SaaS Agreement prior to the end of the initial Term, Client shall remit to Tyler fees in accord with the following schedule:

- Termination within one (1) year of the Term start date: seventy five percent (75%) of the quarterly SaaS fees, beginning upon the date of termination and ending on the end date of the initial Term, that would have been payable had the Client not terminated the Agreement;
- Termination between the one year and two year anniversaries of the Term start date: fifty percent (50%) of the quarterly SaaS fees, beginning upon the date of termination and ending on the end date of the initial Term, that would have been payable had the Client not terminated the Agreement; and
- Termination between the two year anniversary of the Term start date and the end date of the initial Term: twenty five percent (25%) of the quarterly SaaS fees, beginning upon the date of termination and ending on the end date of the initial Term, that would have been payable had the Client not terminated the Agreement.

Payment for services and expenses in dispute will be determined in accordance with the dispute resolution process.

Upon termination or non-renewal of this Agreement, Tyler will provide to Client the Client data then residing in Tyler's hosted environment. The data shall be provided in ASCII or such other format as may be mutually agreed. A copy of such data will be provided no later than sixty (60) days prior to the Termination date (provided at least 10 days advance Notice by Client) and again within seven (7) days

after Termination date or as mutually agreed.

15. Approval of Governing Body. Client represents and warrants to Tyler that this Agreement has been approved by its governing body and is a binding obligation upon Client.
16. No Assignment. Client may not assign its rights and responsibilities under this Agreement without Tyler's prior written permission, not to be unreasonably withheld.
17. Successors and Assigns. This Agreement shall inure to the benefit of and be binding on the parties hereto and their permitted successors and assigns.
18. Notices. 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:
 - a. Actually received,
 - b. Upon receipt by sender of a certified mail, return receipt signed by an employee or agent of the party,
 - c. Upon receipt by sender of proof of email delivery, or
 - d. 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.

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:

Tyler Technologies, Inc.
1 Cole Haan Drive
Yarmouth, ME 04096
Attention: Contracts Manager

City of Lodi
221 West Pine Street
Lodi, CA 95240
ATTN: Deputy City Manager

19. 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.
20. Insurance.

Refer to Exhibit 8 for Insurance Requirements.

21. Confidentiality. 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.
22. Nondiscrimination. Tyler shall not discriminate against any person employed or applying for employment concerning the performance of Tyler's responsibilities under this Agreement. This discrimination prohibition will apply to all matters of initial employment, tenure, and terms of employment, or otherwise with respect to any matter directly or indirectly relating to employment concerning race, color, religion, national origin, age, sex, sexual orientation, ancestry, disability that is unrelated to the individual's ability to perform the duties of a particular job or position, height, weight, marital status, or political affiliation.
23. Subcontractors. Tyler shall not subcontract any services under this Agreement without Client's prior written permission, not to be unreasonably withheld.
24. Shipping. Delivery will be F.O.B. shipping point.
25. Business License. In the event a local business license is required for Tyler to perform services hereunder, Client will notify Tyler prior to the Effective Date and will provide Tyler with the necessary paperwork and/or contact information.
26. Tyler Forms Processing. The Tyler Software Product "Tyler Forms Processing" must be used in conjunction with a Hewlett Packard printer supported by Tyler for printing checks.
27. Electronic Payment. 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
28. Optional Items. Pricing for optional products and services shall be valid for six (6) months from the Effective Date.
29. 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.
30. Payment Terms.
- a. Payment is due within thirty (30) calendar days of invoice receipt.

b. Refer to Exhibit 7 for schedule of payments.

c. Prices do not include travel expenses incurred in accordance with Tyler's then-current Business Travel Policy. Tyler's current Business Travel Policy is attached hereto as Exhibit 4. Expenses will be invoiced as incurred.

31. OSDBA and Disaster Recovery. Operating System and Database Administration and Disaster Recovery services provided by Tyler as part of this Agreement shall conform to Exhibit 9.

32. Contract Documents. This Agreement includes the following exhibits:

Exhibit 1 – Investment Summary

Exhibit 2 – Service Level Agreement

Exhibit 3 – Support Call Process

Exhibit 4 – Business Travel Policy

Exhibit 5 – Adobe End User License Agreement

Exhibit 6 – Services

Exhibit 7 – Compensation

Exhibit 8 – Insurance Requirements

Exhibit 9 – OSDBA and Disaster Recovery

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dates set forth below.

Tyler Technologies, Inc.
ERP and Schools Division

City of Lodi

By: _____

By: _____

Name: _____

Name: Konradt Bartlam

Title: _____

Title: City Manager

Date: _____

Date: _____

Exhibit 1 - Investment Summary

Exhibit 1 - Investment Summary



Quoted By: Kyle Johnson
 Date: 8/12/2013
 Quote Expiration: 9/9/2013
 Quote Name: City of Lodi-ERP-Munis
 Quote Number: 2013-3165
 Quote Description: Lodi RFI (SaaS) Contract Investment Summary

Sales Quotation For

City of Lodi
 221 W Pine St
 Lodi, California 95240
 Phone (209) 333-6800

SaaS

| Description | Annual Fee Net | # Years | Total SaaS Fee | Impl. Days |
|--|----------------|---------|----------------|------------|
| Financials: | | | | |
| Accounting/GL/BG/AP | \$35,496.00 | 7 | \$248,472.00 | 15 |
| BMI CollectIT Interface | \$2,641.00 | 7 | \$18,487.00 | 2 |
| Cash Management | \$6,653.00 | 7 | \$46,571.00 | 4 |
| Contract Management | \$4,076.00 | 7 | \$28,532.00 | 3 |
| Employee Expense Reimbursement | \$4,368.00 | 7 | \$30,576.00 | 4 |
| Fixed Assets | \$8,991.00 | 7 | \$62,937.00 | 5 |
| Inventory | \$8,400.00 | 7 | \$58,800.00 | 5 |
| Project & Grant Accounting | \$7,653.00 | 7 | \$53,571.00 | 4 |
| Purchase Orders | \$8,571.00 | 7 | \$59,997.00 | 5 |
| Requisitions | \$6,888.00 | 7 | \$48,216.00 | 5 |
| Work Orders, Fleet & Facilities Management | \$13,809.00 | 7 | \$96,663.00 | 15 |
| Payroll/HR: | | | | |
| Applicant Tracking | \$3,847.00 | 7 | \$26,929.00 | 3 |
| HR Management | \$8,215.00 | 7 | \$57,505.00 | 7 |

| | | | | |
|--------------------------|---------------------|---|-----------------------|------------|
| Payroll w/ESS | \$21,181.00 | 7 | \$148,267.00 | 17 |
| Revenue: | | | | |
| Accounts Receivable | \$8,165.00 | 7 | \$57,155.00 | 8 |
| Business License | \$9,273.00 | 7 | \$64,911.00 | 8 |
| Central Property File | \$1,650.00 | 7 | \$11,550.00 | 1 |
| General Billing | \$5,437.00 | 7 | \$38,059.00 | 4 |
| Maplink GIS Integration | \$5,091.00 | 7 | \$35,637.00 | 1 |
| Tyler Cashiering | \$13,173.00 | 7 | \$92,211.00 | 5 |
| UB Interface | \$8,481.00 | 7 | \$59,367.00 | 4 |
| Utility Billing CIS | \$32,839.00 | 7 | \$229,873.00 | 21 |
| Productivity: | | | | |
| Citizen Self Service | \$6,520.00 | 7 | \$45,640.00 | 1 |
| Munis Office | \$5,326.00 | 7 | \$37,282.00 | 2 |
| Role Tailored Dashboard | \$6,031.00 | 7 | \$42,217.00 | 5 |
| Tyler Content Manager SE | \$12,366.00 | 7 | \$86,562.00 | 8 |
| Tyler Forms Processing | \$5,622.00 | 7 | \$39,354.00 | 0 |
| Tyler Reporting Services | \$8,421.00 | 7 | \$58,947.00 | 3 |
| Other: | | | | |
| GASB 34 Report Writer | \$6,990.00 | 7 | \$48,930.00 | 3 |
| TOTAL: | \$276,174.00 | | \$1,933,218.00 | 168 |

Other Services

| Description | Quantity | Unit Price | Unit Discount | Extended Price |
|---------------------------------|----------|-------------|---------------|----------------|
| AP/PR Check Recon Import | 1 | \$1,000.00 | \$0.00 | \$1,000.00 |
| AP Positive Pay Export Format | 1 | \$3,000.00 | \$0.00 | \$3,000.00 |
| Estimated Travel Expenses | 1 | \$81,657.00 | \$0.00 | \$81,657.00 |
| POS Cash Installation (Up to 3) | 4 | \$1,000.00 | \$0.00 | \$4,000.00 |
| Project Planning Services | 1 | \$6,000.00 | \$0.00 | \$6,000.00 |
| PR Positive Pay Export Format | 1 | \$3,000.00 | \$0.00 | \$3,000.00 |

Other Services

| Description | Quantity | Unit Price | Unit Discount | Extended Price |
|---|----------|------------|---------------|---------------------|
| Senior Mgmt. / Post Go-Live Training | 25 | \$1,175.00 | \$0.00 | \$29,375.00 |
| Tyler Forms Library - Business License | 1 | \$1,400.00 | \$0.00 | \$1,400.00 |
| Tyler Forms Library - Financial/General Billing | 1 | \$3,500.00 | \$0.00 | \$3,500.00 |
| Tyler Forms Individual Financial Form | 1 | \$500.00 | \$0.00 | \$500.00 |
| Tyler Forms Library - Payroll | 1 | \$1,400.00 | \$0.00 | \$1,400.00 |
| Tyler Forms Library - Personnel Action | 1 | \$1,200.00 | \$0.00 | \$1,200.00 |
| Tyler Forms Processing Configuration | 1 | \$2,000.00 | \$0.00 | \$2,000.00 |
| Tyler Forms Library - Utility Billing | 1 | \$5,000.00 | \$0.00 | \$5,000.00 |
| Tyler PO Distribution - Level 1 | 1 | \$500.00 | \$0.00 | \$500.00 |
| VPN Device | 1 | \$4,000.00 | \$0.00 | \$4,000.00 |
| TOTAL: | | | | \$147,532.00 |

3rd Party Hardware, Software and Services

| Description | Quantity | Unit Price | Unit Discount | Total Price | Unit Maintenance | Unit Maintenance Discount | Total Year One Maintenance |
|--|----------|------------|---------------|--------------------|------------------|---------------------------|----------------------------|
| BMI CollectIT Additional Barcode Data Terminal (PA690) | 1 | \$3,495.00 | \$0.00 | \$3,495.00 | \$0.00 | \$0.00 | \$0.00 |
| BMI CollectIT Barcode PrinterKit | 1 | \$1,295.00 | \$0.00 | \$1,295.00 | \$0.00 | \$0.00 | \$0.00 |
| BMI CollectIT Inventory Scanning System | 1 | \$6,500.00 | \$0.00 | \$6,500.00 | \$0.00 | \$0.00 | \$0.00 |
| Cash Drawer | 7 | \$230.00 | \$0.00 | \$1,610.00 | \$0.00 | \$0.00 | \$0.00 |
| Hand Held Scanner - Model 1900GSR | 7 | \$415.00 | \$0.00 | \$2,905.00 | \$0.00 | \$0.00 | \$0.00 |
| Hand Held Scanner Stand | 7 | \$25.00 | \$0.00 | \$175.00 | \$0.00 | \$0.00 | \$0.00 |
| ID Tech MiniMag USB Reader | 7 | \$62.00 | \$0.00 | \$434.00 | \$0.00 | \$0.00 | \$0.00 |
| Power Supply | 7 | \$40.00 | \$0.00 | \$280.00 | \$0.00 | \$0.00 | \$0.00 |
| Printer (EPSON TM-H6000iii) | 7 | \$1,400.00 | \$0.00 | \$9,800.00 | \$0.00 | \$0.00 | \$0.00 |
| Tyler Secure Signature System with 2 Keys | 1 | \$1,650.00 | \$0.00 | \$1,650.00 | \$0.00 | \$0.00 | \$0.00 |
| <i>3rd Party Hardware Sub-Total:</i> | | | <i>\$0.00</i> | <i>\$28,144.00</i> | | | <i>\$0.00</i> |
| TOTAL: | | | | \$28,144.00 | | | \$0.00 |

| Summary | One Time Fees | Recurring Fees |
|---|-----------------------|-----------------------|
| Total SaaS | \$0.00 | \$276,174.00 |
| Total Tyler Software | \$0.00 | \$0.00 |
| Total Tyler Services | \$147,532.00 | \$0.00 |
| Total 3rd Party Hardware, Software and Services | \$28,144.00 | \$0.00 |
| Summary Total | \$175,676.00 | \$276,174.00 |
| | | |
| Contract Total | \$2,108,894.00 | |

Detailed Breakdown of Conversions (included in Contract Total)

| Description | Unit Price | Unit Discount | Extended Price |
|--|------------|---------------|----------------|
| Accounting Opt 1 - Actuals - D | \$0.00 | \$0.00 | \$0.00 |
| Accounting Opt 2 - Budgets - D | \$0.00 | \$0.00 | \$0.00 |
| Accounting Standard COA - D | \$0.00 | \$0.00 | \$0.00 |
| Accounts Payable Opt 1 - Checks - D | \$0.00 | \$0.00 | \$0.00 |
| Accounts Payable Opt 2 - Invoice - D | \$0.00 | \$0.00 | \$0.00 |
| Accounts Payable Standard Master - D | \$0.00 | \$0.00 | \$0.00 |
| Business License Opt 1 - Bills - D | \$0.00 | \$0.00 | \$0.00 |
| Business License Std Master - D | \$0.00 | \$0.00 | \$0.00 |
| Fixed Assets Opt 1 - History - D | \$0.00 | \$0.00 | \$0.00 |
| Fixed Assets Std Master - D | \$0.00 | \$0.00 | \$0.00 |
| General Billing Opt 1 - Recurring Invoices - D | \$0.00 | \$0.00 | \$0.00 |
| General Billing Opt 2 - Bills - D | \$0.00 | \$0.00 | \$0.00 |
| General Billing Std CID - D | \$0.00 | \$0.00 | \$0.00 |
| Inventory Opt 1 - Commodity Codes - D | \$0.00 | \$0.00 | \$0.00 |
| Inventory Std Master - D | \$0.00 | \$0.00 | \$0.00 |
| Payroll - Option 10 Certifications - C | \$0.00 | \$0.00 | \$0.00 |
| Payroll - Option 11 Education - C | \$0.00 | \$0.00 | \$0.00 |
| Payroll - Option 1 Deductions - C | \$0.00 | \$0.00 | \$0.00 |
| Payroll - Option 2 Accrual Balances - C | \$0.00 | \$0.00 | \$0.00 |
| Payroll - Option 3 Accumulators - C | \$0.00 | \$0.00 | \$0.00 |
| Payroll - Option 4 Check History - C | \$0.00 | \$0.00 | \$0.00 |
| Payroll - Option 5 Earning/Deduction Hist - C | \$0.00 | \$0.00 | \$0.00 |
| Payroll - Option 6 Applicant Tracking - C | \$0.00 | \$0.00 | \$0.00 |
| Payroll - Option 7 PM Action History - C | \$0.00 | \$0.00 | \$0.00 |
| Payroll - Option 8 Position Control - C | \$0.00 | \$0.00 | \$0.00 |
| Payroll - Option 9 State Retirement Tables - C | \$0.00 | \$0.00 | \$0.00 |
| Payroll - Standard - C | \$0.00 | \$0.00 | \$0.00 |

Detailed Breakdown of Conversions (included in Contract Total)

| Description | Unit Price | Unit Discount | Extended Price |
|---|---------------|---------------|----------------|
| Project Grant Accounting Opt 1 - Actuals - D | \$0.00 | \$0.00 | \$0.00 |
| Project Grant Accounting Opt 2 - Budgets - D | \$0.00 | \$0.00 | \$0.00 |
| Project Grant Accounting Standard - D | \$0.00 | \$0.00 | \$0.00 |
| Purchase Orders - Standard - D | \$0.00 | \$0.00 | \$0.00 |
| Utility Billing - Option 1 Services - E | \$0.00 | \$0.00 | \$0.00 |
| Utility Billing - Option 2 Assessments - E | \$0.00 | \$0.00 | \$0.00 |
| Utility Billing - Option 3 Consumption History - E | \$0.00 | \$0.00 | \$0.00 |
| Utility Billing - Option 4 Balance Forward AR - E | \$0.00 | \$0.00 | \$0.00 |
| Utility Billing - Option 5 Service Orders - E | \$0.00 | \$0.00 | \$0.00 |
| Utility Billing - Option 6 Backflow - E | \$0.00 | \$0.00 | \$0.00 |
| Utility Billing - Standard - E | \$0.00 | \$0.00 | \$0.00 |
| Work Order Opt 1 - Work Order Asset - D | \$0.00 | \$0.00 | \$0.00 |
| Work Order Opt 2 - Closed Work Order History No Cost Data - D | \$0.00 | \$0.00 | \$0.00 |
| Work Order Opt 3 - Work Order History With Cost Data - D | \$0.00 | \$0.00 | \$0.00 |
| TOTAL: | \$0.00 | \$0.00 | \$0.00 |

Optional SaaS

| Description | Annual Fee Net | # Years | Total SaaS Fee | Impl. Days |
|--|--------------------|---------|--------------------|------------|
| Financial: | | | | |
| Bid Management | \$4,133.00 | 7 | \$28,931.00 | 3 |
| BMI Asset Track Interface | \$2,641.00 | 7 | \$18,487.00 | 2 |
| Productivity: | | | | |
| Tyler Content Manager Auto Indexing and Redaction (SE) | \$3,327.00 | 7 | \$23,289.00 | 2 |
| TOTAL: | \$10,101.00 | | \$70,707.00 | 7 |

Optional Tyler Software & Related Services

| Description | License | Impl. Days | Impl. Cost | Data Conversion | Module Total | Year One Maintenance |
|-----------------------|-------------------|------------|---------------|-----------------|-------------------|----------------------|
| Productivity: | | | | | | |
| Tyler Postal Xpress | \$4,400.00 | 0 @ \$1175 | \$0.00 | \$0.00 | \$4,400.00 | \$1,364.00 |
| Sub-Total: | \$4,400.00 | | \$0.00 | \$0.00 | \$4,400.00 | \$1,364.00 |
| <u>Less Discount:</u> | <u>\$0.00</u> | | <u>\$0.00</u> | <u>\$0.00</u> | <u>\$0.00</u> | <u>\$1,364.00</u> |
| TOTAL: | \$4,400.00 | 0 | \$0.00 | \$0.00 | \$4,400.00 | \$0.00 |

Optional 3rd Party Hardware, Software and Services

| Description | Quantity | Unit Price | Unit Discount | Total Price | Unit Maintenance | Unit Maintenance Discount | Total Year One Maintenance |
|--|----------|------------|---------------|-------------|------------------|---------------------------|----------------------------|
| BMI AssetTrak Additional Data Terminal (PA690) | 1 | \$2,295.00 | \$0.00 | \$2,295.00 | \$0.00 | \$0.00 | \$0.00 |
| BMI-ASSETTRACK-PPC for MUNIS (Incl. Install Fee) | 1 | \$6,500.00 | \$0.00 | \$6,500.00 | \$0.00 | \$0.00 | \$0.00 |
| BMI TransTrak Additional Data Terminal (PA690) | 1 | \$2,295.00 | \$0.00 | \$2,295.00 | \$0.00 | \$0.00 | \$0.00 |
| BMI Transtrak Fixed Asset Receiving System | 1 | \$3,345.00 | \$0.00 | \$3,345.00 | \$0.00 | \$0.00 | \$0.00 |

| | | | |
|-------------------------------|--------|--------------------|---------------|
| 3rd Party Hardware Sub-Total: | \$0.00 | \$14,435.00 | \$0.00 |
| TOTAL: | | \$14,435.00 | \$0.00 |

Unless otherwise indicated in the contract or Amendment thereto, pricing for optional items will be held for six (6) months from the Quote date or the Effective Date of the Contract, whichever is later.

Customer Approval: _____ Date: _____
 Print Name: _____ P.O. #: _____

All primary values quoted in US Dollars

Optional Discount Detail

| Description | License | License Discount | License Net | Maintenance Basis | Year One Maint Discount | Year One Maint Net |
|--|-------------------|------------------|-------------------|-------------------|-------------------------|--------------------|
| Bid Management | \$6,000.00 | \$0.00 | \$28,931.00 | \$0.00 | \$0.00 | \$0.00 |
| BMI Asset Track Interface | \$3,800.00 | \$0.00 | \$18,487.00 | \$0.00 | \$0.00 | \$0.00 |
| Productivity: | | | | | | |
| Tyler Content Manager Auto Indexing and Redaction (SE) | \$5,000.00 | \$0.00 | \$23,289.00 | \$0.00 | \$0.00 | \$0.00 |
| Tyler Postal Xpress | \$4,400.00 | \$0.00 | \$4,400.00 | \$1,364.00 | \$1,364.00 | \$0.00 |
| Total: | \$4,400.00 | \$0.00 | \$4,400.00 | \$1,364.00 | \$1,364.00 | \$0.00 |

Comments

Tyler recommends the use of a 128-bit SSL Security Certificate for any Internet Web Applications, such as the MUNIS Web Client and the MUNIS Self Service applications if hosted by the Client. This certificate is required to encrypt the highly sensitive payroll and financial information as it travels across the public internet. There are various vendors who sell SSL Certificates, with all ranges of prices.

Conversion prices are based on a single occurrence of the database. If additional databases need to be converted, these will need to be quoted.

Tyler's quote contains estimates of the amount of services needed, based on our preliminary understanding of the size and scope of your project. The actual amount of services depends on such factors as your level of involvement in the project and the speed of knowledge transfer.

Unless otherwise noted, prices submitted in the quote do not include travel expenses incurred in accordance with Tyler's then-current Business Travel Policy.

Tyler's prices do not include applicable local, city or federal sales, use excise, personal property or other similar taxes or duties, which you are responsible for determining and remitting.

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) daily fees associated with the cancelled services if Tyler is unable to re-assign its personnel.

Pricing for optional items will be held for six (6) months from the quote date.

Tyler provides onsite training for a maximum of 12 people per class. In the event that more than 12 users wish to participate in a training class or more than one occurrence of a class is needed, Tyler will either provide additional days at then-current rates for training or Tyler will utilize a Train-the-Trainer approach whereby the client designated attendees of the initial training can thereafter train the remaining users.

In the event Client acquires from Tyler any edition of Tyler Content Manager software other than Enterprise Edition, the license for Content Manager is restricted to use with Tyler applications only. If Client wishes to use Tyler Content Manager software with non-Tyler applications, Client must purchase or upgrade to Tyler Content Manager Enterprise Edition.

Tyler's form library prices are based on delivering the specific form quantities listed below. Additional formats of forms listed below are extra. Custom forms are extra. Please note that Tyler Forms requires the use of approved printers only. Contact Tyler support for the list of approved printers.

Utility billing library includes: 1 Utility bill, 1 assessment, 1 UB receipt, 1 Lien letter, 1 UB delinquent notice, 1 door hanger and 1 final utility bill.

Business license library includes: 1 business license and 1 renewal application.

Programming for check reconciliation import and positive pay export assumes one bank format each. Multiple bank formats are extra.

Includes digitizing two signatures, additional charges will apply for additional signatures.

Project Management includes project planning, kickoff meeting, status calls, task monitoring, verification and transition to support.

Tyler Forms Financial General Billing Core includes: 1 A/P check, 1 EFT/ACH, 1 Purchase order, 1099M, 1099INT, 1099S, and 1099G, 1 invoice, 1 statement, 1 general billing receipt and 1 miscellaneous receipt.

Comments

Tyler Forms Payroll Core library includes: 1 PR check, 1 direct deposit, 1 vendor from payroll check, 1 vendor from payroll direct deposit, W2, W2c, and 1099 R.

Personnel Actions Forms Library includes: 1 Personnel Action form - New and 1 Personnel Action Form - Change.

Tyler's cost is based on all of the proposed products and services being obtained from Tyler. Should significant portions of the products or services be deleted, Tyler reserves the right to adjust prices accordingly.

TCMSE includes up to 100GB of storage. Should additional storage be needed it may be purchased as needed at an annual fee of \$1,000 per 100GB with a total cap of storage at 750GB.

The City of Lodi will receive one additional delinquencies notice form in addition to the standard form that comes with the Utility Billing Library Kit...Subsequently the City will not receive the standard Assessment form within the Utility Billing Library Kit.

In addition to the 1 Purchase Order Form, the City of Lodi will receive an additional Purchase Order Form (\$500) as outlined in the investment Summary above.

Exhibit 2

Service Level Agreement

I. Agreement Overview

This Service Level Agreement ("SLA") operates in conjunction with, and does not supersede or replace any part of, the SaaS Agreement.

This SLA outlines the information technology service levels that Tyler will provide to Client to ensure the availability of the application services that the Client has contracted with Tyler to provide. All other Client support services are documented in the Support Call Process exhibit to the SaaS Agreement.

Service levels shall be as in this section. In the event of conflict between the summary chart and the explanation following the summary chart, the explanations shall govern.

II. Definitions

Application: Application Services

ASP: Application Service Provider of Tyler

Attainment: The percentage of time a service is available during a billing cycle, with percentages rounded to the nearest whole number.

Business Day: Monday through Friday, excluding Tyler holidays.

Business Hours: 8:00 a.m. – 6:00 (EST) on Business Days.

Client Error Incident: Any service unavailability resulting from a Client's applications, content or equipment, or the acts or omissions of any of Client's service users or Client's third-party providers over whom Tyler exercises no control.

Defect: Any failure of the licensed software that is recognized as a "defect" under the agreement through which Client licenses the Tyler software.

Downtime: Those minutes during which the software products set forth in the SaaS Agreement are not available for any type of Client use. Downtime does not include those instances in which only a Defect is present.

EST: Eastern Standard Time and, where applicable, Eastern Daylight Savings Time.

Force Majeure: An event beyond the reasonable control of Tyler, including governmental action, war, riot or civil commotion, fire, natural disaster, or any other cause which could not with reasonable diligence be foreseen, controlled, or prevented by the party.

ISP: Internet Service Provider

Service Availability: The total number of minutes in a billing cycle that a given service is capable of receiving, processing, and responding to requests, excluding maintenance windows, Client Error Incidents and Force Majeure.

III. Service to the Client

The following service levels apply to ASP Operations Support. Application support calls are handled by the Application Support Teams. All service levels are based on attainment rates shown below and calculated on a quarterly basis on the following summary chart and explanations following.

SUMMARY CHART

| Service Type | Time | Attainment |
|---|---|------------|
| Application Availability – Green | 6:00 a.m. to 9:00 p.m. EST Mon-Fri 6:00 a.m. to 3:00 p.m. EST Sat | 100% |
| Application Availability – Yellow | 9:00 p.m. to 5:00 a.m. EST Mon-Fri Sat to 5:00 a.m. EST Sun EST Mon | No SLA |
| Application Availability – Red | 5:00 a.m. to 6:00 a.m. EST Mon-Sun | No SLA |
| Adding/Changing User Access or Printer | Request by noon EST: same day before 9:00 p.m. | 95% |
| | Request by noon EST: by noon next business day | 100% |
| | Request after noon EST: by noon next business day | 95% |
| | Request by noon EST: next business day before 9:00 p.m. | 100% |
| Data or File Restoration | Next Business Day | 95% |
| | Second Business Day | 100% |
| Synchronization of “live”, “test” and/or “training” databases | Next Business Day | 95% |
| | Second Business Day | 100% |
| New Release/Update Testing Period | 10 Business Days from Tyler’s receipt of Client’s written notice | 95% |
| VPN Appliance Repair | Next Business Day | 99% |
| File Back-up | Nightly | 99% |
| Support Call Response | By Severity Level | 80% |
| | Priority 1 2 Business Hours | |
| | Priority 2 4 Business Hours | |
| | Priority 3 8 Business Hours | |
| | Priority 4 12 Business Hours | |
| Support Call Response for Escalated Issues | By Severity Level | 90% |
| | Priority 1 1 Business Hours | |
| | Priority 1 2 Business Hours | |
| | Priority 2 4 Business Hours | |
| | Priority 3 8 Business Hours | |

| | | |
|--|------------------------------|------|
| | Priority 4 12 Business Hours | 100% |
|--|------------------------------|------|

Explanations

1. Application Availability:

Green Time: Guaranteed system availability. SLA applies to green time only.

Yellow Time: User access permitted. Tyler reserves the right to use this time for scheduled or unscheduled maintenance, repairs that require a longer window of downtime, and scheduled testing. 24-hour advance user notification will be given when possible.

Red time: System is not available. Reserved for routine daily maintenance.

Measurement: A log is kept to report any system issues including down time. Total minutes down will be compared to total green minutes in a quarter to determine % of goal in the above summary chart. All percentage calculations shall be rounded to the lowest whole number.

Exclusions: Red time. Yellow time.

Target is 100% attainment.

If actual attainment is 98-99%, Tyler shall, upon request, report descriptions of the failure to reach the target and the remedial action that has been or will be taken.

If actual attainment is 95-97%, a credit of 4% of the quarterly payment due shall be posted to the next quarterly payment.

If actual attainment is less than 95%, a credit of 5% of the quarterly payment due shall be posted to the next quarterly payment.

Notwithstanding the above, the total of all credits that would be due under this SLA shall not exceed 5% of the quarterly fee for any one quarter. Issuing of such credit does not relieve Tyler of its obligations under the ASP Agreement to correct the problem which created the service to fall below the agreed upon levels in the above summary chart. However, the Client acknowledges that correction may occur in the following quarter, and, because of the time reasonably needed to perform any such correction, the quarter in which the correction occurs may also fall below the agreed upon service levels. If Tyler does not perform the correction within the quarter immediately following the quarter that contained the unattained service levels, or if Tyler does not attain that service level in the quarter immediately following the correction, the credits that would normally be due will be doubled.

2. Adding/Changing User Access or Printer:

A request to add or change a user or printer must be made through the Tyler support department. All requests / issues should be logged by calling the ASP team in support at 800.772.2260 and following the recorded instructions. Support hours are 8:00AM to 6:00 PM EST. Messages may be left after hours. After initial call is made to support for logging purposes, email may be used to

provide needed information. If Tyler subsequently creates an internal logging system that utilizes email to log calls, the Client will be notified of such and may use such to log calls.

Measurement: Support logs include time request was made and time request closed. Each call for which response does not meet the agreed upon levels in the above summary chart will be compared against total calls to determine attainment.

Exclusions: Requests that are not made through the ASP team will not be counted toward the SLA. Calls that are left on a personal voicemail box or e-mailed will not be counted toward the SLA.

Where target is 95% within guidelines specified above:

If actual attainment is 94-93%, Tyler shall, upon request, report descriptions of the failure to reach the target and the remedial action that has been or will be taken.

If actual attainment is 92-90%, a credit of 1% of the quarterly payment due shall be posted to the next quarterly payment.

If actual attainment is less than 90%, a credit of 2% of the quarterly payment due shall be posted to the next quarterly payment.

Notwithstanding the above, the total of all credits that would be due under this SLA shall not exceed 5% of the quarterly fee for any one quarter. Issuing of such credit does not relieve Tyler of its obligations under the ASP Agreement to correct the problem which created the service to fall below the agreed upon levels in the above summary chart. However, the Client acknowledges that correction may occur in the following quarter and, because of the time reasonably needed to perform any such correction, the quarter in which the correction occurs may also fall below the agreed upon service levels. If Tyler does not perform the correction within the quarter immediately following the quarter that contained the unattained service levels, or if in the quarter immediately following the correction Tyler does not attain that service level, the credits that would normally be due will be doubled.

Where target is 100% within guidelines specified above:

If actual attainment is 99-98%, Tyler shall, upon request, report descriptions of the failure to reach the target and the remedial action that has been or will be taken.

If actual attainment is 97-95%, a credit of 1% of the quarterly payment due shall be posted to the next quarterly payment.

If actual attainment is less than 95%, a credit of 2% of the quarterly payment due shall be posted to the next quarterly payment.

Notwithstanding the above, the total of all credits that would be due under this SLA shall not exceed 5% of the quarterly fee for any one quarter. Issuing of such credit does not relieve Tyler of its obligations under the ASP Agreement to correct the problem which created the service to fall below the agreed upon levels in the above summary chart. However, the Client acknowledges that correction may occur in the following quarter, and, because of the time reasonably needed to perform any such correction, the quarter in which the correction occurs may also fall below the

agreed upon service levels. If Tyler does not perform the correction within the quarter immediately following the quarter that contained the unattained service levels, or if Tyler does not attain that service level in the quarter immediately following the correction, the credits that would normally be due will be doubled.

3. Data or File Restoration:

Data that may be restored include the complete database, files in the user's home directory and spool files.

A request to restore spool files must be made through the Tyler support department and must include the user name, exact file name and date when file may be found. A request to restore a database must be made through the Tyler Support Department and must be made only by the Client's authorized personnel. A list of such will be provided by the Client signed by the Deputy City Manager. All requests / issues should be logged by calling the ASP team in support at 800.772.2260 and following the recorded instructions. Support hours are 8:00AM to 6:00 PM EST. Messages may be left after hours. After initial call is made to support for logging purposes, email may be used to provide needed information. If Tyler subsequently creates an internal logging system that utilizes email to log calls, the Client will be notified of such and may use such to log calls. A list of personnel with authority to make specific requests, other than relating to the database, will also be provided by the Client's authorized representative.

Measurements: Support logs include time request was made and time request closed. Each call for which response does not meet the agreed upon levels in the above summary chart will be compared against total calls to determine attainment.

Exclusions: Service levels exclude files that are older than 20 business days. Requests that are not made through the ASP team will not be counted toward the SLA. Calls that are left on a personal voicemail box or e-mailed will not be counted toward the SLA.

Where target is 95% attainment:

If actual attainment is 94-93%, Tyler shall, upon request, report descriptions of the failure to reach the target and the remedial action that has been or will be taken.

If actual attainment is 92-90%, a credit of 2% of the quarterly payment due shall be posted to the next quarterly payment.

If actual attainment is less than 90%, a credit of 3% of the quarterly payment due shall be posted to the next quarterly payment.

Notwithstanding the above, the total of all credits that would be due under this SLA shall not exceed 5% of the quarterly fee for any one quarter. Issuing of such credit does not relieve Tyler of its obligations under the ASP Agreement to correct the problem which created the service to fall below the agreed upon levels in the above summary chart. However, the Client acknowledges that correction may occur in the following quarter, and, because of the time reasonably needed to perform any such correction, the quarter in which the correction occurs may also fall below the agreed upon service levels. If Tyler does not perform the correction within the quarter immediately following the quarter that contained the unattained service levels, or if Tyler does not attain that service level in the quarter immediately following the correction, the credits that would normally be due will be doubled.

Where target is 100% within guidelines specified above:

If actual attainment is 99-98%, Tyler shall, upon request, report descriptions of the failure to reach the target and the remedial action that has been or will be taken.

If actual attainment is 97-95%, a credit of 2% of the quarterly payment due shall be posted to the next quarterly payment.

If actual attainment is less than 95%, a credit of 3% of the quarterly payment due shall be posted to the next quarterly payment.

Notwithstanding the above, the total of all credits that would be due under this SLA shall not exceed 5% of the quarterly fee for any one quarter. Issuing of such credit does not relieve Tyler of its obligations under the ASP Agreement to correct the problem which created the service to fall below the agreed upon levels in the above summary chart. However, the Client acknowledges that correction may occur in the following quarter, and, because of the time reasonably needed to perform any such correction, the quarter in which the correction occurs may also fall below the agreed upon service levels. If Tyler does not perform the correction within the quarter immediately following the quarter that contained the unattained service levels, or if Tyler does not attain that service level in the quarter immediately following the correction, the credits that would normally be due will be doubled.

4. Data Synchronization in the Training and/or Test Database:

Tyler shall maintain three databases containing the Client data: production database, training database, and test database. Tyler shall synchronize the training and/or test database(s) upon request of the Client. There shall be no limit to such requests. However, it is understood that all users must be off of the system during such synchronization.

A request to synchronize the training and/or test database(s) must be made through the Tyler support department. All requests / issues should be logged by calling the ASP team in support at 800.772.2260 and following the recorded instructions. Support hours are 8:00AM to 6:00PM EST. Messages may be left after hours. After initial call is made to support for logging purposes, email may be used to provide needed information. If Tyler subsequently creates an internal logging system that utilizes email to log calls, the Client will be notified of such and may use such to log calls.

Measurement: Support logs include time request was made and time request closed. Each call for which response does not meet the agreed upon levels in the above summary chart will be compared against total calls to determine attainment.

Exclusions: Requests that are not made through the ASP team will not be counted toward the SLA. Calls that are left on a personal voicemail box or e-mailed will not be counted toward the SLA.

Target is 95% attainment.

If actual attainment is 94-93%, Tyler shall, upon request, report descriptions of the failure to reach the target and the remedial action that has been or will be taken.

If actual attainment is 92-90%, a credit of 2% of the quarterly payment due shall be posted to the next quarterly payment.

If actual attainment is less than 90%, a credit of 3% of the quarterly payment due shall be posted to the next quarterly payment.

Notwithstanding the above, the total of all credits that would be due under this SLA shall not exceed 5% of the quarterly fee for any one quarter. Issuing of such credit does not relieve Tyler of its obligations under the ASP Agreement to correct the problem which created the service to fall below the agreed upon levels in the above summary chart. However, the Client acknowledges that correction may occur in the following quarter, and, because of the time reasonably needed to perform any such correction, the quarter in which the correction occurs may also fall below the agreed upon service levels. If Tyler does not perform the correction within the quarter immediately following the quarter that contained the unattained service levels, or if Tyler does not attain that service level in the quarter immediately following the correction, the credits that would normally be due will be doubled.

5. New Release/Update Testing Period:

New releases and updates of Tyler Software Products licensed by Client will not be loaded into the production database by Tyler prior to Client approval.

6. VPN Appliance Repair:

Client's data is currently encrypted using a Cisco ASA 5505. This is a piece of hardware that is installed on Client's network to create a virtual private network. If the appliance should fail, we have guaranteed 4-hour response from the vendor. Should a new device be required during the reconfiguration of the Client's network by the Client, if we are notified by 6PM EST, a preconfigured device can be sent via overnight mail.

A hardware failure notice must be made through the Tyler support department. All requests / issues should be logged by calling the ASP team in support at 800.772.2260 and following the recorded instructions. Support hours are 8:00 AM to 6:00 PM EST. Messages may be left after hours. After initial call is made to support for logging purposes, email may be used to provide needed information. If Tyler subsequently creates an internal logging system that utilizes email to log calls, the Client will be notified of such and may use such to log calls.

Measurement: Support logs include time request was made and time request closed. Each call for which response does not meet the agreed upon levels in the above summary chart will be compared against total calls to determine attainment.

Exclusions: Requests that are not made through the ASP team will not be counted toward the SLA. Calls that are left on a personal voicemail box or e-mailed will not be counted toward the SLA.

Target is 99% attainment.

If actual attainment is 98-97%, Tyler shall, upon request, report descriptions of the failure to reach the target and the remedial action that has been or will be taken.

If actual attainment is 96-94%, a credit of 2% of the quarterly payment due shall be posted to the next quarterly payment.

If actual attainment is less than 94%, a credit of 4% of the quarterly payment due shall be posted to the next quarterly payment.

Notwithstanding the above, the total of all credits that would be due under this SLA shall not exceed 5% of the quarterly fee for any one quarter. Issuing of such credit does not relieve Tyler of its obligations under the ASP Agreement to correct the problem which created the service to fall below the agreed upon levels in the above summary chart. However, the Client acknowledges that correction may occur in the following quarter, and, because of the time reasonably needed to perform any such correction, the quarter in which the correction occurs may also fall below the agreed upon service levels. If Tyler does not perform the correction within the quarter immediately following the quarter that contained the unattained service levels, or if Tyler does not attain that service level in the quarter immediately following the correction, the credits that would normally be due will be doubled.

7. Data or File Back-Up:

Nightly backups of the following files will be completed: live database, training database, home directories, and spool directories.

Back-up media will be cycled off-site nightly to a fireproof vault.

Target is 99% attainment.

If actual attainment is 98-97%, Tyler shall, upon request, report descriptions of the failure to reach the target and the remedial action that has been or will be taken.

If actual attainment is 96-94%, a credit of 2% of the quarterly payment due shall be posted to the next quarterly payment.

If actual attainment is less than 94%, a credit of 4% of the quarterly payment due shall be posted to the next quarterly payment.

Notwithstanding the above, the total of all credits that would be due under this SLA shall not exceed 5% of the quarterly fee for any one quarter. Issuing of such credit does not relieve Tyler of its obligations under the ASP Agreement to correct the problem which created the service to fall below the agreed upon levels in the above summary chart. However, the Client acknowledges that correction may occur in the following quarter, and, because of the time reasonably needed to perform any such correction, the

quarter in which the correction occurs may also fall below the agreed upon service levels. If Tyler does not perform the correction within the quarter immediately following the quarter that contained the unattained service levels, or if Tyler does not attain that service level in the quarter immediately following the correction, the credits that would normally be due will be doubled.

8. Support Call Response (Priority levels defined in the Support Call Process)

Measurement: Support logs include time request was made and time request closed. Each call for which response does not meet agreed upon levels in the above table will be compared against total calls to determine attainment.

Target is 80% within guidelines specified herein.

If actual attainment is 79-78%, Tyler shall, upon request, provide descriptions of the failure to reach the target and the remedial action that has or will be taken.

If actual attainment is 77-75%, a credit of 4% of the quarterly payment due shall be posted to the next quarterly payment.

If actual attainment is less than 75%, a credit of 5% of the quarterly payment due shall be posted to the next quarterly payment.

Notwithstanding the above, the total of all credits that would be due under this SLA shall not exceed 5% of the quarterly fee due for any one quarter. Issuing of such credit does not relieve Tyler of its obligation under this agreement to correct the problem which created the service to fall below the agreed upon levels herein. However, the Client acknowledges that correction may occur in the following quarter, and, because of the time reasonably needed to perform any such correction, the quarter in which the correction occurs may also fall below the agreed upon service levels. If Tyler does not perform the correction within the quarter immediately following the quarter that contained the unattained service levels, or if Tyler does not attain that service level in the quarter immediately following the correction, the credits would normally be due will be doubled.

Exclusions: Calls that are left on a personal voicemail box or e-mailed will not be counted toward the SLA.

9. Support Call Response for Escalated Issues (Priority levels defined in the Support Call Process)

After a call is placed according to the procedures described in service level 8 above (Support Call Response), the Client may make an additional call to Tyler' receptionist to have the receptionist page the ASP department.

Measurement: Support logs include time request was made and time request closed. Each call for which response does not meet agreed upon levels in the above table will be compared against total calls to determine attainment.

Where target is 90%:

If actual attainment is 89-88%, Tyler shall provide, upon request, descriptions of the failure to reach the target and the remedial action that has or will be taken.

If actual attainment is 87-85%, a credit of 4% of the quarterly payment due shall be posted to the next quarterly payment.

If actual attainment is less than 85%, a credit of 5% of the quarterly payment due shall be posted to the next quarterly payment.

Notwithstanding the above, the total of all credits that would be due under this SLA shall not exceed 5% of the quarterly fee due for any one quarter. Issuing of such credit does not relieve Tyler of its obligation under this agreement to correct the problem which created the service to fall below the agreed upon levels herein. However,

the Client acknowledges that correction may occur in the following quarter, and, because of the time reasonably needed to perform any such correction, the quarter in which the correction occurs may also fall below the agreed upon service levels. If Tyler does not perform the correction within the quarter immediately following the quarter that contained the unattained service levels, or if Tyler does not attain that service level in the quarter immediately following the correction, the credits would normally be due will be doubled.

Where target is 100%:

If actual attainment is 99-98%, Tyler shall provide, upon request, descriptions of the failure to reach the target and the remedial action that has or will be taken.

If actual attainment is 97-95%, a credit of 4% of the quarterly payment due shall be posted to the next quarterly payment.

If actual attainment is less than 95%, a credit of 5% of the quarterly payment due shall be posted to the next quarterly payment.

Notwithstanding the above, the total of all credits that would be due under this SLA shall not exceed 5% of the quarterly fee due for any one quarter. Issuing of such credit does not relieve Tyler of its obligation under this agreement to correct the problem which created the service to fall below the agreed upon levels herein. However, the Client acknowledges that correction may occur in the following quarter, and, because of the time reasonably needed to perform any such correction, the quarter in which the correction occurs may also fall below the agreed upon service levels. If Tyler does not perform the correction within the quarter immediately following the quarter that contained the unattained service levels, or if Tyler does not attain that service level in the quarter immediately following the correction, the credits would normally be due will be doubled.

Exclusions: Calls that are left on a personal voicemail box or e-mailed will not be counted toward the SLA.

10. Support Termination

City may terminate this agreement for material breach under Section F.14 if service levels are not returned to target attainment levels within two (2) quarters of notification of failure to meet target attainment levels for any listed service.

IV. Service Availability

The Service Availability of Tyler's applications is intended to be 24/7/365. Tyler sets Service Availability goals and measures whether it has met those goals by tracking Attainment.

a. Client Responsibilities

Whenever a Client experiences Downtime, that Client must make a support call according to the procedures outlined in the Support Call Process exhibit. The Client will receive a support incident number. To track attainment, the Client must document, in writing, all Downtime that it has experienced during a billing cycle. The Client must deliver such documentation to Tyler within 30 days of a billing cycle's end. The documentation the Client provides must evidence the Downtime clearly and convincingly. It must include, for example, the support incident number(s) and the date, time and duration of the Downtime(s).

b. Tyler Responsibilities

When Tyler's support team receives a call from a Client that a Downtime has occurred or is occurring, Tyler will work with the Client to identify the cause of the Downtime (including whether it may be the result of a Client Error Incident or Force Majeure). Tyler will also work with the Client to resume normal operations.

Upon timely receipt of a Client's Downtime report, outlined above in Section III(a), Tyler will compare that report to Tyler's own outage logs and support tickets to confirm that a Downtime for which Tyler was responsible indeed occurred.

Tyler will respond to a Client's Downtime report within 30 day(s) of receipt. To the extent Tyler has confirmed Downtime for which Tyler is responsible, Tyler will provide Client with the relief set forth below.

c. Client Relief

When a Service Availability goal is not met due to confirmed Downtime, Tyler will provide the affected Client with relief that corresponds to the percentage amount by which that goal was not achieved, as set forth above.

Notwithstanding the above, the total amount of all relief that would be due under this SLA will not exceed 5% of the fee for any one billing cycle. Issuing of such credit does not relieve Tyler of its obligations under the SaaS Agreement to correct the problem which created the service interruption. A correction may occur in the billing cycle following the service interruption. In that circumstance, if service levels do not meet the corresponding goal for that later billing cycle, Client's credits will be doubled.

Every billing cycle, Tyler will compare confirmed Downtime to Service Availability.

A Client may request a report, at no cost to Client, from Tyler that documents the preceding billing cycle's Service Availability, Downtime, any remedial actions that have been/will be taken, and any credits that may be issued. Tyler will make best efforts to provide requested report within 5 business days of request.

V. Applicability

The commitments set forth in this SLA do not apply during maintenance windows, Client Error Incidents, and Force Majeure.

Tyler performs maintenance during limited windows that are historically known to be reliably low-traffic times. If and when maintenance is predicted to occur during periods of higher traffic, Tyler will provide advance notice of those windows and will coordinate to the greatest extent possible with the Client.

VI. Force Majeure

The Client will not hold Tyler responsible for meeting service levels outlined in this SLA to the extent any failure to do so is caused by Force Majeure. In the event of Force Majeure, Tyler will file with the Client a signed request that said failure be excused. That writing will at least include the essential details and circumstances supporting Tyler's request for relief pursuant to this Section. The Client will not unreasonably withhold its acceptance of such a request.

Exhibit 3

Support Call Process

Client Support

Tyler Technical Support Department for Munis®

Goal: To provide an effective support mechanism that will guarantee timely resolution to calls, resulting in high-level client satisfaction.

Contact Us

Call Tyler's toll free number (800-772-2260) or log a support request online through the Tyler Client Portal available at Tyler's Support Web site (www.tylertech.com).

Support Organization

Tyler's Technical Support Department for Munis is divided into multiple teams: Financials, Payroll/HR/Pension, Tax/Other Revenue and Collections, Utility Billing and Collections, OS/DBA (Operating System and Database Administration), and TylerForms and Reporting Services.

These "product-specific" teams allow support staff to focus on a group of products or services. A group of specialists assigned to each team handle calls quickly and accurately.

Each team consists of a Munis Support Product Manager, Support Analysts and Technical Support Specialists. The Support Product Manager is responsible for the day-to-day operations of the team and ensures we provide exceptional technical support to our clients. The Support Analysts are responsible for assisting the team with clients' issues, and provide on-going team training. Technical Support Specialists are responsible for diagnosing and resolving client issues in a timely and courteous manner.

Standard Support Hours

| Applications | Hours |
|---------------------------------|---------------------------------|
| Financials | 8:00am-8:00pm EST Monday-Friday |
| Payroll/HR/Pension | 8:00am-8:00pm EST Monday-Friday |
| Tax/Other Revenue & Collections | 8:00am-6:00pm EST Monday-Friday |
| Utility Billing & Collections | 8:00am-8:00pm EST Monday-Friday |
| OS/DBA | 8:00am-9:00pm EST Monday-Friday |
| TylerForms & Reporting Services | 8:00am-5:00pm EST Monday-Friday |

Focus on Incoming Rate

When you call Technical Support, your call is answered by a Support Technician, or is transferred into the Support voice mail. *Our goal is to capture 75% of our daily calls incoming*, which means you will often start working with a Support Specialist immediately upon calling Tyler.

Leaving Messages for Support

When leaving a message on the Support voice mail, ensure the following information is contained within the message:

- Your full name (first name, last name) and the site you are calling for/from
- A phone number where you can be reached
- The details of the issue or question you have (i.e.: program, • process, error message)
- The priority of the issue (1, 2, 3, or 4)
- When you will be available for a return call (often Support will call back within an hour of receiving your message)

Paging

All client questions are important to us. There may be times when you are experiencing a priority 1 critical issue and all technicians for the requested team are on the line assisting clients. In this circumstance, it is appropriate to press 0 to be redirected to the operator. The operator will page the team you need to contact. We ask that you reserve this function for those times when Munis is down, or a mission critical application is down and you are not able to reach a technician immediately.

Online Support

Some questions can be handled effectively by e-mail. Once registered as a user on Tyler's Support Web site at www.tylertech.com, you can ask questions or report issues to Support through "Customer Tools". Tyler's Client Portal (TCP) allows you to log an incident to Technical Support anytime from any Internet connection. All TCP account, incident and survey data is available in real-time.

Your existing contact information defaults when you add a new Support incident. You will be asked for required information including Incident Description, Priority, Product Group and Product Module. Unlimited work-note text is available for you to describe the question or problem in detail, plus you can attach files or screenshots that may be helpful to Support.

When a new incident is added, the incident number is presented on the screen, and you will receive an automated e-mail response that includes the incident number. The new incident is routed to the appropriate Technical Support Team queue for response. They will review your incident, research the item, and respond via e-mail according to the priority of the incident.

Customer Relationship Management System

Every call or e-mail from you is logged into our Customer Relationship Management System and given a unique call number. This system tracks the history of each incident, including the person calling, time of the call, priority of the call, description of the problem, support recommendations, client feedback and resolution. For registered users on Tyler's Support Web site (www.tylertech.com), a list of calls is available real-time under the Tyler Client Portal (TCP).

Call Numbers

Support's goal is to return clients' calls as soon as possible. If you are not available when we call back, we will leave a message with the open call number on your voice mail or with a person in your office. When you call back, you can reference this call number so you do not have to re-explain the issue.

An open call number is also given to you once an initial contact has been made with Support and it has been determined that the issue can't be resolved during the initial call. The open call number lets you easily track and reference specific open issues with Support.

Call Response Goals

| Open Call Priority | Maximum number of days a support call is open | Support managers and analysts review open calls |
|--------------------|---|---|
| 1 | Less than a day | Daily |
| 2 | 10 Days or less | Every other day |
| 3 | 30 Days or less | Weekly |
| 4 | 60 Days or less | Weekly |

Call Priorities

A call escalation system is in place where, each day, Support Analysts and Product Support Managers, review open calls in their focus area to monitor progress.

Each call logged is given a priority (1, 2, 3, and 4) according to the client's needs/deadlines. The goal of this structure is to clearly understand the importance of the issue and assign the priority for closure. The client is responsible for setting the priority of the call. Tyler Support for Munis tracks responsiveness to priority 1, 2 and 3 calls each week. This measurement allows us to better evaluate overall client satisfaction.

Priority 1 Call — issue is critical to the client, the Munis application or process is down.

Priority 2 Call — issue is severe, but there is a work around the client can use.

Priority 3 Call — issue is a non-severe support call from the client.

Priority 4 Call — issue is non-critical for the client and they would like to work with Support as time permits.

Following Up on Open Calls

Some issues will not be resolved during the initial call with a Support Technician. If the call remains open, the technician will give you an open call number to reference, and will confirm the priority of the incident.

If you want to follow up on an open call, simply call the appropriate Support Team and reference the call number to the Technician who answers or leave this information in your message. Referencing the open call number allows anyone in support to quickly follow up on the issue. You can also update the incident through TCP on Tyler's Web site (www.tylertech.com) and add a note requesting follow-up.

Escalating a Support Call

If the situation to be addressed by your open call has changed and you need to have the call priority adjusted, please call the appropriate Support Team and ask to be connected to the assigned technician. If that technician is unavailable, another technician on the team may be able to assist you, or will transfer you to the Product Support Team Manager. If you feel you are not receiving the service you need, please call the appropriate Product Manager and provide them with the open call number for which you need assistance. The Product Manager will follow up on your open issue and determine the necessary action to meet your needs.

Technical Support Product Managers:

| | | |
|---|---|----------------|
| Financials Team | Michelle Madore (michelle.madore@tylertech.com) | (X4483) |
| Payroll/HR/Pension Team | Sonja Johnson (sonja.johnson@tylertech.com) | (X4157) |
| Tax/Other Revenue/Utility Billing Team | Steven Jones (steven.jones@tylertech.com) | (X4255) |
| OS/DBA Team | Ben King (ben.king@tylertech.com) | (X5464) |
| TylerForms & Reporting Services | Michele Violette (michele.violette@tylertech.com) | (X4381) |

If you are unable to reach the Product Manager, please call CJ McCarron, Vice President of Technical Support at 800-772-2260, ext. 4124 (cj.mccarron@tylertech.com).

Resources

A number of additional resources are available to you to provide a comprehensive and complete support experience.

Munis Internet Updater (MIU): Allows you to download and install critical and high priority fixes as soon as they become available.

Release Admin Console: Allows you to monitor and track the availability of all development activity for a particular release; right from inside Munis.

Knowledgebase: A fully searchable depository of thousands of documents related to Munis processing, procedures, release info, helpful hints, etc.

Remote Support Tool

Some Support calls may require further analysis of your database or setup to diagnose a problem or to assist you with a question. GoToAssist® shares your desktop via the Internet to provide you with virtual on-site support. The GoToAssist tool from Citrix (www.citrix.com) provides a highly secure connection with 128-bit, end-to-end AES encryption. Support is able to quickly connect to your desktop and view your site's setup, diagnose problems, or assist you with screen navigation.

At the end of each GoToAssist session, there is a quick survey you should complete so we have accurate and up-to-date feedback on your Support experiences. We review the survey data in order to continually improve our Support services.

E-mail Registration

Clients can go to our Web site and register for e-mail "groups" based on specific Munis applications. We use these groups to inform clients of issues, and to distribute helpful technical tips and updated technical documentation. The survey information allows you to update your registration at any time, and you may

unregister for one or more distribution lists at any time.

Tyler Web site

Once you have registered as a user on Tyler's Support Web site (www.tylertech.com), you have access to "Customer Tools" and other information such as online documentation, user forums, group training schedule/sign-up, and annual user conference updates/registration.

Timely TCP Progress Updates

Our technicians are committed to providing you timely updates on the progress of your open support incidents via the Tyler Client Portal. The frequency of these updates is determined by issue priority.

Priority 1 Incidents — Daily updates (only if phone contact is not possible)

Priority 2 Incidents — Weekly Updates

Priority 3 Incidents — Bi-weekly Updates

Priority 4 Incidents — Bi-weekly Updates

Updates will also be provided for any issue, regardless of priority, when action items have been completed or when there is pertinent information to share.

Exhibit 4

Business Travel Policy Summary

1. Air Travel

A. Reservations & Tickets

Tyler's Travel Management Company (TMC) will provide an employee with a direct flight within two hours before or after the requested departure time, assuming that flight does not add more than three hours to the employee's total trip duration and the fare is within \$100 (each way) of the lowest logical fare. If a net savings of \$200 or more (each way) is possible through a connecting flight that is within two hours before or after the requested departure time and that does not add more than three hours to the employee's total trip duration, the connecting flight should be accepted.

Employees are encouraged to make reservations far enough in advance to take full advantage of discount opportunities. A seven day advance booking requirement is mandatory. When booking less than seven days in advance, management approval will be required.

Except in the case of international travel where a segment of continuous air travel is scheduled to exceed six hours, only economy or coach class seating is reimbursable.

B. Baggage Fees

Reimbursement of personal baggage charges are based on the trip duration as follows:

- Up to five days = one checked bag
- Six or more days = two checked bags

Baggage fees for sports equipment are not reimbursable.

2. Ground Transportation

A. Private Automobile

Mileage Allowance-Business use of an employee's private automobile will be reimbursed at the current IRS allowable 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 only in conjunction with air travel when cost, convenience and the specific situation require their use. When renting a car for Tyler business, employees should select a "mid-size" or "intermediate" car. "Full" size cars may be rented when three or more employees are traveling together. Tyler carries leased vehicle coverage for business car rentals; additional insurance on the rental agreement should be declined.

C. Public Transportation

follows:

- Breakfast 15%
- Lunch 25%
- Dinner 60%

B. Same Day Travel

Employees traveling at least 100 miles 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 7:00* p.m.

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

5. Entertainment

All entertainment expenses must have a business purpose; a business discussion must occur either before, after or during the event in order to qualify for reimbursement. The highest-ranking employee present at the meal must pay for and submit entertainment expenses. An employee who submits an entertainment expense for a meal or participates in a meal submitted by another employee cannot claim a per diem for that same meal.

6. 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 an employee's hotel charges for internet access it is reimbursable up to \$10.00 per day. Charges for internet access at airports are not reimbursable.

Effective Date: April 1, 2012

Exhibit 5

Adobe End User License Agreement

ADOBE SYSTEMS INCORPORATED
ADOBE CENTRAL OUTPUT SOFTWARE
Software License Agreement

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2.7 Restrictions

(a) No Modifications, No Reverse Engineering. Licensee shall not modify, port, adapt or translate the Software. Licensee shall not reverse engineer, decompile, disassemble or otherwise attempt to discover the source code of the Software. Notwithstanding the foregoing, decompiling the Software is permitted to the extent the laws of Licensee's jurisdiction give Licensee the right to do so to obtain information necessary to render the Software interoperable with other software; provided, however, that Licensee must first request such information from Adobe and Adobe may, in its discretion, either provide such information to Licensee or impose reasonable conditions, including a reasonable fee, on such use of the source code to ensure that Adobe's and its suppliers' proprietary rights in the source code for the Software are protected.

(b) No Unbundling. The Software may include various applications, utilities and components, may support multiple platforms and languages and may be provided to Licensee on multiple media or in multiple copies. Nonetheless, the Software is designed and provided to Licensee as a single product to be used as a single product on Computers and platforms as permitted herein. Licensee is not required to use all component parts of the Software, but Licensee shall not unbundle the component parts of the Software for use on different Computers. Licensee shall not unbundle or repackage the Software for distribution, transfer or resale.

(c) No Transfer. Licensee shall not sublicense, assign or transfer the Software or Licensee's rights in the Software, or authorize any portion of the Software to be copied onto or accessed from another individual's or entity's Computer except as may be explicitly provided in this Agreement. Notwithstanding anything to the contrary in this Section 2.7(c), Licensee may transfer copies of the Software installed on one of Licensee's Computers to another one of Licensee's Computers provided that the resulting installation and use of the Software is in accordance with the terms of this Agreement and does not cause Licensee to exceed Licensee's right to use the Software under this Agreement.

(d) Prohibited Use. Except as expressly authorized under this Agreement, Licensee is prohibited from: (i) using the Software on behalf of third parties; (ii) renting, leasing, lending or granting other rights in the Software including rights on a membership or subscription basis; and (iii) providing use of the Software in a computer

service business, third party outsourcing facility or service, service bureau arrangement, network, or time sharing basis.

(e) **Export Rules.** Licensee agrees that the Software will not be shipped, transferred or exported into any country or used in any manner prohibited by the United States Export Administration Act or any other export laws, restrictions or regulations (collectively the "Export Laws"). In addition, if the Software is identified as an export controlled item under the Export Laws, Licensee represents and warrants that Licensee is not a citizen of, or located within, an embargoed or otherwise restricted nation (including Iran, Iraq, Syria, Sudan, Libya, Cuba and North Korea) and that Licensee is not otherwise prohibited under the Export Laws from receiving the Software. All rights to install and use the Software are granted on condition that such rights are forfeited if Licensee fails to comply with the terms of this Agreement.

3. License Metrics and Limitations.

3.1 **Adobe Central Output Server.** If Licensee has licensed Adobe Central Output Server as Production Software or Development Software (as separately provided in writing by Adobe), then Adobe grants Licensee a license to install and use Adobe Central Output Server on a Per-Server basis, provided that Licensee is not permitted to Deliver output from the Production Software to more than ten (10) Locations per licensed Server.

3.2 **Adobe Central Pro Output Server.** If Licensee has licensed Adobe Central Pro Output Server, then Adobe grants Licensee a license to install and use Adobe Central Pro Output Server either (a) as Production Software on a Per-Server or Per-User basis (as separately provided in writing by Adobe), or (b) as Development Software on a Per-Server basis. When Adobe Central Pro Output Server is licensed as Production Software on a Per-Server basis, Licensee is not permitted to Deliver output from the Software Product to more than ten (10) Locations per licensed Server.

3.3 **Adobe Output Pak for mySAP.com.** If Licensee has licensed Adobe Output Pak for mySAP.com, then Adobe grants Licensee a license to install and use Adobe Output Pak for mySAP.com solely in connection with Adobe Central Pro Output Server for use with SAP software either (a) as Production Software on a Per-Server or Per-User basis (as separately provided in writing by Adobe), or (b) as Development Software on a Per-Server basis. Licensee's license to Adobe Output Pak for mySAP.com includes a license to install and use Adobe Central Pro Output Server subject to the terms of Section 3.2 of this Agreement. The following additional terms apply:

3.3.1 **Per-Server License.** If Licensee has licensed Adobe Output Pak for mySAP.com on a Per-Server basis, Licensee shall have the right to install and use Adobe Central Pro Output Server on one (1) Server unless Licensee obtains additional Per-Server licenses to the Adobe Central Pro Output Server.

3.3.2 **Per-User License.** If Licensee has licensed Adobe Output Pak for mySAP.com software on a Per-User basis, Licensee must obtain a number of Per-User licenses of Adobe Output Pak for mySAP.com not less than the number of Authorized Users who are authorized to access or use the SAP software.

3.4 Adobe Central Output Server Workstation Edition. If Licensee has licensed Adobe Central Output Server Workstation Edition, then Adobe grants Licensee a license to install and use Adobe Central Output Server Workstation Edition as Production Software on a Per-Computer basis. Licensee's use of the Adobe Central Output Server Workstation Edition shall be limited to use directly or indirectly initiated by an individual person (not an automated process) for the sole purpose of delivering output that has been processed by the Adobe Central Output Server Workstation Edition software to the person that initiated such use.

3.5 Adobe Output Designer. If Licensee has licensed Adobe Output Designer, then Adobe grants Licensee a license to install and use Adobe Output Designer as Production Software on a Per-Computer basis subject to the following additional terms:

3.5.1 Network Use. As an alternative to installing and using the Adobe Output Designer software on the Computer of each licensed Authorized User, Licensee may install and use the Adobe Output Designer software on a file server for the purpose of (a) permitting Authorized Users to download the software for installation and use on no more than the licensed number of Computers connected to Licensee's Internal Network, or (b) permitting Authorized Users to use the software using commands, data or instructions from a Computer connected to Licensee's Internal Network provided that the total number (not the concurrent number) of Authorized Users that use the software does not exceed one user for each of the licensed number of Computers. No other network use is permitted.

3.5.2 Limitation. Licensee shall be prohibited from using the templates, forms and other materials created using the Adobe Output Designer software with any software other than Adobe software.

3.6 Development Software License. This Section 3.6 applies only if Licensee has obtained a valid Development Software license to a Software Product. In addition to the other terms contained herein, Licensee's license to the Development Software is limited to use in Licensee's technical environment strictly for testing and development purposes and not for production purposes. Licensee may (a) install the Development Software on Servers connected to Licensee's Internal Network provided that the total number of Computers used to operate the Development Software does not exceed the licensed amount, and (b) permit Authorized Users to use the Development Software in accordance with this Agreement.

4. Evaluation of Software Products. This Section 4 applies only if Licensee has obtained a valid license to evaluate Software Products as separately provided in writing by Adobe or as indicated by the serial number Licensee enters upon installation.

4.1 License. In addition to the other terms contained herein, Licensee's license to evaluate any Software Product is limited to use strictly for Licensee's own internal evaluation purposes and not for production purposes, and is further limited to a period not to exceed sixty (60) days from the date Licensee obtains the Software Products. Licensee may (a) install the Software Products on one (1) Computer connected to Licensee's Internal Network, and (b) permit Authorized Users to use the Software Products to deliver content within Licensee's Internal Network. Licensee's rights with respect to the Software Products are further limited as described in Section 4.2.

4.2 Limitations. Licensee's rights to install and use Software Products under this Section 4 will terminate immediately upon the earlier of (a) the expiration of the evaluation period described herein, or (b) such time that Licensee purchases a license to a non-evaluation version of such Software Products. Adobe reserves the right to terminate Licensee's license to evaluate Software Products at any time in its sole discretion. Licensee agrees to return or destroy Licensee's copy of the Software Products upon termination of this Agreement for any reason. To the extent that any provision in this Section 4 is in conflict with any other term or condition in this Agreement, this Section 4 shall supersede such other term(s) and condition(s) with respect to the evaluation of Software Products, but only to the extent necessary to resolve the conflict. ADOBE IS LICENSING THE SOFTWARE PRODUCTS FOR EVALUATION ON AN "AS IS" BASIS AT LICENSEE'S OWN RISK. SEE SECTIONS 7 AND 8 FOR WARRANTY DISCLAIMERS AND LIABILITY LIMITATIONS WHICH GOVERN EVALUATION OF SOFTWARE PRODUCTS.

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6. Updates. If the Software is an upgrade or update to a previous version of the Software, Licensee must possess a valid license to such previous version in order to use such upgrade or update. All upgrades and updates are provided to Licensee on a license exchange basis. Licensee agrees that by using an upgrade or update Licensee voluntarily terminates Licensee's right to use any previous version of the Software. As an exception, Licensee may continue to use previous versions of the Software on Licensee's Computer after Licensee uses the upgrade or update but only to assist Licensee in the transition to the upgrade or update, provided that the upgrade or update and the previous versions are installed on the same computer. Upgrades and updates may be licensed to Licensee by Adobe with additional or different terms.

7. WARRANTY

7.1. Warranty. Adobe warrants to Licensee that the Software will perform substantially in accordance with the Documentation for the ninety (90) day period following shipment of the Software when used on the recommended operating system, platform and hardware configuration. This limited warranty does not apply to evaluation software (as indicated in Section 4), patches, sample code, sample files and font software converted into other formats. All warranty claims must be made within such ninety (90) day period. If the Software does not perform substantially in accordance with the Documentation, the entire liability of Adobe and Licensee's exclusive remedy shall be limited to either, at Adobe's option, the replacement of the Software or the refund of the license fee paid to Adobe for the Software.

7.2 DISCLAIMER. THE FOREGOING LIMITED WARRANTY IS THE ONLY WARRANTY MADE BY ADOBE AND STATES THE SOLE AND EXCLUSIVE REMEDIES FOR ADOBE'S, ITS AFFILIATES' OR ITS SUPPLIERS' BREACH OF WARRANTY. EXCEPT FOR THE FOREGOING LIMITED

WARRANTY, AND FOR ANY WARRANTY, CONDITION, REPRESENTATION OR TERM TO THE EXTENT TO WHICH THE SAME CANNOT OR MAY NOT BE EXCLUDED OR LIMITED BY LAW APPLICABLE IN LICENSEE'S JURISDICTION, ADOBE, ITS AFFILIATES AND ITS SUPPLIERS PROVIDE THE SOFTWARE AS-IS AND WITH ALL FAULTS AND EXPRESSLY DISCLAIM ALL OTHER WARRANTIES, CONDITIONS, REPRESENTATIONS OR TERMS, EXPRESS OR IMPLIED, WHETHER BY STATUTE, COMMON LAW, CUSTOM, USAGE OR OTHERWISE AS TO ANY OTHER MATTERS, INCLUDING PERFORMANCE, SECURITY, NON-INFRINGEMENT OF THIRD PARTY RIGHTS, INTEGRATION, MERCHANTABILITY, QUIET ENJOYMENT, SATISFACTORY QUALITY OR FITNESS FOR ANY PARTICULAR PURPOSE.

8. LIMITATION OF LIABILITY. EXCEPT FOR THE EXCLUSIVE REMEDY SET FORTH ABOVE AND AS OTHERWISE PROVIDED IN SECTION 4, IN NO EVENT WILL ADOBE, ITS AFFILIATES OR ITS SUPPLIERS BE LIABLE TO LICENSEE FOR ANY LOSS, DAMAGES, CLAIMS OR COSTS WHATSOEVER INCLUDING ANY CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, ANY LOST PROFITS OR LOST SAVINGS, ANY DAMAGES RESULTING FROM BUSINESS INTERRUPTION, PERSONAL INJURY OR FAILURE TO MEET ANY DUTY OF CARE, OR CLAIMS BY A THIRD PARTY EVEN IF AN ADOBE REPRESENTATIVE HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS, DAMAGES, CLAIMS OR COSTS. THE FOREGOING LIMITATIONS AND EXCLUSIONS APPLY TO THE EXTENT PERMITTED BY APPLICABLE LAW IN LICENSEE'S JURISDICTION. ADOBE'S AGGREGATE LIABILITY AND THAT OF ITS AFFILIATES AND SUPPLIERS UNDER OR IN CONNECTION WITH THIS AGREEMENT SHALL BE LIMITED TO THE AMOUNT PAID FOR THE SOFTWARE, IF ANY. THIS LIMITATION WILL APPLY EVEN IN THE EVENT OF A FUNDAMENTAL OR MATERIAL BREACH OR A BREACH OF THE FUNDAMENTAL OR MATERIAL TERMS OF THIS AGREEMENT. Nothing contained in this Agreement limits Adobe's liability to Licensee in the event of death or personal injury resulting from Adobe's negligence or for the tort of deceit (fraud). Adobe is acting on behalf of its affiliates and suppliers for the purpose of disclaiming, excluding and limiting obligations, warranties and liability, but in no other respects and for no other purpose. For further information, please see the jurisdiction specific information at the end of this agreement, if any, or contact Adobe's Customer Support Department.

9. Governing Law. This Agreement, each transaction entered into hereunder, and all matters arising from or related to this Agreement (including its validity and interpretation), will be governed and enforced by and construed in accordance with the substantive laws in force in: (a) the State of California, if a license to the Software is purchased when Licensee is in the United States, Canada, or Mexico; or (b) Japan, if a license to the Software is purchased when Licensee is in Japan, China, Korea, or other Southeast Asian country where all official languages are written in either an ideographic script (e.g., hanzi, kanji, or hanja), and/or other script based upon or similar in structure to an ideographic script, such as hangul or kana; or (c) England, if a license to the Software is purchased when Licensee is in any other jurisdiction not described above. The respective courts of Santa Clara County, California when California law applies, Tokyo District Court in Japan, when Japanese law applies, and the competent courts of London, England, when the law of England applies, shall each have non-exclusive jurisdiction over all disputes relating to this Agreement. This Agreement will not be governed by the conflict of law rules of any jurisdiction or the United Nations Convention on Contracts for the International Sale of Goods, the application of which is expressly excluded.

10. General Provisions. If any part of this Agreement is found void and unenforceable, it will not affect the validity of the balance of this Agreement, which shall remain valid and enforceable according to its terms. Updates may be licensed to Licensee by Adobe with additional or different terms. The English version of this Agreement shall be the version used when interpreting or construing this Agreement. This is the entire agreement between Adobe and Licensee relating to the Software and it supersedes any prior representations, discussions, undertakings, communications or advertising relating to the Software.

11. Notice to U.S. Government End Users.

11.1 Commercial Items. The Software and Documentation are "Commercial Item(s)," as that term is defined at 48 C.F.R. Section 2.101, consisting of "Commercial Computer Software" and "Commercial Computer Software Documentation," as such terms are used in 48 C.F.R. Section 12.212 or 48 C.F.R. Section 227.7202, as applicable. Consistent with 48 C.F.R. Section 12.212 or 48 C.F.R. Sections 227.7202-1 through 227.7202-4, as applicable, the Commercial Computer Software and Commercial Computer Software Documentation are being licensed to U.S. Government end users (a) only as Commercial Items and (b) with only those rights as are granted to all other end users pursuant to the terms and conditions herein. Unpublished-rights reserved under the copyright laws of the United States. Adobe Systems Incorporated, 345 Park Avenue, San Jose, CA 95110-2704, USA.

11.2 U.S. Government Licensing of Adobe Technology. Licensee agrees that when licensing Adobe Software for acquisition by the U.S. Government, or any contractor therefore, Licensee will license consistent with the policies set forth in 48 C.F.R. Section 12.212 (for civilian agencies) and 48 C.F.R. Sections 227-7202-1 and 227-7202-4 (for the Department of Defense). For U.S. Government End Users, Adobe agrees to comply with all applicable equal opportunity laws including, if appropriate, the provisions of Executive Order 11246, as amended, Section 402 of the Vietnam Era Veterans Readjustment Assistance Act of 1974 (38 USC 4212), and Section 503 of the Rehabilitation Act of 1973, as amended, and the regulations at 41 CFR Parts 60-1 through 60-60, 60-250, and 60-741. The affirmative action clause and regulations contained in the preceding sentence shall be incorporated by reference in this Agreement.

12. Compliance with Licenses. Adobe may, at its expense, and no more than once every twelve (12) months, appoint its own personnel or an independent third party to verify the number of copies and installations, as well as usage of the Adobe software by Licensee. Any such verification shall be conducted upon seven (7) business days notice, during regular business hours at Licensee's offices and shall not unreasonably interfere with Licensee's business activities. Both Adobe and its auditors shall execute a commercially reasonable non-disclosure agreement with Licensee before proceeding with the verification. If such verification shows that Licensee is using a greater number of copies of the Software than that legitimately licensed, or are deploying or using the Software in any way not permitted under this Agreement and which would require additional license fees, Licensee shall pay the applicable fees for such additional copies within thirty (30) days of invoice date, with such underpaid fees being the license fees as per Adobe's then-current, country specific, license fee list. If underpaid fees are in excess of five percent (5%) of the value of the fees paid under this Agreement, then Licensee shall pay such underpaid fees and Adobe's reasonable costs of conducting the verification.

13. Third-Party Beneficiary. Licensee acknowledges and agrees that Adobe's licensors (and/or Adobe if Licensee obtained the Software from any party other than Adobe) are third party beneficiaries of this Agreement, with the right to enforce the obligations set forth herein with respect to the respective technology of such licensors and/or Adobe.

Adobe is either a registered trademark or trademark of Adobe Systems Incorporated in the United States and/or other countries.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dates set forth below.

Tyler Technologies, Inc.
ERP and Schools Division

City of Lodi

By: _____

By: _____

Name: _____

Name: Konradt Bartlam

Title: _____

Title: City Manager

Date: _____

Date: _____

Exhibit 6

Services

Tyler will implement the software products and provide the services shown in the Investment Summary included in Exhibit 1 to this Agreement for the City of Lodi.

Tentative Start and Go-Live dates for implementation are noted below:

| Phase | Tentative Start Date | Tentative Go-Live Date |
|---------------------|----------------------|------------------------|
| Financials | 09/01/2013 | 07/01/2014 |
| HR/Payroll | 01/01/2014 | 10/01/2014 |
| Work Orders/Revenue | 09/01/2014 | 03/01/2015 |
| Utility Billing | 12/01/2014 | 09/01/2015 |

The above dates and timelines are tentative and will be confirmed through the mutual development and Client acceptance of the Implementation Planning document.

Tyler will deliver hardware and services at times as is reasonably required to implement the licensed Tyler Software Products but no earlier.

Phase 1-Financials

The Financials Phase shall include the following modules listed in the Investment Summary along with all of the associated data conversions listed in the Investment Summary.

- Accounting/GL/BG/AP
- BMI CollectIT Interface
- Cash Management
- Contract Management
- Employee Expense Reimbursement
- Fixed Assets
- Inventory
- Project and Grant Accounting
- Purchase Orders
- Requisitions
- GASB 34 Report Writer
- Munis Office
- Role Tailored Dashboard
- Tyler Content Manager SE
- Tyler Forms Processing
- Tyler Reporting Services

Phase 2-HR/Payroll

The HR/Payroll Phase shall include the following modules listed in the Investment Summary along with all of the associated data conversions listed in the Investment Summary.

- Applicant Tracking
- HR Management
- Payroll w/ESS

Phase 3-Work Orders/Revenue

The Work Orders/Revenue Phase shall include the following modules listed in the Investment Summary along with all of the associated data conversions listed in the Investment Summary.

- Work Orders, Fleet and Facilities Management
- Accounts Receivable
- Business License
- Central Property File
- General Billing
- Maplink GIS Integration
- Tyler Cashiering
- Citizen Self Service

Phase 4-Utility Billing

The Utility Billing Phase shall include the following modules listed in the Investment Summary along with all of the associated data conversions listed in the Investment Summary.

- UB Interface
- Utility Billing CIS

Exhibit 7

Compensation

1. The financial obligation of the City to Tyler for the software products and services listed in the Investment Summary included in Exhibit 1 herein is \$2,027,237, which does not include estimated travel expenses (\$81,657) and shall be payable as follows:
 - a. Tyler shall invoice Client for the VPN Device Installation Fee (\$4,000) upon installation.
 - b. Tyler shall invoice Client for the Project Planning Services fee (\$6,000) upon Client acceptance of the Implementation Planning document, with such acceptance not to be unreasonably withheld.
 - c. Tyler shall invoice Client for Tyler Forms Library-Financial/General Billing, Tyler Forms Processing Configuration, Tyler PO Distribution upon the availability of the applicable item.
 - d. Tyler shall invoice Client for the BMI CollectIT hardware items upon delivery of the items.
 - e. Tyler shall invoice Client for the Tyler Secure Signature System with 2 Keys (\$1,650) upon delivery of such hardware.
 - f. SaaS Fees:
 - i. On or before September 1, 2013, Client shall remit to Tyler \$34,623.25 for quarterly SaaS fees for the software modules listed as Phase 1 in Exhibit 6;
 - ii. On or before December 1, 2013, and on or before the first day of each third month thereafter until August 31, 2014, Client shall remit to Tyler quarterly SaaS fees in the amount of \$42,934 for the software modules listed as Phase 1 and Phase 2 in Exhibit 6;
 - iii. On or before September 1, 2014, Client shall remit to Tyler quarterly SaaS fees in the amount of \$58,713.50 for the software modules listed as Phases 1, 2, and 3 in Exhibit 6; and
 - iv. On or before December 1, 2014 and on or before the first day of each subsequent quarter until August 31, 2020, Client shall remit to Tyler quarterly SaaS fees in the amount of \$69,043.50 for the software modules listed as Phases 1, 2, 3 and 4 in Exhibit 6.
 - g. Tyler shall invoice Client for Tyler Forms Library-Payroll and Tyler Forms Library – Personnel Action upon the availability of the applicable items..
 - h. Tyler will invoice Client for PR Positive Pay Export Format, AP/PR Check Recon Import, and AP Positive Pay Export Format as delivered.
 - i. Tyler shall invoice Client for Cashiering hardware upon delivery of such hardware.
 - j. Tyler shall invoice Client the fee for POS Cash Installation fee upon such installation.
 - k. Tyler shall invoice Client for Tyler Forms Library – Business License (\$1,400) upon the availability of such item.

- l. Tyler shall invoice Client for Tyler Forms Library – Utility Billing (\$5,000) upon the availability of such library.
- m. Tyler shall invoice Client on a monthly basis for the twenty-five (25) Post Go Live training days at the rate of \$1,175 per training day. Any unused training days will expire at the end of the initial term of this agreement. Should client request additional training days, such days will be treated as an amendment to this contract.
- n. Prices include test, training and production databases.
- o. Unless otherwise indicated herein, Tyler will invoice the Client for services as provided.

As a result of the payment terms above, total payments to Tyler over the term of this agreement will be \$1,904,158.25, plus travel expenses estimated to be \$81,657, for a grand total of \$1,985,815.25.

Exhibit 8

Insurance Requirements

Insurance Requirements for Contractor The Contractor shall take out and maintain during the life of this contract, insurance coverage as listed below. These insurance policies shall protect the Contractor performing work covered by this contract from claims for damages for personal injury, including accidental death, as well as from claims for property damages, which may arise from Contractor's operations under this contract, whether such operations be by Contractor or by anyone directly or indirectly employed by Contractor, and the amount of such insurance shall be as follows:

- | | |
|--|--|
| 1. <u>COMPREHENSIVE GENERAL LIABILITY</u> \$1,000,000 Ea. Occurrence \$2,000,000 Aggregate | 2. <u>COMPREHENSIVE AUTOMOBILE LIABILITY</u> \$1,000,000 Ea. Occurrence |
| 3. <u>PROFESSIONAL LIABILITY/ERRORS AND OMISSIONS</u> \$2,000,000 Ea. Occurrence | 4. <u>SECURITY/PRIVACY LIABILITY</u> \$4,000,000 Aggregate |
| 5. <u>UMBRELLA LIABILITY</u> \$4,000,000 | |

NOTE: Contractor agrees and stipulates that any insurance coverage provided to the City of Lodi shall provide for a claims period following termination of coverage which is at least consistent with the claims period or statutes of limitations found in the California Tort Claims Act (California Government Code Section 810 et seq.).

NOTE: (1) The street address of the **CITY OF LODI** must be shown along with (a) and (b) above: 221 West Pine Street, Lodi, California, 95240; (2) The insurance certificate must state, on its face or as an endorsement, a description of the project that it is insuring.

A copy of the certificate of insurance with the following endorsements shall be furnished to the City:

- (a) Additional Named Insured Endorsement
is the Comprehensive General Liability Coverage afforded by this policy shall also apply to the City of Lodi, its elected and appointed Boards, Commissions, Officers, Agents, Employees, and Volunteers as additional named insureds.
(This endorsement shall be on a form furnished to the City and shall be included with Contractor's policies.)
- (b) Primary Insurance Endorsement
Such insurance as is afforded by the endorsement for the Additional Insureds shall apply as primary insurance to the extent Contractor is determined to be the sole or primary cause of the claim. Any other insurance maintained by the City of Lodi or its officers and employees, to the extent Contractor is determined to be the sole or primary cause of the claim, shall be excess only and not contributing with the insurance afforded by this endorsement.
- (c) Severability of Interest Clause
The term "insured" is used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limit of the company's liability.

Compensation Insurance The Contractor shall take out and maintain during the life of this contract, Worker's Compensation Insurance for all of Contractor's employees employed at the site of the project and, if any work is sublet, Contractor shall require the subcontractor similarly to provide Worker's Compensation Insurance for all of the latter's employees unless such employees are covered by the protection afforded by the Contractor. In case any class of employees engaged in hazardous work under this contract at the site of the project is not protected under the Worker's Compensation Statute, the Contractor shall provide and shall cause each subcontractor to provide insurance for the protection of said employees. This policy may not be canceled nor the coverage reduced by the company without 30 days' prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 W. Pine St., Lodi, CA 95240.

NOTE: No contract agreement will be signed nor will any work begin on a project until the proper insurance certificate is received by the City.

EXHIBIT 9

OSDBA and Disaster Recovery

OSDBA:

- **Support Hours:** 8:00AM to 9:00PM EST
- **Server Support:** Single Tyler production environment (Operating System, Administration, and Software Upgrades/Patches, problem resolution)
- **Database Support:** Maintenance on 3 Database environments (Live/Train/Test)
- **Tyler Support:** Assistance with loading Releases, Upgrades, and New Products (Modules or Licensing)
- **Pro-Active Check:** OSDBA health check program that monitors 8 key areas of the system and automatically opens a support ticket when an issue is discovered.
- **Weekend Service:** Every 2nd Saturday of each month available for Tyler production release upgrades (Note - must be scheduled with the OSDBA department in advance and is subject to availability on a first request - first serve basis).

OSDBA Support

Operating System Support

- Usual, routine and ordinary System Backup and Recovery Assistance (Note – this assistance does *not* include system backup, installation, and recovery services in the event of a hardware or network failure or of a Disaster (A disaster is defined as an unplanned event that prevents the Tyler Software Products from performing critical processes, potentially harming Customer’s financial standing or public image (“Disaster”), such as fire, hazardous materials incident, flood, hurricane, tornado, winter storm, earthquake, radiological accident, civil disturbance or explosion)
- Disk Space Configuration
- File Permissions & Security
- Printer Configuration & Troubleshooting
- User Maintenance

Database Support

- Database Administration assistance
- Software upgrades
- SQL Maintenance plans
- Database refreshes
- Diagnosing and resolving SQL errors

Tyler Software Support

- Assistance with loading Tyler releases
- Report Writer Installation assistance and troubleshooting
- PC client software assistance with installation and troubleshooting

OSDBA Advantages:

Support Contract Benefits...

- Ongoing maintenance of Server/Software/Database Upgrades
- Knowledgeable IT professionals who are experts in Microsoft technologies and Tyler software available at minimal cost to maintain the Tyler application and server

- Installation of Tyler releases and availability on Saturday
- System and Database tuning for peak performance
- Backup and Restore of System and Database files
- Knowledge and Expertise across platforms and databases

Disaster Recovery:

Tyler will timely work with client to re-establish access to the Tyler hosted environment in the event client facilities are impacted by a disaster, provided Client has internet access.

Tyler maintains a business continuity plan and multiple data centers in order to timely respond to disasters at its own facilities.

Locally-hosted
Option

RESOLUTION NO. 2013-____

A RESOLUTION OF THE LODI CITY COUNCIL SELECTING THE
LOCALLY HOSTED OPERATING MODEL FOR FINANCIAL
SYSTEMS AND AUTHORIZING THE CITY MANAGER TO
EXECUTE AGREEMENT WITH TYLER TECHNOLOGIES, INC. FOR
REPLACEMENT FINANCIAL SYSTEMS

WHEREAS, City has evaluated the costs and benefits of hosting financial systems software locally and by a vendor; and

WHEREAS, City has determined that it is most desirable to host financial systems software locally; and

WHEREAS, City issued a Request for Information on November 15, 2012 for Financial Management and Utility Billing Software and Implementation Services; and

WHEREAS, City received 10 responses to said Request for Information; and

WHEREAS, City received demonstrations from two vendors; and

WHEREAS, City has selected Tyler Technologies, Inc. to be the provider of financial and utility billing software; and

WHEREAS, City proposes to enter into an agreement with Tyler Technologies, Inc. for the services contemplated with a total value of \$1,638,142 over a seven year period; and

WHEREAS, staff recommends that the City Manager be authorized to execute change orders in the amount of ten percent (10%) of the contract value due to unexpected software anomalies arising during implementation.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lodi does hereby authorize the City Manager to execute an agreement with Tyler Technologies, Inc. for locally hosted financial systems software for the services contemplated with a total value of \$1,638,142 over a seven year period; and

BE IT FURTHER RESOLVED that the City Manager is hereby authorized to execute change orders in the amount of ten percent (10%) of the contract value should unexpected software anomalies arise during implementation.

Dated: August 21, 2013

I hereby certify that Resolution No. 2013-____ as passed and adopted by the City Council of the City of Lodi in a regular meeting held August 21, 2013, by the following votes:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL-OLSON
City Clerk

2013-____

AGREEMENT

This agreement ("Agreement") is made this ____ day of _____, 2013 ("Effective Date") by and between Tyler Technologies, Inc., a Delaware corporation with offices at 1 Cole Haan Drive, Yarmouth, Maine 04096 ("Tyler") and City of Lodi, with offices at 221 West Pine Street, Lodi, CA 95240 ("Client").

WHEREAS Client issued a Request for Information on November 15, 2012 for the purpose of acquiring Financial Management and Utility Billing Software and Implementation Services ("Systems"); and

WHEREAS Tyler responded to Client's Request for Information with a Proposal dated January 4, 2013; and

WHEREAS Client, on [INSERT DATE OF AWARD] awarded Tyler the contract for furnishing, delivering, and implementing the specified System;

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. License Grant.

- 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 Tyler user guides provided in or with the Tyler Software Products ("User Guides") 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 User Guides.
- 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 User Guides 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 User Guides confidential and to prevent any misuse, unauthorized use or unauthorized disclosure of the Tyler Software Products or User Guides 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 Tyler User Guides 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 (currently \$756) directly to the escrow services company and is solely responsible for maintaining its status as a beneficiary.

i) In the event Client acquires from Tyler any edition of Tyler Content Manager software other than Enterprise Edition, the license for Content Manager is restricted to use with Tyler applications only. If Client wishes to use Tyler Content Management software with non-Tyler applications, Client must purchase or upgrade to Tyler Content Manager Enterprise Edition.

2. License Fees. Client agrees to pay Tyler, and Tyler agrees to accept from Client as payment in full for the license granted herein, the Software fees set forth in the Investment Summary.

3. Verification of the Tyler Software Products.

Client shall select one (1) of the following two (2) options within thirty (30) days of installation by providing written notice to Tyler in accordance with Section E(19):

- a) Within sixty (60) days after the Tyler Software Products have been installed on Client's hardware, Tyler shall verify the Tyler Software Products by demonstrating to Client that the Tyler Software Products perform all of the functions set forth in Exhibit 2 - Verification Test, which demonstration will constitute verification that the Tyler Software Products substantially conform to the then-current Tyler User Guides and the functional descriptions of the Tyler Software Products in Tyler's written proposal to Client; or
- b) Within sixty (60) days after the Tyler Software Products have been installed on Client's hardware, Client shall use its own process to verify that the Tyler Software Products perform all of the functions set forth in Exhibit 2 - Verification Test, which will constitute verification that the Tyler Software Products substantially conform to the then-current Tyler User Guides and the functional descriptions of the Tyler Software Products in Tyler's written proposal to Client.
- c) Verification as described herein will be final and conclusive except for latent defect, fraud, and a gross mistake that amounts to fraud. In the event verification is not final and conclusive, pursuant to this paragraph, Tyler will correct the cause thereof. In the event Tyler cannot correct the cause thereof, Client may invoke its rights under Section A (4).
- d) Tyler shall promptly correct any functions of the Tyler Software Products that failed verification.

4. Limited Warranty. 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 Tyler User Guides and the functional descriptions of the Tyler Software Products in Tyler's written proposal to Client. In the event of conflict between the aforementioned documents, the then-current Tyler User Guides 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 (Tyler's current support call process is set forth in the document attached hereto as Exhibit 3). Should Tyler be unable to cure the Defect or provide a replacement product, Client will be entitled to a refund of the Software fee paid for the Defective Tyler Software Product, as depreciated on a straight-line basis over a seven (7) year period commencing on the Effective Date, which will be Client's sole remedy should Tyler be unable to cure the Defect or provide a replacement product.

5. 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 such use is enjoined. Further, should Client become aware that a Tyler Software Product is or is likely to become the subject of a claim hereunder, then Client shall promptly provide notice to Tyler of such fact. Should Tyler determine, in its sole discretion, that use of the Tyler Software Product must cease as a result of such notice, then Client shall cease such use, but Tyler shall either procure for Client the right to continue using the infringing Tyler Software Product(s); or modify or replace the infringing Tyler Software Products so that it becomes non-infringing, subject to the exceptions in this section 5(c).
- 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;
 - (b) Modify or replace the infringing Tyler Software Products so that it becomes non-infringing; or
 - (c) Terminate Client's license for the infringing Tyler Software Product and refund to Client the Software fee paid for the infringing Tyler Software Product, as depreciated on a straight-line basis over a seven (7) year period commencing on the Effective Date.
 - 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. Services. Tyler shall provide the services set forth in the Investment Summary at Client's election, including Consulting, Training, Conversion, and other miscellaneous Services.

2. Professional Services Fees.

a) Notwithstanding specific prices to the contrary set forth in the Investment Summary, all Consulting and Training services will be invoiced in half-day and full-day increments.

b) Verification in accordance with Section A(3)(a) will be billable to Client at the rate for Training services set forth in the Investment Summary.

c) Expenses will be billed in accordance with the then-current Tyler Business Travel Policy, based on Tyler's usual and customary practices. Copies of receipts will be provided on an exception basis at no charge. Should all receipts for non per diem expenses be requested, an administrative fee will be incurred. Receipts for mileage

and miscellaneous items less than five dollars (\$5) are not available.

3. Additional Services.

- a) 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.
- 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.

4. Limitation of Liability. This section intentionally omitted.

5. Cancellation. 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) daily fees associated with the canceled services if Tyler is unable to re-assign its personnel.

6. Services Warranty. Tyler warrants that it shall perform services in a professional, workmanlike manner, consistent with industry standards. In the event Tyler provides services that do not conform to this warranty, Tyler will re-perform the services at no additional cost to Client.

SECTION C – MAINTENANCE AGREEMENT

1. Scope of Agreement. Client agrees to purchase and Tyler agrees to provide maintenance services for the Tyler Software Products in accordance with the following terms and conditions.

2. Term of Agreement. This Maintenance Agreement is effective on installation of the Tyler Software Products and will remain in force for an initial one (1) year term, which will renew automatically for additional one (1) year terms at Tyler's then-current Maintenance fees unless terminated in writing by either party at least fifteen (15) days prior to the end of the then-current term. The foregoing notwithstanding, increases to the annual Maintenance fees for the Tyler Software Products set forth in Exhibit 1 will accord with the following schedule:

- Year Two – Five percent (5%) increase over unwaived Year One annual Maintenance fees;
- Year Three – Five percent (5%) increase over Year Two annual Maintenance fees;
- Year Four – Five percent (5%) increase over Year Three annual Maintenance fees;
- Year Five – Five percent (5%) increase over Year Four annual Maintenance fees;
- Year Six – Five percent (5%) increase over Year Five annual Maintenance fees; and
- Year Seven – Five percent (5%) increase over Year Six annual Maintenance fees.

3. Payment.

- a) Maintenance fees will be invoiced by Tyler annually in advance. Tyler shall provide Client with not less than forty-five (45) days written notice of any change in annual Maintenance fees.
- b) Additional Charges. Any maintenance services performed by Tyler for Client which are not covered by this Maintenance Agreement, as set forth in Section C(5), including materials and expenses, will be billed to Client at Tyler's then current rates.
- c) 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 shall reinstate maintenance services upon Client's payment of all past due Maintenance fees, including all such fees for the periods during which services were suspended.

4. Maintenance Services Terms and Conditions. For as long as a current Maintenance Agreement is in place,

Tyler shall:

- a) In a professional, good and workmanlike manner, perform its obligations in accordance with Tyler's then-current support call process (Tyler's current support call process is set forth in the document attached hereto as Exhibit 3) 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 will be void.
- b) Provide telephone support on the Tyler Software Products. Tyler personnel shall accept telephone calls during the hours set forth in Exhibit 3 - Support Call Process.
- c) Continuously maintain a master set of the Tyler Software Products on appropriate media, a hardcopy printout of source code to the Tyler Software Products, and Tyler User Guides.
- d) Maintain personnel that are appropriately trained to be familiar with the Tyler Software Products in order to provide maintenance services.
- e) 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.
- f) Support prior releases of the Tyler Software Products in accordance with Tyler's then-current release life cycle policy.

5. Limitations and Exclusions. 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.

6. Client Responsibilities.

- a) 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.
- b) 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. Tyler strongly recommends that Client also maintain a modem or VPN for backup connectivity purposes. Tyler, at its option, will use the connection to assist with problem diagnosis and resolution.

SECTION D – THIRD PARTY PRODUCT AGREEMENT

1. Agreement to License or Sell Third Party Products. 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 System Software and Hardware set forth in the Investment Summary (collectively, the "Third Party Products").

2. License of System Software.

- a) Upon Client's payment in full of the System Software fees, Tyler shall grant to Client and Client shall accept from Tyler a non-exclusive, nontransferable, non-assignable license to use the System Software and related documentation for Client's internal business purposes, subject to the terms and conditions set forth herein.
- b) The developer of the System Software (each a "Developer", collectively "Developers") shall retain ownership of the System Software.
- c) The right to transfer the System Software to a replacement hardware system is governed by the Developer. The cost for new media or any required technical assistance to accommodate the transfer would be billable

charges to Client. Client shall provide advance written notice to Tyler of any such transfer.

d) Client acknowledges and agrees that the System Software and related documentation are proprietary to the Developer and have been developed as trade secrets at the Developer's expense. Client shall use best efforts to keep the System Software and related documentation confidential and to prevent any misuse, unauthorized use, or unauthorized disclosure of the System Software and related documentation by any party.

e) Client shall not perform decompilation, disassembly, translation or other reverse engineering on the System Software.

f) Client may make copies of the System Software for archive purposes only. Client shall repeat any and all proprietary notices on any copy of the System Software. Client may make copies of the documentation accompanying the System Software for internal use only.

3. Delivery. Unless otherwise indicated in the Investment Summary, the prices for Third Party Products include costs for shipment while in transit from the Developer or supplier to Client.

4. Installation and Acceptance. Unless otherwise noted in the Investment Summary, the Tyler Software Product installation fee includes installation of the Third Party Products. Upon completion of installation, Client will obtain from Tyler a certification of completion, or similar document, which will constitute Client's acceptance of the Third Party Products. Such acceptance will be final and conclusive except for latent defect, fraud, and a gross mistake as amount to fraud.

5. Site Requirements. Client shall provide a suitable environment, location and space for the installation and operation of the Third Party Products; sufficient and adequate electrical circuits for the Third Party Products; and installation of all required cables.

6. Warranties.

a) Tyler is authorized by each Developer to grant licenses or sublicenses to the System Software.

b) Tyler warrants that each System Software product will be new and unused, and if Client fully and faithfully performs each and every obligation required of it under this Third Party Product Agreement, Client's title or license to each System Software product will be free and clear of all liens and encumbrances arising through Tyler.

c) Client acknowledges and agrees that Tyler is not the manufacturer of the Third Party Products. As such, Tyler does not warrant or guarantee the condition or operating characteristics of the Third Party Products. Tyler hereby grants and passes through to Client any warranty or warranty adjustments that Tyler may receive from the Developer or supplier of the Third Party Products.

7. Maintenance.

a) In the event Client elects not to purchase through Tyler maintenance services on the System Software, it will be the responsibility of Client to repair and maintain the System Software and purchase enhancements as necessary after acceptance.

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

c) In the event the Developer charges a fee for future System Software release(s), Client will be required to pay such fee.

SECTION E – GENERAL TERMS AND CONDITIONS

1. Taxes. 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(19). 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. Tyler agrees to file applicable federal and state tax returns and pay all applicable taxes on income received and shall be solely liable and responsible to pay such taxes and other obligations, including, but not limited to, state and federal income and FICA taxes.

2. Invoice Dispute.

a) In the event Client believes products or services do not conform to warranties in this Agreement, Client will provide written notice to Tyler within fifteen (15) calendar days of receipt of the applicable invoice. Client is allowed an additional fifteen (15) calendar days to provide written clarification and details. Tyler will provide a written response to Client that will include either a justification of the invoice or an adjustment to the invoice. Tyler and Client will develop a plan to outline the reasonable steps to be taken by Tyler and Client to resolve any issues presented in Client's notice to Tyler. Client may only withhold payment of the amount actually in dispute until Tyler completes its action items outlined in the plan. Notwithstanding the foregoing, if Tyler is unable to complete its actions outlined in the plan because Client has not completed its action items outlined in the plan, Client will remit full payment of the invoice.

b) Any invoice not disputed as described above will be deemed accepted by Client. Tyler reserves the right to suspend delivery of all services in the event Client fails to pay an invoice not disputed as described above within sixty (60) calendar days of receipt of invoice.

3. Force Majeure; Client Assistance. "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).

4. 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.

c) 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. In no event, shall Tyler be liable for damages in excess of two (2) times the amounts of the fees identified in the Investment Summary and paid by Client. This limitation applies to all causes of action in the aggregate, including without limitation breach of warranty, negligence, strict liability and misrepresentation and other torts. The fees herein reflect and are set in reliance upon this allocation of risk and the exclusion of such damages as set forth in this Agreement. The limitations set forth in this paragraph shall not apply to claims for infringement set forth in paragraph 5 of Section A of this Agreement.

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. Dispute Resolution. Client will notify Tyler in writing within fifteen (15) days of becoming aware of a dispute. If Tyler and Client cannot resolve such dispute within thirty (30) calendar days of Tyler's receipt of written notice from Client, the following procedure will apply:

- a) Each party shall appoint one (1) person to act as an impartial representative. The appointed individual will be of sufficient knowledge and experience to understand and deal with the dispute but will not be a person assigned to the project. The set of four (4) individuals consisting of Tyler's Project Manager for this project, Client's Project Manager for this project, and the two (2) appointees is called a Dispute Resolution Group.
- b) The Dispute Resolution Group shall convene no later than twenty-one (21) calendar days after the expiration of the thirty (30) calendar day period referenced above and shall meet for a maximum of four (4) four (4) hour sessions during the subsequent four (4) business days, unless otherwise mutually agreed. Any resolution will be in writing and signed by both parties. Such resolution will constitute a binding amendment to the Agreement.

In the event the Dispute Resolution Group fails to resolve the dispute as set forth above, the dispute will be referred to non-binding mediation. Thereafter, either party may assert its other rights and remedies under this Agreement within a court of competent jurisdiction.

All meetings and discussions of the Dispute Resolution Group will be deemed confidential settlement discussions not subject to disclosure under Federal Rule of Civil Procedure 408 or any similar applicable state rule.

Nothing in this Article will prevent a party from applying to a federal or state court of competent jurisdiction to obtain injunctive relief pending resolution of the dispute through the dispute resolution procedures set forth herein.

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. Entire Agreement. 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.

10. 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.

11. No Waiver. 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.

12. Multiple Originals and Signatures. 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.

13. Amendment. This Agreement may only be modified by written amendment signed by authorized representatives of both parties.

14. Termination. 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.

15. Non-appropriation. 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.

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

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

18. Successors and Assigns. This Agreement shall inure to the benefit of and be binding on the parties hereto and their permitted successors and assigns.

19. Notices. 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:

- 1) Actually received,
- 2) Upon receipt by sender of a certified mail, return receipt signed by an employee or agent of the party,
- 3) Upon receipt by sender of proof of email delivery, or
- 4) 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.

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:

Tyler Technologies, Inc.
1 Cole Haan Drive
Yarmouth, ME 04096
Attention: Contracts Manager

City of Lodi
221 West Pine Street
Lodi, CA 95240
ATTN: Deputy City Manager

20. 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.

21. Insurance. Refer to Exhibit 6 for Insurance Requirements

22. Confidentiality. 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 the California Public Records Act or 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.

23. Nondiscrimination. Tyler shall not discriminate against any person employed or applying for employment concerning the performance of Tyler's responsibilities under this Agreement. This discrimination prohibition will apply to all matters of initial employment, tenure, and terms of employment, or otherwise with respect to any matter directly or indirectly relating to employment concerning race, color, religion, national origin, age, sex, sexual orientation, ancestry, disability that is unrelated to the individual's ability to perform the duties of a particular job or position, height, weight, marital status, or political affiliation.

24. Subcontractors. Tyler shall not subcontract any services under this Agreement without Client's prior written permission, not to be unreasonably withheld.

25. Shipping. Delivery will be F.O.B. shipping point.

26. Business License. In the event a local business license is required for Tyler to perform services hereunder, Client will notify Tyler prior to the Effective Date and will provide Tyler with the necessary paperwork and/or contact information.

27. Tyler Forms Processing. The Tyler Software Product "Tyler Forms Processing" must be used in conjunction

with a Hewlett Packard printer supported by Tyler for printing checks.

28. Payment Terms.

- a) Tyler shall invoice Client \$94,912.50 upon the Effective Date. Such amount equals 25% of the Tyler software license fees.
- b) Tyler shall invoice Client \$203,325 when Tyler has made the Tyler Software Products available to Client for downloading. Such sum equals:
 - i. 50% of the Tyler software license fees (\$189,825)
 - ii. 100% of the System Software license fees (\$13,500)
- c) Tyler shall invoice Client Hardware fees upon delivery of the respective Hardware.
- d) Tyler shall invoice Client \$20,080 upon installation of the Tyler Software Products. Such sum equals:
 - i. 100% of the year 1 maintenance fee for Tyler Unlimited Client Access (\$2,700)
 - ii. 100% of the year 1 OS/DBA Contract Services fee (\$17,380)
- e) Tyler shall invoice the Project Planning Services fee of \$6,000 upon delivery of the Implementation Planning document.
- f) Tyler shall invoice Client \$94,912.50 upon verification of the Tyler Software Products in accordance with Section A (3) ("Verification"). Such amount equals 25% of the Tyler software license fees. Unless Client notifies Tyler in writing that the Tyler Software Products have failed Verification, Verification will be deemed to have occurred ninety (90) days from the date Tyler makes the Tyler Software Products available to Client for downloading.
- g) Except as otherwise provided herein, 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) Tyler shall invoice Client the year 1 Disaster Recovery fee of \$17,380 upon receipt by Tyler of Client's data.
- j) Prices do not include travel expenses incurred in accordance with Tyler's then-current Business Travel Policy. A detailed summary of Tyler's current Business Travel Policy is attached hereto as Exhibit 4. An estimate of travel expenses, based on the current scope, is included in the Investment Summary.
- k) Payment is due within thirty (30) days of the invoice date.
- l) The year 1 Tyler software maintenance fees of \$69,521 for the one (1) year period commencing upon installation of the Tyler Software Products are hereby waived. Subsequent annual Maintenance fees will be due on the anniversary of the installation date of the Tyler Software Products.

29. Electronic Payment. 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

30. Disaster Recovery. Disaster Recovery service will renew automatically for additional one (1) year terms at Tyler's then-current Disaster Recovery fee unless terminated in writing by either party at least fifteen (15) days prior to the end of the then-current term. The foregoing notwithstanding, increases to the annual Disaster Recovery fee for the Tyler Software Products set forth in Exhibit 1 will accord with the following schedule:

Year Two – Five percent (5%) increase over Year One annual Disaster Recovery fee;
Year Three – Five percent (5%) increase over Year Two annual Disaster Recovery fee;
Year Four – Five percent (5%) increase over Year Three annual Disaster Recovery fee;
Year Five – Five percent (5%) increase over Year Four annual Disaster Recovery fee;
Year Six – Five percent (5%) increase over Year Five annual Disaster Recovery fee; and
Year Seven – Five percent (5%) increase over Year Six annual Disaster Recovery fee.

31. Operating System/Database Administration. OS/DBA Contract Services will renew automatically for additional one (1) year terms at Tyler's then-current OS/DBA fee unless terminated in writing by either party at least fifteen (15) days prior to the end of the then-current term. The foregoing notwithstanding, increases to the annual OS/DBA fee for the Tyler Software Products set forth in Exhibit 1 will accord with the following schedule:

Year Two – Five percent (5%) increase over Year One annual OS/DBA fee;
Year Three – Five percent (5%) increase over Year Two annual OS/DBA fee;
Year Four – Five percent (5%) increase over Year Three annual OS/DBA fee;
Year Five – Five percent (5%) increase over Year Four annual OS/DBA fee;
Year Six – Five percent (5%) increase over Year Five annual OS/DBA fee; and
Year Seven – Five percent (5%) increase over Year Six annual OS/DBA fee.

32. Annual Payroll Tax Table Update. Annual Payroll Tax Table Update service will renew automatically for additional one (1) year terms at Tyler's then-current Annual Payroll Tax Table Update service fee unless terminated in writing by either party at least fifteen (15) days prior to the end of the then-current term. The foregoing notwithstanding, increases to the Annual Payroll Tax Table Update service fee will accord with the following schedule:

Year Two – Five percent (5%) increase over Year One Annual Payroll Tax Table Update service fee;
Year Three – Five percent (5%) increase over Year Two Annual Payroll Tax Table Update service fee;
Year Four – Five percent (5%) increase over Year Three Annual Payroll Tax Table Update service fee;
Year Five – Five percent (5%) increase over Year Four Annual Payroll Tax Table Update service fee;
Year Six – Five percent (5%) increase over Year Five Annual Payroll Tax Table Update service fee; and
Year Seven – Five percent (5%) increase over Year Six Annual Payroll Tax Table Update service fee.

33. Optional Items. Pricing for optional products and services shall be valid for six (6) months from the Effective Date.

34. 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.

35. Contract Documents. This Agreement includes the following exhibits:

- Exhibit 1 – Investment Summary
- Exhibit 2 – Verification Test
- Exhibit 3 – Support Call Process
- Exhibit 4 – Business Travel Policy
- Exhibit 5 – Adobe End User License Agreement
- Exhibit 6 – Insurance Requirements
- Exhibit 7 – OSDBA and Disaster Recovery

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dates set forth below.

Tyler Technologies, Inc.
ERP and Schools Division

City of Lodi

By: _____

By: _____

Name: _____

Name: Konradt Bartlam

Title: _____

Title: City Manager

Date: _____

Date: _____

Exhibit 1
Investment Summary

Exhibit 1 - Investment Summary



Quoted By: Kyle Johnson
 Date: 8/12/2013
 Quote Expiration: 7/6/2014
 Quote Name: City of Lodi-ERP-Munis
 Quote Number: 2013-2509
 Quote Description: Lodi Self-Hosted Contract Quote

Sales Quotation For

City of Lodi
 221 W Pine St
 Lodi, California 95240
 Phone (209) 333-6800

Tyler Software and Related Services

| Description | License | Impl. Days | Impl. Cost | Data Conversion | Module Total | Year One Maintenance |
|--|-------------|-------------|-------------|-----------------|--------------|----------------------|
| Financials: | | | | | | |
| Accounting/GL/BG/AP | \$52,250.00 | 15 @ \$1175 | \$17,625.00 | \$10,600.00 | \$80,475.00 | \$9,405.00 |
| Work Orders, Fleet & Facilities Management | \$13,800.00 | 15 @ \$1175 | \$17,625.00 | \$12,000.00 | \$43,425.00 | \$2,484.00 |
| Fixed Assets | \$12,000.00 | 5 @ \$1175 | \$5,875.00 | \$4,800.00 | \$22,675.00 | \$2,160.00 |
| Inventory | \$11,000.00 | 5 @ \$1175 | \$5,875.00 | \$4,700.00 | \$21,575.00 | \$1,980.00 |
| Purchase Orders | \$12,000.00 | 5 @ \$1175 | \$5,875.00 | \$2,700.00 | \$20,575.00 | \$2,160.00 |
| Project & Grant Accounting | \$10,000.00 | 4 @ \$1175 | \$4,700.00 | \$5,000.00 | \$19,700.00 | \$1,800.00 |
| Requisitions | \$10,000.00 | 5 @ \$1175 | \$5,875.00 | \$0.00 | \$15,875.00 | \$1,800.00 |
| Cash Management | \$10,000.00 | 4 @ \$1175 | \$4,700.00 | \$0.00 | \$14,700.00 | \$1,800.00 |
| Employee Expense Reimbursement | \$6,000.00 | 4 @ \$1175 | \$4,700.00 | \$0.00 | \$10,700.00 | \$1,080.00 |
| Contract Management | \$5,900.00 | 3 @ \$1175 | \$3,525.00 | \$0.00 | \$9,425.00 | \$1,062.00 |
| BMI CollectIT Interface | \$3,800.00 | 2 @ \$1175 | \$2,350.00 | \$0.00 | \$6,150.00 | \$684.00 |
| Payroll/HR: | | | | | | |
| Payroll w/ESS | \$23,500.00 | 17 @ \$1175 | \$19,975.00 | \$18,800.00 | \$62,275.00 | \$4,230.00 |
| HR Management | \$11,500.00 | 7 @ \$1175 | \$8,225.00 | \$0.00 | \$19,725.00 | \$2,070.00 |

Tyler Software and Related Services

| Description | License | Impl. Days | Impl. Cost | Data Conversion | Module Total | Year One Maintenance |
|---------------------------------|---------------------|-------------|---------------------|--------------------|---------------------|----------------------|
| Applicant Tracking | \$5,500.00 | 3 @ \$1175 | \$3,525.00 | \$0.00 | \$9,025.00 | \$990.00 |
| Revenue: | | | | | | |
| Utility Billing CIS | \$41,000.00 | 21 @ \$1175 | \$24,675.00 | \$22,400.00 | \$88,075.00 | \$7,380.00 |
| Business License | \$10,000.00 | 8 @ \$1175 | \$9,400.00 | \$8,400.00 | \$27,800.00 | \$1,800.00 |
| Tyler Cashiering | \$21,000.00 | 5 @ \$1175 | \$5,875.00 | \$0.00 | \$26,875.00 | \$3,780.00 |
| Accounts Receivable | \$11,000.00 | 8 @ \$1175 | \$9,400.00 | \$0.00 | \$20,400.00 | \$1,980.00 |
| General Billing | \$5,000.00 | 4 @ \$1175 | \$4,700.00 | \$8,200.00 | \$17,900.00 | \$900.00 |
| UB Interface | \$13,200.00 | 4 @ \$1175 | \$4,700.00 | \$0.00 | \$17,900.00 | \$2,376.00 |
| Maplink GIS Integration | \$8,500.00 | 1 @ \$1175 | \$1,175.00 | \$0.00 | \$9,675.00 | \$1,530.00 |
| Central Property File | \$2,200.00 | 1 @ \$1175 | \$1,175.00 | \$0.00 | \$3,375.00 | \$550.00 |
| Other: | | | | | | |
| GASB 34 Report Writer | \$11,000.00 | 3 @ \$1175 | \$3,525.00 | \$0.00 | \$14,525.00 | \$1,980.00 |
| MUNIS Disaster Recovery Service | \$0.00 | 0 @ \$1175 | \$0.00 | \$0.00 | \$0.00 | \$17,380.00 |
| OSDBA Contract Services | \$0.00 | 0 @ \$1175 | \$0.00 | \$0.00 | \$0.00 | \$17,380.00 |
| Productivity: | | | | | | |
| Tyler Content Manager SE | \$20,000.00 | 4 @ \$1175 | \$4,700.00 | \$0.00 | \$24,700.00 | \$3,600.00 |
| Tyler Reporting Services | \$12,000.00 | 3 @ \$1175 | \$3,525.00 | \$0.00 | \$15,525.00 | \$3,000.00 |
| Role Tailored Dashboard | \$8,500.00 | 5 @ \$1175 | \$5,875.00 | \$0.00 | \$14,375.00 | \$1,530.00 |
| Citizen Self Service | \$11,000.00 | 1 @ \$1175 | \$1,175.00 | \$0.00 | \$12,175.00 | \$1,980.00 |
| Munis Office | \$8,500.00 | 2 @ \$1175 | \$2,350.00 | \$0.00 | \$10,850.00 | \$1,530.00 |
| Tyler Forms Processing | \$9,500.00 | 0 @ \$1175 | \$0.00 | \$0.00 | \$9,500.00 | \$1,900.00 |
| Sub-Total: | \$379,650.00 | | \$192,700.00 | \$97,600.00 | \$669,950.00 | \$104,281.00 |
| <u>Less Discount:</u> | <u>\$0.00</u> | | <u>\$0.00</u> | <u>\$0.00</u> | <u>\$0.00</u> | <u>\$69,521.00</u> |
| TOTAL: | \$379,650.00 | 164 | \$192,700.00 | \$97,600.00 | \$669,950.00 | \$34,760.00 |

Other Services

| Description | Quantity | Unit Price | Unit Discount | Extended Price |
|-------------------------------|----------|------------|---------------|----------------|
| AP/PR Check Recon Import | 1 | \$1,000.00 | \$0.00 | \$1,000.00 |
| AP Positive Pay Export Format | 1 | \$3,000.00 | \$0.00 | \$3,000.00 |

Other Services

| Description | Quantity | Unit Price | Unit Discount | Extended Price |
|---|----------|-------------|---------------|----------------|
| Estimated Travel Expenses | 1 | \$81,657.00 | \$0.00 | \$81,657.00 |
| Install Fee - New Server Install-WIN | 1 | \$6,000.00 | \$0.00 | \$6,000.00 |
| Munis Admin & Security | 2 | \$1,175.00 | \$0.00 | \$2,350.00 |
| POS Cash Installation (Up to 3) | 4 | \$1,000.00 | \$0.00 | \$4,000.00 |
| Project Planning Services | 1 | \$6,000.00 | \$0.00 | \$6,000.00 |
| PR Positive Pay Export Format | 1 | \$3,000.00 | \$0.00 | \$3,000.00 |
| Senior Mgmt. / Post Go-Live Training | 25 | \$1,175.00 | \$0.00 | \$29,375.00 |
| Tyler Forms Library - Business License | 1 | \$1,400.00 | \$0.00 | \$1,400.00 |
| Tyler Forms Library - Financial/General Billing | 1 | \$3,500.00 | \$0.00 | \$3,500.00 |
| Tyler Forms Individual Financial Form | 1 | \$500.00 | \$0.00 | \$500.00 |
| Tyler Forms Library - Payroll | 1 | \$1,400.00 | \$0.00 | \$1,400.00 |
| Tyler Forms Library - Personnel Action | 1 | \$1,200.00 | \$0.00 | \$1,200.00 |
| Tyler Forms Processing Configuration | 1 | \$2,000.00 | \$0.00 | \$2,000.00 |
| Tyler Forms Library - Utility Billing | 1 | \$5,000.00 | \$0.00 | \$5,000.00 |
| Tyler PO Distribution - Level 1 | 1 | \$500.00 | \$0.00 | \$500.00 |

TOTAL:

\$151,882.00

3rd Party Hardware, Software and Services

| Description | Quantity | Unit Price | Unit Discount | Total Price | Unit Maintenance | Unit Maintenance Discount | Total Year One Maintenance |
|--|----------|------------|---------------|-------------|------------------|---------------------------|----------------------------|
| BMI CollectIT Additional Barcode Data Terminal (PA690) | 1 | \$3,495.00 | \$0.00 | \$3,495.00 | \$0.00 | \$0.00 | \$0.00 |
| BMI CollectIT Barcode PrinterKit | 1 | \$1,295.00 | \$0.00 | \$1,295.00 | \$0.00 | \$0.00 | \$0.00 |
| BMI CollectIT Inventory Scanning System | 1 | \$6,500.00 | \$0.00 | \$6,500.00 | \$0.00 | \$0.00 | \$0.00 |
| Cash Drawer | 1 | \$230.00 | \$0.00 | \$230.00 | \$0.00 | \$0.00 | \$0.00 |
| Hand Held Scanner - Model 1900GSR | 1 | \$415.00 | \$0.00 | \$415.00 | \$0.00 | \$0.00 | \$0.00 |
| Hand Held Scanner Stand | 1 | \$25.00 | \$0.00 | \$25.00 | \$0.00 | \$0.00 | \$0.00 |
| ID Tech MiniMag USB Reader | 1 | \$62.00 | \$0.00 | \$62.00 | \$0.00 | \$0.00 | \$0.00 |
| Power Supply | 1 | \$40.00 | \$0.00 | \$40.00 | \$0.00 | \$0.00 | \$0.00 |

3rd Party Hardware, Software and Services

| Description | Quantity | Unit Price | Unit Discount | Total Price | Unit Maintenance | Unit Maintenance Discount | Total Year One Maintenance |
|---|----------|-------------|---------------|--------------------|------------------|---------------------------|----------------------------|
| Printer (EPSON TM-H6000iii) | 1 | \$1,400.00 | \$0.00 | \$1,400.00 | \$0.00 | \$0.00 | \$0.00 |
| Tyler Secure Signature System with 2 Keys | 1 | \$1,650.00 | \$0.00 | \$1,650.00 | \$0.00 | \$0.00 | \$0.00 |
| Tyler Unlimited Client Access | 1 | \$13,500.00 | \$0.00 | \$13,500.00 | \$2,700.00 | \$0.00 | \$2,700.00 |
| <i>3rd Party Hardware Sub-Total:</i> | | | <i>\$0.00</i> | <i>\$15,112.00</i> | | | <i>\$0.00</i> |
| <i>3rd Party Software Sub-Total:</i> | | | <i>\$0.00</i> | <i>\$13,500.00</i> | | <i>\$0.00</i> | <i>\$2,700.00</i> |
| TOTAL: | | | | \$28,612.00 | | | \$2,700.00 |

| Summary | One Time Fees | Recurring Fees |
|---|---------------------|--------------------|
| Total Tyler Software | \$379,650.00 | \$34,760.00 |
| Total Tyler Services | \$442,182.00 | \$0.00 |
| Total 3rd Party Hardware, Software and Services | \$28,612.00 | \$2,700.00 |
| Summary Total | \$850,444.00 | \$37,460.00 |

Contract Total **\$887,904.00**

Detailed Breakdown of Conversions (included in Contract Total)

| Description | Unit Price | Unit Discount | Extended Price |
|--|------------|---------------|----------------|
| Accounting Opt 1 - Actuals - D | \$1,500.00 | \$0.00 | \$1,500.00 |
| Accounting Opt 2 - Budgets - D | \$1,500.00 | \$0.00 | \$1,500.00 |
| Accounting Standard COA - D | \$2,000.00 | \$0.00 | \$2,000.00 |
| Accounts Payable Opt 1 - Checks - D | \$1,600.00 | \$0.00 | \$1,600.00 |
| Accounts Payable Opt 2 - Invoice - D | \$2,400.00 | \$0.00 | \$2,400.00 |
| Accounts Payable Standard Master - D | \$1,600.00 | \$0.00 | \$1,600.00 |
| Business License Opt 1 - Bills - D | \$4,400.00 | \$0.00 | \$4,400.00 |
| Business License Std Master - D | \$4,000.00 | \$0.00 | \$4,000.00 |
| Fixed Assets Opt 1 - History - D | \$1,800.00 | \$0.00 | \$1,800.00 |
| Fixed Assets Std Master - D | \$3,000.00 | \$0.00 | \$3,000.00 |
| General Billing Opt 1 - Recurring Invoices - D | \$2,700.00 | \$0.00 | \$2,700.00 |
| General Billing Opt 2 - Bills - D | \$4,000.00 | \$0.00 | \$4,000.00 |
| General Billing Std CID - D | \$1,500.00 | \$0.00 | \$1,500.00 |
| Inventory Opt 1 - Commodity Codes - D | \$1,200.00 | \$0.00 | \$1,200.00 |
| Inventory Std Master - D | \$3,500.00 | \$0.00 | \$3,500.00 |
| Payroll - Option 10 Certifications - C | \$1,400.00 | \$0.00 | \$1,400.00 |
| Payroll - Option 11 Education - C | \$1,400.00 | \$0.00 | \$1,400.00 |
| Payroll - Option 1 Deductions - C | \$1,800.00 | \$0.00 | \$1,800.00 |
| Payroll - Option 2 Accrual Balances - C | \$1,500.00 | \$0.00 | \$1,500.00 |
| Payroll - Option 3 Accumulators - C | \$1,400.00 | \$0.00 | \$1,400.00 |
| Payroll - Option 4 Check History - C | \$1,200.00 | \$0.00 | \$1,200.00 |
| Payroll - Option 5 Earning/Deduction Hist - C | \$2,500.00 | \$0.00 | \$2,500.00 |
| Payroll - Option 6 Applicant Tracking - C | \$1,400.00 | \$0.00 | \$1,400.00 |
| Payroll - Option 7 PM Action History - C | \$1,400.00 | \$0.00 | \$1,400.00 |
| Payroll - Option 8 Position Control - C | \$1,400.00 | \$0.00 | \$1,400.00 |
| Payroll - Option 9 State Retirement Tables - C | \$1,400.00 | \$0.00 | \$1,400.00 |
| Payroll - Standard - C | \$2,000.00 | \$0.00 | \$2,000.00 |

Detailed Breakdown of Conversions (included in Contract Total)

| Description | Unit Price | Unit Discount | Extended Price |
|---|--------------------|---------------|--------------------|
| Project Grant Accounting Opt 1 - Actuals - D | \$1,500.00 | \$0.00 | \$1,500.00 |
| Project Grant Accounting Opt 2 - Budgets - D | \$1,500.00 | \$0.00 | \$1,500.00 |
| Project Grant Accounting Standard - D | \$2,000.00 | \$0.00 | \$2,000.00 |
| Purchase Orders - Standard - D | \$2,700.00 | \$0.00 | \$2,700.00 |
| Utility Billing - Option 1 Services - E | \$3,200.00 | \$0.00 | \$3,200.00 |
| Utility Billing - Option 2 Assessments - E | \$2,000.00 | \$0.00 | \$2,000.00 |
| Utility Billing - Option 3 Consumption History - E | \$3,200.00 | \$0.00 | \$3,200.00 |
| Utility Billing - Option 4 Balance Forward AR - E | \$5,000.00 | \$0.00 | \$5,000.00 |
| Utility Billing - Option 5 Service Orders - E | \$3,000.00 | \$0.00 | \$3,000.00 |
| Utility Billing - Option 6 Backflow - E | \$3,000.00 | \$0.00 | \$3,000.00 |
| Utility Billing - Standard - E | \$3,000.00 | \$0.00 | \$3,000.00 |
| Work Order Opt 1 - Work Order Asset - D | \$3,000.00 | \$0.00 | \$3,000.00 |
| Work Order Opt 2 - Closed Work Order History No Cost Data - D | \$4,500.00 | \$0.00 | \$4,500.00 |
| Work Order Opt 3 - Work Order History With Cost Data - D | \$4,500.00 | \$0.00 | \$4,500.00 |
| TOTAL: | \$97,600.00 | \$0.00 | \$97,600.00 |

Optional Tyler Software & Related Services

| Description | License | Impl. Days | Impl. Cost | Data Conversion | Module Total | Year One Maintenance |
|--|--------------------|------------|--------------------|-----------------|--------------------|----------------------|
| Financials: | | | | | | |
| Bid Management | \$6,000.00 | 3 @ \$1175 | \$3,525.00 | \$0.00 | \$9,525.00 | \$1,080.00 |
| BMI Asset Track Interface | \$3,800.00 | 2 @ \$1175 | \$2,350.00 | \$0.00 | \$6,150.00 | \$684.00 |
| Productivity: | | | | | | |
| Tyler Content Manager Auto Indexing and Redaction (SE) | \$5,000.00 | 2 @ \$1175 | \$2,350.00 | \$0.00 | \$7,350.00 | \$900.00 |
| Tyler Content Manager Self-Service (SE) | \$5,000.00 | 1 @ \$1175 | \$1,175.00 | \$0.00 | \$6,175.00 | \$900.00 |
| Tyler Postal Xpress | \$4,400.00 | 0 @ \$1175 | \$0.00 | \$0.00 | \$4,400.00 | \$1,364.00 |
| Tyler Content Manager WorkFlow | \$2,500.00 | 1 @ \$1175 | \$1,175.00 | \$0.00 | \$3,675.00 | \$450.00 |
| Sub-Total: | \$26,700.00 | | \$10,575.00 | \$0.00 | \$37,275.00 | \$5,378.00 |
| <i>Less Discount:</i> | <i>\$0.00</i> | | <i>\$0.00</i> | <i>\$0.00</i> | <i>\$0.00</i> | <i>\$4,478.00</i> |
| TOTAL: | \$26,700.00 | 9 | \$10,575.00 | \$0.00 | \$37,275.00 | \$900.00 |

Optional 3rd Party Hardware, Software and Services

| Description | Quantity | Unit Price | Unit Discount | Total Price | Unit Maintenance | Unit Maintenance Discount | Total Year One Maintenance |
|--|----------|------------|---------------|--------------------|------------------|---------------------------|----------------------------|
| BMI AssetTrak Additional Data Terminal (PA690) | 1 | \$2,295.00 | \$0.00 | \$2,295.00 | \$0.00 | \$0.00 | \$0.00 |
| BMI-ASSETTRACK-PPC for MUNIS (Incl. Install Fee) | 1 | \$6,500.00 | \$0.00 | \$6,500.00 | \$0.00 | \$0.00 | \$0.00 |
| BMI TransTrak Additional Data Terminal (PA690) | 1 | \$2,295.00 | \$0.00 | \$2,295.00 | \$0.00 | \$0.00 | \$0.00 |
| BMI Transtrak Fixed Asset Receiving System | 1 | \$3,345.00 | \$0.00 | \$3,345.00 | \$0.00 | \$0.00 | \$0.00 |
| <i>3rd Party Hardware Sub-Total:</i> | | | <i>\$0.00</i> | <i>\$14,435.00</i> | | | <i>\$0.00</i> |
| TOTAL: | | | | \$14,435.00 | | | \$0.00 |

Unless otherwise indicated in the contract or Amendment thereto, pricing for optional items will be held for six (6) months from the Quote date or the Effective Date of the Contract, whichever is later.

Customer Approval: _____ Date: _____
 Print Name: _____ P.O. #: _____

All primary values quoted in US Dollars

Discount Detail

| Description | License | License Discount | License Net | Maintenance Basis | Year One Maint Discount | Year One Maint Net |
|--|-------------|------------------|-------------|-------------------|-------------------------|--------------------|
| Financials: | | | | | | |
| Accounting/GL/BG/AP | \$52,250.00 | \$0.00 | \$52,250.00 | \$9,405.00 | \$9,405.00 | \$0.00 |
| BMI CollectIT Interface | \$3,800.00 | \$0.00 | \$3,800.00 | \$684.00 | \$684.00 | \$0.00 |
| Cash Management | \$10,000.00 | \$0.00 | \$10,000.00 | \$1,800.00 | \$1,800.00 | \$0.00 |
| Contract Management | \$5,900.00 | \$0.00 | \$5,900.00 | \$1,062.00 | \$1,062.00 | \$0.00 |
| Employee Expense Reimbursement | \$6,000.00 | \$0.00 | \$6,000.00 | \$1,080.00 | \$1,080.00 | \$0.00 |
| Fixed Assets | \$12,000.00 | \$0.00 | \$12,000.00 | \$2,160.00 | \$2,160.00 | \$0.00 |
| Inventory | \$11,000.00 | \$0.00 | \$11,000.00 | \$1,980.00 | \$1,980.00 | \$0.00 |
| Project & Grant Accounting | \$10,000.00 | \$0.00 | \$10,000.00 | \$1,800.00 | \$1,800.00 | \$0.00 |
| Purchase Orders | \$12,000.00 | \$0.00 | \$12,000.00 | \$2,160.00 | \$2,160.00 | \$0.00 |
| Requisitions | \$10,000.00 | \$0.00 | \$10,000.00 | \$1,800.00 | \$1,800.00 | \$0.00 |
| Work Orders, Fleet & Facilities Management | \$13,800.00 | \$0.00 | \$13,800.00 | \$2,484.00 | \$2,484.00 | \$0.00 |
| Payroll/HR: | | | | | | |
| Applicant Tracking | \$5,500.00 | \$0.00 | \$5,500.00 | \$990.00 | \$990.00 | \$0.00 |
| HR Management | \$11,500.00 | \$0.00 | \$11,500.00 | \$2,070.00 | \$2,070.00 | \$0.00 |
| Payroll w/ESS | \$23,500.00 | \$0.00 | \$23,500.00 | \$4,230.00 | \$4,230.00 | \$0.00 |
| Revenue: | | | | | | |
| Maplink GIS Integration | \$8,500.00 | \$0.00 | \$8,500.00 | \$1,530.00 | \$1,530.00 | \$0.00 |
| Accounts Receivable | \$11,000.00 | \$0.00 | \$11,000.00 | \$1,980.00 | \$1,980.00 | \$0.00 |
| Business License | \$10,000.00 | \$0.00 | \$10,000.00 | \$1,800.00 | \$1,800.00 | \$0.00 |
| Central Property File | \$2,200.00 | \$0.00 | \$2,200.00 | \$550.00 | \$550.00 | \$0.00 |
| General Billing | \$5,000.00 | \$0.00 | \$5,000.00 | \$900.00 | \$900.00 | \$0.00 |

Discount Detail

| Description | License | License Discount | License Net Maintenance Basis | Year One Maint Discount | Year One Maint Net |
|---------------------------------|---------------------|------------------|-------------------------------|-------------------------|--------------------|
| Tyler Cashiering | \$21,000.00 | \$0.00 | \$21,000.00 | \$3,780.00 | \$0.00 |
| UB Interface | \$13,200.00 | \$0.00 | \$13,200.00 | \$2,376.00 | \$0.00 |
| Utility Billing CIS | \$41,000.00 | \$0.00 | \$41,000.00 | \$7,380.00 | \$0.00 |
| Productivity: | | | | | |
| Citizen Self Service | \$11,000.00 | \$0.00 | \$11,000.00 | \$1,980.00 | \$0.00 |
| Munis Office | \$8,500.00 | \$0.00 | \$8,500.00 | \$1,530.00 | \$0.00 |
| Role Tailored Dashboard | \$8,500.00 | \$0.00 | \$8,500.00 | \$1,530.00 | \$0.00 |
| Tyler Content Manager SE | \$20,000.00 | \$0.00 | \$20,000.00 | \$3,600.00 | \$0.00 |
| Tyler Forms Processing | \$9,500.00 | \$0.00 | \$9,500.00 | \$1,900.00 | \$0.00 |
| Tyler Reporting Services | \$12,000.00 | \$0.00 | \$12,000.00 | \$3,000.00 | \$0.00 |
| Other: | | | | | |
| GASB 34 Report Writer | \$11,000.00 | \$0.00 | \$11,000.00 | \$1,980.00 | \$0.00 |
| MUNIS Disaster Recovery Service | \$0.00 | \$0.00 | \$0.00 | \$17,380.00 | \$17,380.00 |
| OSDBA Contract Services | \$0.00 | \$0.00 | \$0.00 | \$17,380.00 | \$17,380.00 |
| TOTAL: | \$379,650.00 | \$0.00 | \$379,650.00 | \$104,281.00 | \$34,760.00 |

Optional Discount Detail

| Description | License | License Discount | License Net Maintenance Basis | Year One Maint Discount | Year One Maint Net |
|--|------------|------------------|-------------------------------|-------------------------|--------------------|
| Financials: | | | | | |
| Bid Management | \$6,000.00 | \$0.00 | \$6,000.00 | \$1,080.00 | \$0.00 |
| BMI Asset Track Interface | \$3,800.00 | \$0.00 | \$3,800.00 | \$684.00 | \$0.00 |
| Productivity: | | | | | |
| Tyler Content Manager Auto Indexing and Redaction (SE) | \$5,000.00 | \$0.00 | \$5,000.00 | \$900.00 | \$0.00 |
| Tyler Content Manager Self-Service (SE) | \$5,000.00 | \$0.00 | \$5,000.00 | \$0.00 | \$900.00 |
| Tyler Content Manager WorkFlow | \$2,500.00 | \$0.00 | \$2,500.00 | \$450.00 | \$0.00 |

Optional Discount Detail

| Description | License | License Discount | License Net | Maintenance Basis | Year One Maint Discount | Year One Maint Net |
|---------------------|--------------------|------------------|--------------------|-------------------|-------------------------|--------------------|
| Tyler Postal Xpress | \$4,400.00 | \$0.00 | \$4,400.00 | \$1,364.00 | \$1,364.00 | \$0.00 |
| Total: | \$26,700.00 | \$0.00 | \$26,700.00 | \$5,378.00 | \$4,478.00 | \$900.00 |

Comments

Tyler's OSDBA Service is calculated at 25% of the MUNIS annual maintenance. There is a \$2,500 minimum annual fee and a \$30,000 maximum annual fee.

Tyler's Disaster Recovery Service is calculated at 25% of the MUNIS annual maintenance. There is a \$5,000 minimum annual fee and a \$30,000 maximum annual fee for Disaster Recovery service. The Disaster Recovery fees are applicable only to one Live MUNIS database and excludes all test and training databases.

Tyler recommends the use of a 128-bit SSL Security Certificate for any Internet Web Applications, such as the MUNIS Web Client and the MUNIS Self Service applications if hosted by the Client. This certificate is required to encrypt the highly sensitive payroll and financial information as it travels across the public internet. There are various vendors who sell SSL Certificates, with all ranges of prices.

Conversion prices are based on a single occurrence of the database. If additional databases need to be converted, these will need to be quoted.

Tyler's quote contains estimates of the amount of services needed, based on our preliminary understanding of the size and scope of your project. The actual amount of services depends on such factors as your level of involvement in the project and the speed of knowledge transfer.

Unless otherwise noted, prices submitted in the quote do not include travel expenses incurred in accordance with Tyler's then-current Business Travel Policy.

Tyler's prices do not include applicable local, city or federal sales, use excise, personal property or other similar taxes or duties, which you are responsible for determining and remitting.

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) daily fees associated with the cancelled services if Tyler is unable to re-assign its personnel.

Pricing for optional items will be held for six (6) months from the quote date.

Tyler provides onsite training for a maximum of 12 people per class. In the event that more than 12 users wish to participate in a training class or more than one occurrence of a class is needed, Tyler will either provide additional days at then-current rates for training or Tyler will utilize a Train-the-Trainer approach whereby the client designated attendees of the initial training can thereafter train the remaining users.

In the event Client acquires from Tyler any edition of Tyler Content Manager software other than Enterprise Edition, the license for Content Manager is restricted to use with Tyler applications only. If Client wishes to use Tyler Content Manager software with non-Tyler applications, Client must purchase or upgrade to Tyler Content Manager Enterprise Edition.

Tyler's form library prices are based on delivering the specific form quantities listed below. Additional formats of forms listed below are extra. Custom forms are extra. Please note that Tyler Forms requires the use of approved printers only. Contact Tyler support for the list of approved printers.

Utility billing library includes: 1 Utility bill, 1 assessment, 1 UB receipt, 1 Lien letter, 1 UB delinquent notice, 1 door hanger and 1 final utility bill.

Business license library includes: 1 business license and 1 renewal application.

Programming for check reconciliation import and positive pay export assumes one bank format each. Multiple bank formats are extra.

Includes digitizing two signatures, additional charges will apply for additional signatures.

Comments

Project Management includes project planning, kickoff meeting, status calls, task monitoring, verification and transition to support.

Tyler Forms Financial General Billing Core includes: 1 A/P check, 1 EFT/ACH, 1 Purchase order, 1099M, 1099INT, 1099S, and 1099G, 1 invoice, 1 statement, 1 general billing receipt and 1 miscellaneous receipt.

Tyler Forms Payroll Core library includes: 1 PR check, 1 direct deposit, 1 vendor from payroll check, 1 vendor from payroll direct deposit, W2, W2c, and 1099 R.

Personnel Actions Forms Library includes: 1 Personnel Action form - New and 1 Personnel Action Form - Change.

Tyler's cost is based on all of the proposed products and services being obtained from Tyler. Should significant portions of the products or services be deleted, Tyler reserves the right to adjust prices accordingly.

The City of Lodi will receive one (1) additional delinquencies notice form in addition to the standard form that comes with the Utility Billing Library Kit...Subsequently the City will NOT receive the standard Assessment form within the Utility Billing Library Kit.

In addition to the 1 Purchase Order Form, the City of Lodi will receive an additional Purchase Order Form (\$500) as outlined in the Investment Summary above

Exhibit 2

Verification Test

The verification test ("Test") detailed below will be conducted following installation. The purpose of the Test is to ensure the Tyler Software Products perform as warranted, using the MUNIS Verification Database. The MUNIS Verification Database contains the types of information ordinarily used by the specified software and the Test utilizes said data to demonstrate the performance of the specified software's base line functions. As such, the Test is not intended to validate any site specific functionality and will only be conducted for those software products licensed by the Client. Client-specific functionality will be reviewed during the implementation phase when site-specific data will be applied against the desired functionality.

Many sections below contain three phases: table views, reports, and process. Each phase is intended to be completed in 4 hours or less. Please note that each phase listed below has a space where Client will be asked to initial, indicating that the verification has been performed and accepted.

FINANCIALS:

Phase 1

- View general ledger master table
- View budget master table
- View vendor master table
- View general ledger account inquiry – perform drill down
- Find purchase orders/requisitions in purchase order inquiry
- View inventory master
- View fixed assets master
- View work order master

Phase 2

- Enter a requisition
- Approve the requisition
- Convert to a purchase order
- Post the purchase order
- Enter an invoice against the requisition
- Post the invoice
- Select items to be paid report
- Print checks (on blank paper without forms)
- Find journals in journal inquiry using date find

Phase 3

- Reports:
 - General ledger trial balance
 - Year to date budget report
 - Vendor invoice list
 - Purchase orders by general ledger account (select open purchase orders)
 - Inventory list by location

- Fixed asset list by location

PAYROLL/HR:

Phase 1

- View deduction master
- View pay type master
- View employee master
- View employee detail history – perform drill down
- View position table
- View terminated employee table

Phase 2

- Add new employee
- Build job pay records
- Start a new payroll
- Generate employee records
- Enter exceptions
- Print final proof
- Update employee files
- Print checks (on blank paper without forms)

Phase 3

- Reports
 - Employee Detail
 - Employee Accrual
 - Detail Check History Report
 - Payroll Register

UTILITY BILLING:

Phase 1

- View charge code file with rate tables
- View account master – perform drill down
- View customer file
- View bill inquiry
- View account inquiry

Phase 2

- Add new account
- Create water service record
- Start a new bill run
 - View charges file maintenance
- Enter meter reading manually
- Run charges proof register
- Generate accounts receivable

- Print bills (on blank paper without forms)
- Make a payment to a bill

Phase 3

- Reports:
 - Consumption inquiry/report
 - Utility billing aging report
 - Charge/payment history
 - Detail receivables register

OTHER REVENUE (TAX/EXCISE/GENERAL BILLING):

Phase 1

- View customer file
- View parcel file
- View charge code file
- View tax year parameter
- View motor vehicle master file
- View bill inquiry
- View lien file
- View receipt inquiry
- View activity totals inquiry/report

Phase 2

- Create a new general billing customer
- Add a general billing invoice
- Make a payment against the general billing
- Make a payment against a tax/excise/personal property/etc. bill
- Print payments proof
- Post payments
- Use receipt inquiry to find the payment

Phase 3

- Reports
 - Summary receivables
 - Detail receivables
 - Posted payments report

BUSINESS LICENSES:

- View customer file
- View description codes
- View business license charge codes

- View business license master file
- View business license late payment process
- View bill inquiry
- View business master report
- View business location report

ANIMAL LICENSES:

-
- View animal type file
 - View customer file
 - View animal license master file
 - View license detail report
 - View license history report
 - View tag report

PROJECT ACCOUNTING:

(Performed with General Ledger)

-
- View project master table
 - View general ledger master with project code
 - View project budget report

MUNIS OFFICE:

-
- Export from general ledger account inquiry into Excel
 - Export from general ledger account inquiry into Word

BUSINESS OBJECTS:

-
- Verification Report for Crystal Reports from the Knowledgebase will be used to display results from the MUNIS Verification database. No configuration needs to be done to run this report.

TYLER REPORTING SERVICES:

- Verification Report for Tyler Reporting Services from the Knowledgebase will be used to display results from the MUNIS Verification database. No configuration needs to be done to run this report.

CONTRACT MANAGEMENT:

- View contract master file
- Enter a requisition against a contract
- View contract master to highlight changes

CASH MANAGEMENT:

- View a recurring cash flow record for current fiscal year in recurring cash flow F/M
- Generate cash flow file maintenance
- Generate a journal entry on the cash flow file maintenance record created
- Go to general journal entry/proof, find journal that was generated and post it

MUNIS SELF SERVICE – EMPLOYEES:

Phase 1

- View and update the general administration settings
- Add a new user under users

Phase 2

- View and update application administration under Employee Admin
- View and add a web link or document under Document Administration

Exhibit 3

Support Call Process

Client Support

Tyler Technical Support Department for Munis®

Goal: To provide an effective support mechanism that will guarantee timely resolution to calls, resulting in high-level client satisfaction.

Contact Us

Call Tyler's toll free number (800-772-2260) or log a support request online through the Tyler Client Portal available at Tyler's Support Web site (www.tylertech.com).

Support Organization

Tyler's Technical Support Department for Munis is divided into multiple teams: Financials, Payroll/HR/Pension, Tax/Other Revenue and Collections, Utility Billing and Collections, OS/DBA (Operating System and Database Administration), and TylerForms and Reporting Services.

These "product-specific" teams allow support staff to focus on a group of products or services. A group of specialists assigned to each team handle calls quickly and accurately.

Each team consists of a Munis Support Product Manager, Support Analysts and Technical Support Specialists. The Support Product Manager is responsible for the day-to-day operations of the team and ensures we provide exceptional technical support to our clients. The Support Analysts are responsible for assisting the team with clients' issues, and provide on-going team training. Technical Support Specialists are responsible for diagnosing and resolving client issues in a timely and courteous manner.

Standard Support Hours

| Applications | Hours |
|---------------------------------|---------------------------------|
| Financials | 8:00am-9:00pm EST Monday-Friday |
| Payroll/HR/Pension | 8:00am-9:00pm EST Monday-Friday |
| Tax/Other Revenue & Collections | 8:00am-6:00pm EST Monday-Friday |
| Utility Billing & Collections | 8:00am-8:00pm EST Monday-Friday |
| OS/DBA | 8:00am-9:00pm EST Monday-Friday |
| TylerForms & Reporting Services | 8:00am-5:00pm EST Monday-Friday |

Focus on Incoming Rate

When you call Technical Support, your call is answered by a Support Technician, or is transferred into the Support voice mail. *Our goal is to capture 75% of our daily calls incoming*, which means you will often start working with a Support Specialist immediately upon calling Tyler.

Leaving Messages for Support

When leaving a message on the Support voice mail, ensure the following information is contained within the message:

- Your full name (first name, last name) and the site you are calling for/from
- A phone number where you can be reached
- The details of the issue or question you have (i.e.: program, • process, error message)
- The priority of the issue (1, 2, 3, or 4)
- When you will be available for a return call (often Support will call back within an hour of receiving your message)

Paging

All client questions are important to us. There may be times when you are experiencing a priority 1 critical issue and all technicians for the requested team are on the line assisting clients. In this circumstance, it is appropriate to press 0 to be redirected to the operator. The operator will page the team you need to contact. We ask that you reserve this function for those times when Munis is down, or a mission critical application is down and you are not able to reach a technician immediately.

Online Support

Some questions can be handled effectively by e-mail. Once registered as a user on Tyler's Support Web site at www.tylertech.com, you can ask questions or report issues to Support through "Customer Tools". Tyler's Client Portal (TCP) allows you to log an incident to Technical Support anytime from any Internet connection. All TCP account, incident and survey data is available in real-time.

Your existing contact information defaults when you add a new Support incident. You will be asked for required information including Incident Description, Priority, Product Group and Product Module. Unlimited work-note text is available for you to describe the question or problem in detail, plus you can attach files or screenshots that may be helpful to Support.

When a new incident is added, the incident number is presented on the screen, and you will receive an automated e-mail response that includes the incident number. The new incident is routed to the appropriate Technical Support Team queue for response. They will review your incident, research the item, and respond via e-mail according to the priority of the incident.

Customer Relationship Management System

Every call or e-mail from you is logged into our Customer Relationship Management System and given a unique call number. This system tracks the history of each incident, including the person calling, time of the call, priority of the call, description of the problem, support recommendations, client feedback and resolution. For registered users on Tyler's Support Web site (www.tylertech.com), a list of calls is available real-time under the Tyler Client Portal (TCP).

Call Numbers

Support's goal is to return clients' calls as soon as possible. If you are not available when we call back, we will leave a message with the open call number on your voice mail or with a person in your office. When you call back, you can reference this call number so you do not have to re-explain the issue.

An open call number is also given to you once an initial contact has been made with Support and it has been determined that the issue can't be resolved during the initial call. The open call number lets you easily track and reference specific open issues with Support.

Call Response Goals

| Open Call Priority | Maximum number of days a support call is open | Support managers and analysts review open calls |
|--------------------|---|---|
| 1 | Less than a day | Daily |
| 2 | 10 Days or less | Every other day |
| 3 | 30 Days or less | Weekly |
| 4 | 60 Days or less | Weekly |

Call Priorities

A call escalation system is in place where, each day, Support Analysts and Product Support Managers, review open calls in their focus area to monitor progress.

Each call logged is given a priority (1, 2, 3, and 4) according to the client's needs/deadlines. The goal of this structure is to clearly understand the importance of the issue and assign the priority for closure. The client is responsible for setting the priority of the call. Tyler Support for Munis tracks responsiveness to priority 1, 2 and 3 calls each week. This measurement allows us to better evaluate overall client satisfaction.

Priority 1 Call — issue is critical to the client, the Munis application or process is down.

Priority 2 Call — issue is severe, but there is a work around the client can use.

Priority 3 Call — issue is a non-severe support call from the client.

Priority 4 Call — issue is non-critical for the client and they would like to work with Support as time permits.

Following Up on Open Calls

Some issues will not be resolved during the initial call with a Support Technician. If the call remains open, the technician will give you an open call number to reference, and will confirm the priority of the incident.

If you want to follow up on an open call, simply call the appropriate Support Team and reference the call number to the Technician who answers or leave this information in your message. Referencing the open call number allows anyone in support to quickly follow up on the issue. You can also update the incident through TCP on Tyler's Web site (www.tylertech.com) and add a note requesting follow-up.

Escalating a Support Call

If the situation to be addressed by your open call has changed and you need to have the call priority adjusted, please call the appropriate Support Team and ask to be connected to the assigned technician. If that technician is unavailable, another technician on the team may be able to assist you, or will transfer you to the Product Support Team Manager. If you feel you are not receiving the service you need, please call the appropriate Product Manager and provide them with the open call number for which you need assistance. The Product Manager will follow up on your open issue and determine the necessary action to meet your needs.

Technical Support Product Managers:

| | | |
|---|---|----------------|
| Financials Team | Michelle Madore (michelle.madore@tylertech.com) | (X4483) |
| Payroll/HR/Pension Team | Sonja Johnson (sonja.johnson@tylertech.com) | (X4157) |
| Tax/Other Revenue/Utility Billing Team | Steven Jones (steven.jones@tylertech.com) | (X4255) |
| OS/DBA Team | Ben King (ben.king@tylertech.com) | (X5464) |
| TylerForms & Reporting Services | Michele Violette (michele.violette@tylertech.com) | (X4381) |

If you are unable to reach the Product Manager, please call CJ McCarron, Vice President of Technical Support at 800-772-2260, ext. 4124 (cj.mccarron@tylertech.com).

Resources

A number of additional resources are available to you to provide a comprehensive and complete support experience.

Munis Internet Updater (MIU): Allows you to download and install critical and high priority fixes as soon as they become available.

Release Admin Console: Allows you to monitor and track the availability of all development activity for a particular release; right from inside Munis.

Knowledgebase: A fully searchable depository of thousands of documents related to Munis processing, procedures, release info, helpful hints, etc.

Remote Support Tool

Some Support calls may require further analysis of your database or setup to diagnose a problem or to assist you with a question. GoToAssist® shares your desktop via the Internet to provide you with virtual on-site support. The GoToAssist tool from Citrix (www.citrix.com) provides a highly secure connection with 128-bit, end-to-end AES encryption. Support is able to quickly connect to your desktop and view your site's setup, diagnose problems, or assist you with screen navigation.

At the end of each GoToAssist session, there is a quick survey you should complete so we have accurate and up-to-date feedback on your Support experiences. We review the survey data in order to continually improve our Support services.

E-mail Registration

Clients can go to our Web site and register for e-mail "groups" based on specific Munis applications. We use these groups to inform clients of issues, and to distribute helpful technical tips and updated technical documentation. The survey information allows you to update your registration at any time, and you may unregister for one or more distribution lists at any time.

Tyler Web site

Once you have registered as a user on Tyler's Support Web site (www.tylertech.com), you have access to "Customer Tools" and other information such as online documentation, user forums, group training schedule/sign-up, and annual user conference updates/registration.

Timely TCP Progress Updates

Our technicians are committed to providing you timely updates on the progress of your open support incidents via the Tyler Client Portal. The frequency of these updates is determined by issue priority.

Priority 1 Incidents — Daily updates (only if phone contact is not possible)

Priority 2 Incidents — Weekly Updates

Priority 3 Incidents — Bi-weekly Updates

Priority 4 Incidents — Bi-weekly Updates

Updates will also be provided for any issue, regardless of priority, when action items have been completed or when there is pertinent information to share.

Exhibit 4

Business Travel Policy Summary

1. Air Travel

A. Reservations & Tickets

Tyler's Travel Management Company (TMC) will provide an employee with a direct flight within two hours before or after the requested departure time, assuming that flight does not add more than three hours to the employee's total trip duration and the fare is within \$100 (each way) of the lowest logical fare. If a net savings of \$200 or more (each way) is possible through a connecting flight that is within two hours before or after the requested departure time and that does not add more than three hours to the employee's total trip duration, the connecting flight should be accepted.

Employees are encouraged to make reservations far enough in advance to take full advantage of discount opportunities. A seven day advance booking requirement is mandatory. When booking less than seven days in advance, management approval will be required.

Except in the case of international travel where a segment of continuous air travel is scheduled to exceed six hours, only economy or coach class seating is reimbursable.

B. Baggage Fees

Reimbursement of personal baggage charges are based on the trip duration as follows:

- Up to five days = one checked bag
- Six or more days = two checked bags

Baggage fees for sports equipment are not reimbursable.

2. Ground Transportation

A. Private Automobile

Mileage Allowance-Business use of an employee's private automobile will be reimbursed at the current IRS allowable 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 only in conjunction with air travel when cost, convenience and the specific situation require their use. When renting a car for Tyler business, employees should select a "mid-size" or "intermediate" car. "Full" size cars may be rented when three or more employees are traveling together. Tyler carries leased vehicle coverage for business car rentals; additional insurance on the rental agreement should be declined.

C. Public Transportation

follows:

- Breakfast 15%
- Lunch 25%
- Dinner 60%

B. Same Day Travel

Employees traveling at least 100 miles 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 7:00* p.m.

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

5. Entertainment

All entertainment expenses must have a business purpose; a business discussion must occur either before, after or during the event in order to qualify for reimbursement. The highest-ranking employee present at the meal must pay for and submit entertainment expenses. An employee who submits an entertainment expense for a meal or participates in a meal submitted by another employee cannot claim a per diem for that same meal.

6. 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 an employee's hotel charges for internet access it is reimbursable up to \$10.00 per day. Charges for internet access at airports are not reimbursable.

Effective Date: April 1, 2012

Exhibit 5

Adobe End User License Agreement

ADOBE SYSTEMS INCORPORATED
ADOBE CENTRAL OUTPUT SOFTWARE
Software License Agreement

NOTICE TO USER: THIS LICENSE AGREEMENT GOVERNS INSTALLATION AND USE OF THE ADOBE SOFTWARE DESCRIBED HEREIN BY LICENSEES OF SUCH SOFTWARE. INSTALLATION AND USE OF THE SOFTWARE IS NOT PERMITTED UNLESS ADOBE HAS GRANTED LICENSEE THE RIGHT TO DO SO AS SEPARATELY PROVIDED IN WRITING BY ADOBE. LICENSEE AGREES THAT THIS AGREEMENT IS LIKE ANY WRITTEN NEGOTIATED AGREEMENT SIGNED BY LICENSEE. BY CLICKING TO ACKNOWLEDGE AGREEMENT TO BE BOUND DURING REVIEW OF AN ELECTRONIC VERSION OF THIS LICENSE, OR DOWNLOADING, COPYING, INSTALLING OR USING THE SOFTWARE, LICENSEE ACCEPTS ALL THE TERMS AND CONDITIONS OF THIS AGREEMENT. THIS AGREEMENT IS ENFORCEABLE AGAINST ANY PERSON OR ENTITY THAT INSTALLS AND USES THE SOFTWARE AND ANY PERSON OR ENTITY (E.G., SYSTEM INTEGRATOR, CONSULTANT OR CONTRACTOR) THAT INSTALLS OR USES THE SOFTWARE ON ANOTHER PERSON'S OR ENTITY'S BEHALF.

LICENSEE'S RIGHTS UNDER THIS AGREEMENT MAY BE SUBJECT TO ADDITIONAL TERMS AND CONDITIONS IN A SEPARATE WRITTEN AGREEMENT WITH ADOBE THAT SUPPLEMENTS OR SUPERSEDES ALL OR PORTIONS OF THIS AGREEMENT.

1. Definitions

1.1 "Adobe" means Adobe Systems Incorporated, a Delaware corporation, 345 Park Avenue, San Jose, California 95110, if subsection 9(a) of this Agreement applies; otherwise it means Adobe Systems Software Ireland Limited, 4-6 Riverwalk, Citywest Business Campus, Saggart, Dublin 24, Ireland, a company organized under the laws of Ireland and an affiliate and licensee of Adobe Systems Incorporated.

1.2 "Authorized Users" means employees and individual contractors (i.e., temporary employees) of Licensee.

1.3 "Computer" means one or more central processing units ("CPU") in a hardware device (including hardware devices accessed by multiple users through a network ("Server")) that accepts information in digital or similar form and manipulates it for a specific result based on a sequence of instructions.

1.4 "Deliver" means to transmit data directly or indirectly over a network to a printing device or any other device for the purpose of printing.

1.5 "Development Software" means Software licensed for use in a technical environment solely for internal development and testing and not for use as Production Software.

1.6 "Disaster Recovery Environment" means Licensee's technical environment designed solely to allow Licensee to respond to an interruption in service due to an event beyond Licensee's control that creates an inability on Licensee's part to provide critical business functions for a material period of time.

1.7 "Documentation" means the user manuals and/or technical publications as applicable, relating to installation, use and administration of the Software.

1.8 "Internal Network" means Licensee's private, proprietary network resource accessible only by Authorized Users. "Internal Network" specifically excludes the Internet (as such term is commonly defined) or any other network community open to the public, including membership or subscription driven groups, associations or similar organizations. Connection by secure links such as VPN or dial up to Licensee's Internal Network for the purpose of allowing Authorized Users to use the Software should be deemed use over an Internal Network.

1.9 "License Metric" means each of the per-unit metrics used by Adobe in connection with the licensed quantities identified as separately provided in writing by Adobe to describe the scope of Licensee's right to use the Software. One or more of the following types of License Metrics applies to each Software Product as further provided herein:

(a) Per-Computer. Licensee may install and use the Adobe Output Designer software on no more than the licensed number of Computers.

(b) Per-User. The total number of Authorized Users that directly or indirectly request or receive content that has been processed by the Software may not exceed the licensed quantity of users.

(c) Per-Server. The total number of Servers on which the Software is installed may not exceed the licensed quantity of Servers.

1.10 "Location" means a specific building or physical location as identified by its unique street address.

1.11 "Production Software" means Software licensed for productive business use.

1.12 "SDK Components" means the sample software code, application programming interface, header files and related information, and the file format specifications, if any, included as part of the Software as described in the Documentation or a "Read Me" file accompanying the applicable Software.

1.13 "Software" means the object code version of the software program(s) specified in a separate written agreement signed by Adobe, including all Documentation and other materials provided by Adobe to Licensee

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dates set forth below.

Tyler Technologies, Inc.
ERP and Schools Division

City of Lodi

By: _____

By: _____

Name: _____

Name: Konradt Bartlam

Title: _____

Title: City Manager

Date: _____

Date: _____

Exhibit 6

Insurance Requirements

Insurance Requirements for Contractor The Contractor shall take out and maintain during the life of this contract, insurance coverage as listed below. These insurance policies shall protect the Contractor performing work covered by this contract from claims for damages for personal injury, including accidental death, as well as from claims for property damages, which may arise from Contractor's operations under this contract, whether such operations be by Contractor or by anyone directly or indirectly employed by Contractor, and the amount of such insurance shall be as follows:

- | | |
|--|--|
| 1. <u>COMPREHENSIVE GENERAL LIABILITY</u> \$1,000,000 Ea. Occurrence \$2,000,000 Aggregate | 2. <u>COMPREHENSIVE AUTOMOBILE LIABILITY</u> \$1,000,000 Ea. Occurrence |
| 3. <u>PROFESSIONAL LIABILITY/ERRORS AND OMISSIONS</u> \$2,000,000 Ea. Occurrence | 4. <u>SECURITY/PRIVACY LIABILITY</u> \$4,000,000 Aggregate |
| 5. <u>UMBRELLA LIABILITY</u> \$4,000,000 | |

NOTE: Contractor agrees and stipulates that any insurance coverage provided to the City of Lodi shall provide for a claims period following termination of coverage which is at least consistent with the claims period or statutes of limitations found in the California Tort Claims Act (California Government Code Section 810 et seq.).

NOTE: (1) The street address of the **CITY OF LODI** must be shown along with (a) and (b) above: 221 West Pine Street, Lodi, California, 95240; (2) The insurance certificate must state, on its face or as an endorsement, a description of the project that it is insuring.

A copy of the certificate of insurance with the following endorsements shall be furnished to the City:

- (a) Additional Named Insured Endorsement
is the Comprehensive General Liability Coverage afforded by this policy shall also apply to the City of Lodi, its elected and appointed Boards, Commissions, Officers, Agents, Employees, and Volunteers as additional named insureds.
(This endorsement shall be on a form furnished to the City and shall be included with Contractor's policies.)
- (b) Primary Insurance Endorsement
Such insurance as is afforded by the endorsement for the Additional Insureds shall apply as primary insurance to the extent Contractor is determined to be the sole or primary cause of the claim. Any other insurance maintained by the City of Lodi or its officers and employees, to the extent Contractor is determined to be the sole or primary cause of the claim, shall be excess only and not contributing with the insurance afforded by this endorsement.
- (c) Severability of Interest Clause
The term "insured" is used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limit of the company's liability.

Compensation Insurance The Contractor shall take out and maintain during the life of this contract, Worker's Compensation Insurance for all of Contractor's employees employed at the site of the project and, if any work is sublet, Contractor shall require the subcontractor similarly to provide Worker's Compensation Insurance for all of the latter's employees unless such employees are covered by the protection afforded by the Contractor. In case any class of employees engaged in hazardous work under this contract at the site of the project is not protected under the Worker's Compensation Statute, the Contractor shall provide and shall cause each subcontractor to provide insurance for the protection of said employees. This policy may not be canceled nor the coverage reduced by the company without 30 days' prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 W. Pine St., Lodi, CA 95240.

NOTE: No contract agreement will be signed nor will any work begin on a project until the proper insurance certificate is received by the City.

Exhibit 7

OSDBA and Disaster Recovery

OSDBA:

- **Support Hours:** 8:00AM to 9:00PM EST
- **Server Support:** Single Tyler production environment (Operating System, Administration, and Software Upgrades/Patches, problem resolution)
- **Database Support:** Maintenance on 3 Database environments (Live/Train/Test)
- **Tyler Support:** Assistance with loading Releases, Upgrades, and New Products (Modules or Licensing)
- **Pro-Active Check:** OSDBA health check program that monitors 8 key areas of the system and automatically opens a support ticket when an issue is discovered.
- **Weekend Service:** Every 2nd Saturday of each month available for Tyler production release upgrades (Note - must be scheduled with the OSDBA department in advance and is subject to availability on a first request - first serve basis).

OSDBA Support

Operating System Support

- Usual, routine and ordinary System Backup and Recovery Assistance (Note – this assistance does *not* include system backup, installation, and recovery services in the event of a hardware or network failure or of a Disaster (A disaster is defined as an unplanned event that prevents the Tyler Software Products from performing critical processes, potentially harming Customer’s financial standing or public image (“Disaster”), such as fire, hazardous materials incident, flood, hurricane, tornado, winter storm, earthquake, radiological accident, civil disturbance or explosion)
- Disk Space Configuration
- File Permissions & Security
- Printer Configuration & Troubleshooting
- User Maintenance

Database Support

- Database Administration assistance
- Software upgrades
- SQL Maintenance plans
- Database refreshes
- Diagnosing and resolving SQL errors

Tyler Software Support

- Assistance with loading Tyler releases
- Report Writer Installation assistance and troubleshooting
- PC client software assistance with installation and troubleshooting

OSDBA Advantages:

Support Contract Benefits...

- Ongoing maintenance of Server/Software/Database Upgrades
- Knowledgeable IT professionals who are experts in Microsoft technologies and Tyler software available at minimal cost to maintain the Tyler application and server
- Installation of Tyler releases and availability on Saturday

- System and Database tuning for peak performance
- Backup and Restore of System and Database files
- Knowledge and Expertise across platforms and databases

Disaster Recovery:

Tyler will timely work with client to re-establish access to the Tyler hosted environment in the event client facilities are impacted by a disaster, provided Client has internet access.

Tyler maintains a business continuity plan and multiple data centers in order to timely respond to disasters at its own facilities.

RESOLUTION NO. 2013-158

A RESOLUTION OF THE LODI CITY COUNCIL SELECTING
THE LOCALLY HOSTED OPERATING MODEL FOR FINANCIAL
SYSTEMS AND AUTHORIZING THE CITY MANAGER TO
EXECUTE AGREEMENT WITH TYLER TECHNOLOGIES, INC.
FOR REPLACEMENT FINANCIAL SYSTEMS

WHEREAS, City has evaluated the costs and benefits of hosting financial systems software locally and by a vendor; and

WHEREAS, City has determined that it is most desirable to host financial systems software locally; and

WHEREAS, City issued a Request for Information on November 15, 2012, for Financial Management and Utility Billing Software and Implementation Services; and

WHEREAS, City received ten responses to said Request for Information; and

WHEREAS, City received demonstrations from two vendors; and

WHEREAS, City has selected Tyler Technologies, Inc. to be the provider of financial and utility billing software; and

WHEREAS, City proposes to enter into an agreement with Tyler Technologies, Inc. for the services contemplated with a total value of \$1,638,142 over a seven-year period; and

WHEREAS, staff recommends that the City Manager be authorized to execute change orders in the amount of ten percent (10%) of the contract value due to unexpected software anomalies arising during implementation.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lodi does hereby authorize the City Manager to execute an agreement with Tyler Technologies, Inc. for locally hosted financial systems software for the services contemplated with a total value of \$1,638,142 over a seven-year period; and

BE IT FURTHER RESOLVED that the City Manager is hereby authorized to execute change orders in the amount of ten percent (10%) of the contract value should unexpected software anomalies arise during implementation.

Dated: August 21, 2013

I hereby certify that Resolution No. 2013-158 as passed and adopted by the City Council of the City of Lodi in a regular meeting held August 21, 2013, by the following votes:

AYES: COUNCIL MEMBERS – Hansen, Johnson, Katzakian, Mounce, and Mayor Nakanishi

NOES: COUNCIL MEMBERS – None

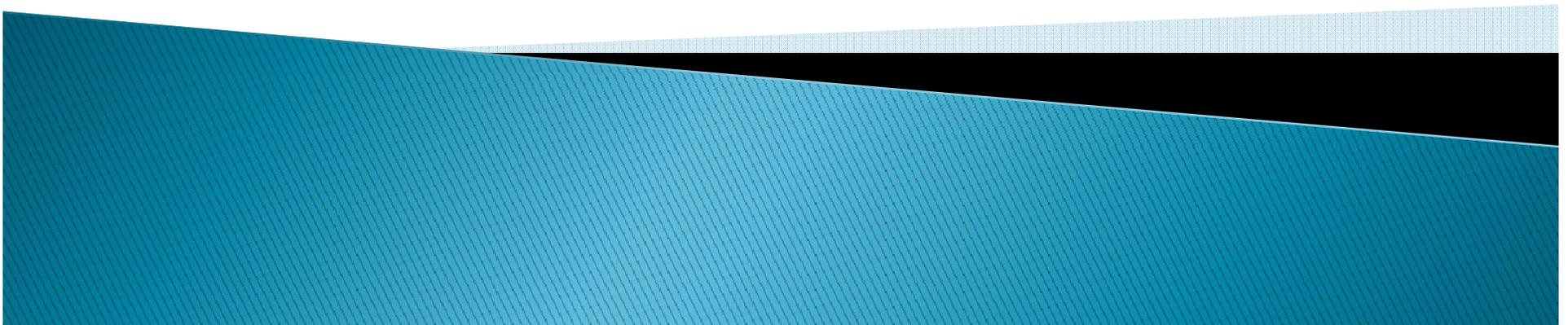
ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None


RANDI JOHL-OLSON
City Clerk

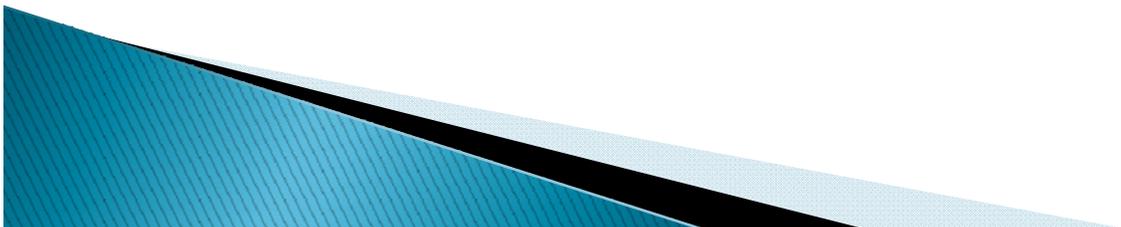
Financial Systems Replacement

City Council Meeting
August 21, 2013



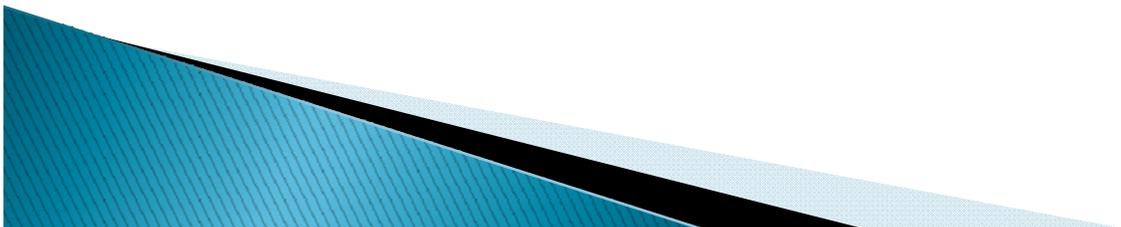
Current Status

- ▣ Financials
 - JD Edwards (GL, AP, HR, Payroll, Purchasing)
 - Vertex E-CIS (Utility Billing)
 - Stand alone Business License
 - Limited project accounting
 - Stand alone Fleet Maintenance
 - Fixed Assets (Excel spreadsheet)
 - Not up to current version
- ▣ IBM AS400 platform



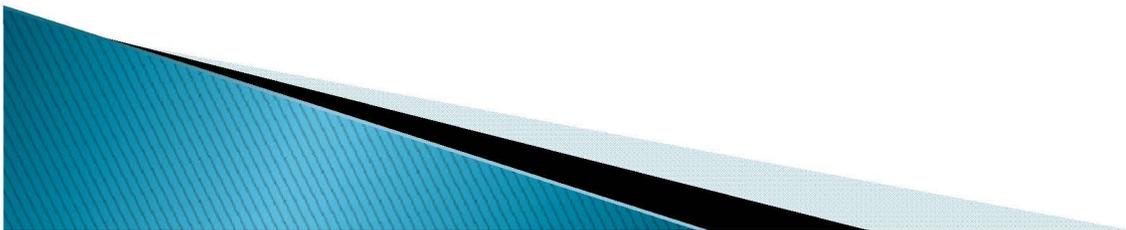
Activities To Date

- ▶ Request For Information (Nov 2012)
- ▶ Vendor Responses (Jan 2013)
- ▶ Evaluation of Responses (Jan 2013)
- ▶ Short List of Vendors (Jan 2013)
- ▶ Vendor Demos (Feb/Mar 2013)
- ▶ Reference Checks/Follow-up (Mar/Apr 2013)
- ▶ Site Visit (May 2013)
- ▶ Contract Negotiations (June/July 2013)



Operating Model Options

- ▶ Locally hosted
- ▶ Vendor hosted



Locally Hosted

- ▶ City owns, operates and maintains hardware
- ▶ Licenses software from vendor
- ▶ Data resides on local servers
- ▶ City staff provide 'help desk' services to users
- ▶ Back-ups, database maintenance and disaster recovery is City responsibility
 - Can contract for some or all of these services
 - Might satisfy auditor findings
- ▶ City responsible for replacing hardware



Locally Hosted (con't.)

▶ Security

- Access to server room controlled by City processes
- User access controlled by City processes
- Minimal internet exposure

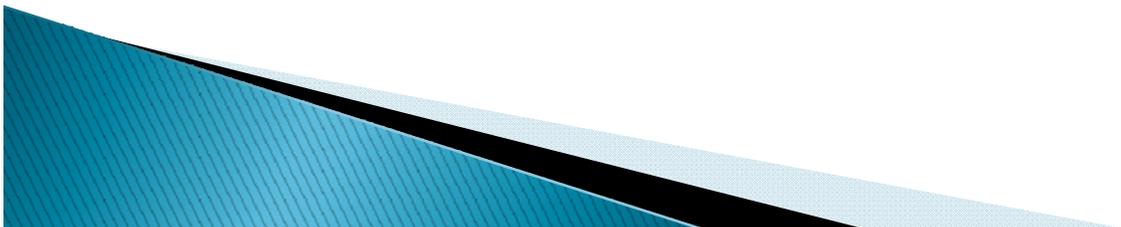
▶ Availability

- 24/7/365
- No scheduled downtimes
- Help Desk available during normal working hours
 - Staff available after hours



Vendor Hosted

- ▶ Vendor owns, operates and maintains hardware
- ▶ City 'rents' software and servers space from vendor
- ▶ Data resides on vendor servers
- ▶ Vendor provides 'help desk' services
- ▶ Back-ups, database maintenance and disaster recovery included in vendor contract
- ▶ Vendor responsible for replacing hardware
- ▶ Satisfies audit findings regarding disaster recovery and business continuity
- ▶ Dependent upon internet connection



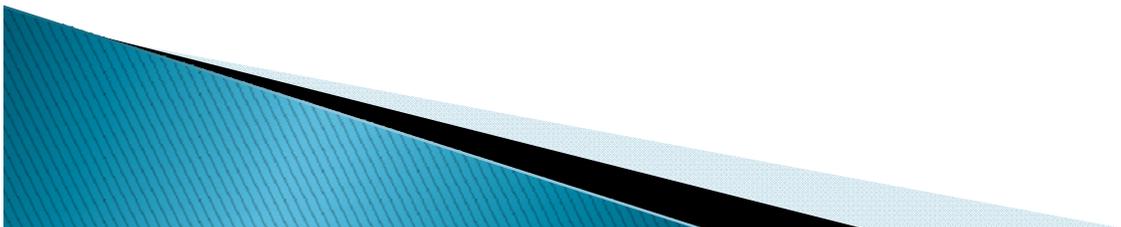
Vendor Hosted (con't.)

▶ Security

- Access to server room controlled by vendor processes
- User access controlled by joint City/vendor processes
- Dependent upon internet connection

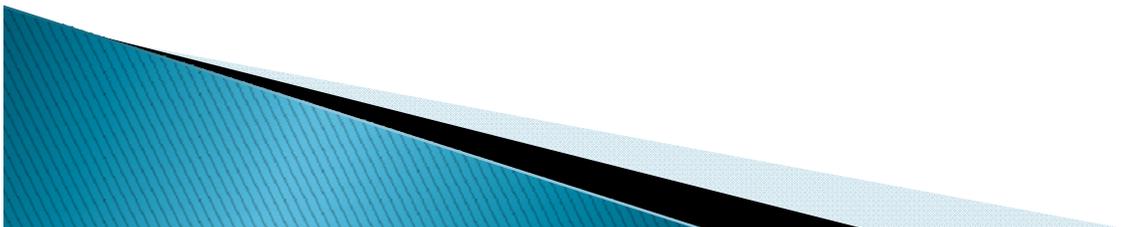
▶ Availability

- 24/7/365, except for scheduled downtime (2–3AM daily)
- Help Desk available generally 5AM to between 2 and 6PM (module dependent)
 - Staff available after hours for critical calls
 - Non-critical calls returned the following day



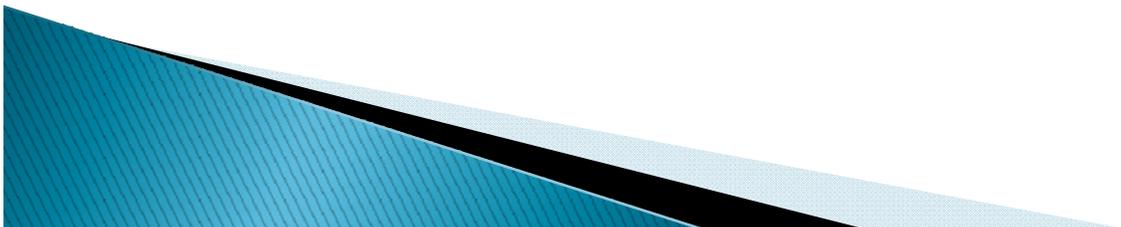
Costs

- ▶ Locally hosted---\$3,323,692
 - 7 year period
 - 3 staff for full 7 years (\$2,215,500)
 - Hardware replacement (\$41,800)
 - Contracted costs (\$1,638,142)
 - Savings from eliminated costs (\$571,750)
 - Annual maintenance costs
 - \$105,955 escalating at 5% per year



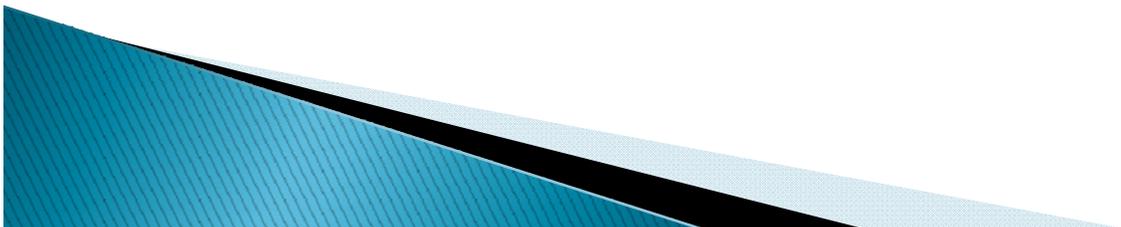
Costs (con't.)

- ▶ Vendor hosted---\$2,607,066
 - 7 year period
 - 3 staff for 2 years; 1 thereafter (\$1,193,000)
 - Contracted costs (\$1,985,816)
 - Savings from eliminated costs (\$571,750)
 - Annual maintenance costs
 - \$276,174 flat for term of contract



Cost Summary

| | |
|------------------|-------------|
| ▶ Locally hosted | \$3,323,692 |
| ▶ Vendor hosted | \$2,607,066 |
| ▶ Difference | \$716,626 |



Action

- ▶ Select an operating model
 - Locally hosted
 - Vendor hosted
- ▶ Adopt resolution stating the operating model and authorize City Manager to execute contract with Tyler Technologies under that model

