

MN10464-5

System Agreement
between
Tyler Technologies, Inc.
370 U. S. Route 1
Falmouth, Maine 04105
and
Mendocino County
501 Low Gap Road
Ukiah, CA 95482

AGREEMENT

This Agreement made this 27th day of June, 2006 ("Effective Date") between Tyler Technologies, Inc, a Delaware Corporation, with offices at 370 U.S. Route 1, Falmouth, Maine 04105 ("Tyler") and the Mendocino County, with its principal offices at 501 Low Gap Road, Ukiah, CA 95482 ("Client").

Tyler and Client agree as follows:

1. Tyler shall furnish the products and services as described in this Agreement, and Client shall pay the prices set forth in this Agreement. Tyler shall mail invoices to Client at the above address to the attention of _____.

2. This Agreement consists of this Cover and the following Attachments and Exhibits:

Section A. Investment Summary

Section B. Software License Agreement

Section C. Professional Services Agreement

Section D. Maintenance Agreement

Section E. Third Party Product Agreement

Section F. General Terms and Conditions

Addendum A

Exhibit 1 - Verification Test

Exhibit 2 - Support Call Process

Exhibit 3 - Business Travel Policy

Exhibit 4 - Adobe End User License Agreement

Exhibit 5 - Modifications

Exhibit 6 - Project Milestone Schedule

Exhibit 7 - Insurance Requirements

Exhibit 8 - Master Preferred Escrow Agreement

IN WITNESS WHEREOF, persons having been duly authorized and empowered enter into this Agreement, including Addendum A and all Exhibits hereto. This Agreement is effective as of the date last set forth below.

Tyler Technologies, Inc.

Client: Mendocino County

By: _____

Richard E. Peterson, Jr.
President - MUNIS Division

By: _____

Date: _____

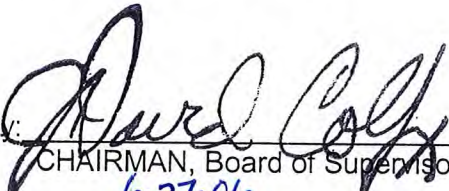
Date: _____

SEE SIGNATURES ON PAGES FOLLOWING

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

COUNTY OF MENDOCINO

Tyler Technologies, Inc.

By: 
CHAIRMAN, Board of Supervisors
6-27-06

I hereby certify that according to the provisions of Government Code Section 25103, delivery of this document has been made.

KRISTI FURMAN
Clerk of the Board

By: 

KRISTI FURMAN, Clerk of said Board

By: 

By: 
Signature

Title: President - MUNIS DIVISION

Date: 6-15-06

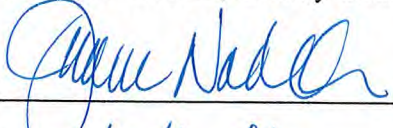
NAME AND ADDRESS OF
CONTRACTOR:

Tyler Technologies, Inc.
370 US Route One
Falmouth, ME 04105

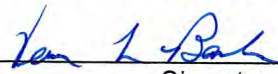
By signing above, signatory warrants and represents that he executed this Agreement in his authorized capacity and that by his signature on this Agreement, the entity upon behalf of which he acted, executed this Agreement

APPROVED AS TO FORM:

JEANINE B. NADEL, County Counsel

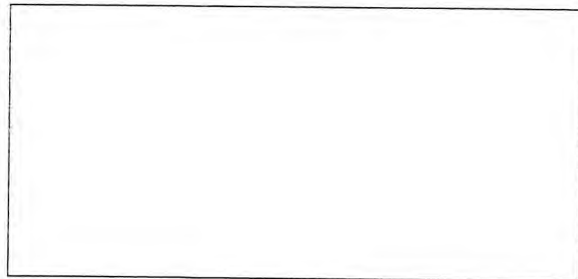
By: 
Date: 6-16-06

COUNTY OF MENDOCINO

By: 
Signature

Title: SHARON BUSINESS SERVICES
DEPARTMENT

Date: 6/21/06



INSURANCE REQUIREMENTS:

Kristin McMenomey, Deputy CEO

By Kristin McMenomey

Section A - Investment Summary

Mendocino County
501 Low Gap Road

UKIAH,

CA 95482

Attention: Paul Holden
Tel: 707-463-4002
Tyler: Nancy Llamas
Tel: 877-509-1474

Ext:
ID: 44
Ext:

Contract # MN10464-5

Date: 6/12/06

Note/RFP

[illegible]

Client: Mendocino County

Attention: Paul Holden

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Third Party Products

Model #	Qty/Users	Description	License Fee/Purchase Price	Extended	Year 1 Maintenance Fee	Extended
GUI	60	MUNIS GUI Runtime (concurrent users)	\$300	\$18,000	\$60	\$3,600
TFP	1	Tyler Forms Processing Secure Signature Card System (2 cards included)	\$1,650	\$1,650		\$0
Total				\$19,650	Total	\$3,600
OSDBA	1	Operating System / Database Support (3 months)		\$0	\$0	\$0
Year 1 OSDBA / Disaster Recovery Fee				\$0	Year 1 Maintenance Fee	\$0

Other Professional Services

Model #	Qty	Description	Price/EA	Extended
SW-INS-NT	1	Software Load and Test on 1 server	\$7,000	\$7,000
MOD	1	AC #62 Modification per RPF checklist	\$3,000	\$3,000
TFP	1	Tyler Forms Processing Human Resources Library	\$2,500	\$2,500
TFP	1	Tyler Forms Processing Financial Library	\$3,500	\$3,500
TFP	1	Tyler Forms Processing General Billing Library	\$2,500	\$2,500
VPN	1	VPN Device Installation and Configuration	\$4,000	\$4,000
Total				\$22,500

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Conversion Options And Prices

O P T I O N S	Model #														Conv Price	
	AC-F	PO-F			FA-F	PR-D										
	Std GL: Excel Spreadsheet Conversion	Std: Open Purchase Orders (Header/Detail)			Std: Master, GL Accounts and Funding Source, Purchase History.	Std: Employee Master, Addresses, Opt 1: Deductions, Retirement, Bond Information, Opt 2: Accruals, Opt 3: Accumulators, Opt 4: Check History, Opt 5: Earnings & Deductions History, Opt 6: Applicant Tracking Opt 7: Personnel Action History Opt 8: Position Control/History										
	1. GL Opt A: GL Balances up to 3 yrs				Opt 1: History											
	2. GL Opt B: Budget up to 3 yrs															
	3. Std AP: AP Vendors, Remittance Addresses, 1099 Amounts															
	4. AP Opt A: Check History (Header, Detail)															
	5. AP Opt B: Invoices (Header, Detail)															
Std	☒	☒	\$2,000	☒	\$3,600	☒	\$4,000	☒	\$3,000	☒		☐		☐		☐
1	☒		\$1,000	☐		☒	\$1,800	☒	\$2,400	☐		☐		☐		☐
2	☒		\$1,000	☐		☐		☒	\$2,000	☐		☐		☐		☐
3	☒		\$2,000	☐		☐		☒	\$1,800	☐		☐		☐		☐
4	☒		\$2,000	☐		☐		☒	\$1,200	☐		☐		☐		☐
5	☒		\$2,700	☐		☐		☒	\$1,500	☐		☐		☐		☐
6	☐			☐		☐		☒	\$1,800	☐		☐		☐		☐
7	☐			☐		☐		☒	\$1,800	☐		☐		☐		☐
8	☐			☐		☐		☒	\$1,800	☐		☐		☐		☐
9	☐			☐		☐		☐		☐		☐		☐		☐
			\$10,700		\$3,600		\$5,800		\$17,300							

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SUMMARY

Total Application Software
 Total Third Party Products
 Total OSDBA / Disaster Recovery
 Total Consulting
 Total Implementation/Training
 Total Conversion
 Total Other

FEES MAINTENANCE

\$337,875	\$0
\$19,650	\$3,600
\$0	\$0
\$40,250	
\$102,000	
\$37,400	
\$22,500	
Total Charges	\$3,600

Sales Tax

Note: Taxes not included.

Total Quote **\$559,675** plus Annual Support/Maintenance **\$3,600**

Optional Items

Consulting

Implementation

Description		Price	MA	Days	Days
BL-G	Business Licenses	\$34000	\$7200	2	11
PI-G	Permits & Code Enforcement	\$70125	\$16500	4	21
FM-G	Fleet Management	\$37400	\$7920	2	7
<u>Modifications per Proposal Checklist:</u>					
AC	# 142		\$0		
AC	# 144	\$3000	\$0		
AC	# 145	\$3000	\$0		
PROJ/ACCT 180	#180	\$4000	\$0		
AR/BILLING	# 201	\$10000	\$0		
STORES/INV	# 153	\$6000	\$0		
BUDGET	#s 134, 136	\$4000	\$0		
		\$10000	\$0		

This Investment Summary is valid for 180 days from the above date, excluding third-party products.
 We reserve the right to correct any errors and omissions.

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Section B - Software License Agreement

1. License Grant.

- a) Upon the Effective Date of this Agreement, Tyler hereby grants to Client a non-exclusive, non-transferable, royalty-free, revocable license to use the Tyler software products and related interfaces (collectively, the "Tyler Software Products") and Tyler user manuals 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 Application Software License Fees in full. Upon Client's payment in full for the Tyler Software Products, this license shall become irrevocable, subject to the restrictions on use and other terms set forth in this Agreement.
- b) Tyler shall retain ownership of the Tyler Software Products and user manuals.
- 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 of this Agreement.
- 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 manuals 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 manuals confidential and to prevent any misuse, unauthorized use or unauthorized disclosure of the Tyler Software Products or user manuals 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 warranty the Tyler Software Products shall 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 will repeat any and all proprietary notices on any copy of the Tyler Software Products. Client may make copies of the Tyler user manuals 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 shall pay the annual beneficiary fee directly to the escrow services company and is solely responsible for maintaining its status as a beneficiary.

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 Application Software License Fees set forth in the Investment Summary.

3. Verification of the Tyler Software Products.

- Client will select one (1) of the following two (2) options within thirty (30) days of installation by providing written notice to Tyler in accordance with Article 15 of Section F:
- a) Within sixty (60) days after the Tyler Software Products have been installed on Client's hardware, Tyler will verify the Tyler Software Products by demonstrating to Client that the Tyler Software Products perform all of the functions set forth in Exhibit 1 - Verification Test, which demonstration shall constitute verification that the Tyler Software Products substantially conform to the then-current Tyler user manuals 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 may use its own process to verify that the Tyler Software Products perform all of the functions set forth in Exhibit 1 - Verification Test, which shall constitute verification that the Tyler Software Products substantially conform to the then-current Tyler user manuals and the functional descriptions of the Tyler Software Products in Tyler's written proposal to Client.
 - c) Verification as described herein shall 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 shall correct the cause thereof. In the event Tyler cannot correct the cause thereof, Client may invoke its rights under Article 4 Limited Warranty of Section B - Software License Agreement.
 - d) Tyler shall promptly correct any functions of the Tyler Software Products that failed verification.

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4. Limited Warranty. For as long as a current Maintenance Agreement is in place, Tyler warrants that the Tyler Software Products will substantially conform to the then-current Tyler user manuals 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 manuals shall control. 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 Exhibit 2 - Support Call Process. Should Tyler be unable to cure the defect or provide a replacement product, Client shall be entitled to a refund of the Application Software License 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 of this Agreement.

5. Intellectual Property Infringement Indemnification. Tyler will defend and indemnify Client against any claim by an unaffiliated third party of this Agreement that a Tyler Software Product infringes that party's patent, copyright or other intellectual property right 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 that Tyler pre-approves in writing, provided that Client promptly notifies Tyler in writing of any such claim, gives Tyler reasonable cooperation, information, and assistance in connection with it, and consent to Tyler's sole control and authority with respect to the defense, settlement or compromise of the claim. Tyler will not be obligated under this section if the infringement results from: (i) Client's use of a previous version of a Tyler Software Product and the claim would have been avoided had you 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; (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. In the event a Tyler Software Product is finally determined to be infringing and its use by Client is enjoined, Tyler shall, at its election (i) procure for Client the right to continue using the infringing Tyler Software Products; (ii) modify or replace the infringing Tyler Software Products so that it becomes non-infringing; or (iii) terminate Client's license for the infringing Tyler Software Product and refund to Client the Application Software License 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 of this Agreement. Tyler shall have no liability hereunder if (i) Client modified a Tyler Software Product without Tyler's prior written consent and such modification is determined by a court of competent jurisdiction to be a contributing cause of the infringement, (ii) Client continues using the infringing Tyler Software Product after Client becomes aware that such infringing Tyler Software Product is or is likely to become the subject of a claim hereunder, or (iii) the infringement would have been avoided by Client's use of the most current version of the Tyler Software Products. The foregoing states Tyler's entire liability and Client's sole and exclusive remedy with respect to the subject matter hereof.

6. 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. Tyler's liability for damages and expenses arising out of this Software License Agreement, whether based on a theory of contract or tort, including negligence and strict liability, shall be limited to the Application Software License Fees set forth in the Investment Summary. Such Application Software License Fees reflect and are set in reliance upon this limitation of liability.

Section C - Professional Services Agreement

1. Services. Tyler shall provide the services set forth in the Investment Summary at Client's election, including installation, consulting, implementation, conversion, and programming.

2. Professional Services Fees.

- a) Notwithstanding specific prices to the contrary set forth in the Investment Summary, all Consulting and Implementation services shall be invoiced in half-day and full-day increments.
- b) Upon the completion of each service day or group of days, Tyler will present a Customer Service Report to Client. Client shall either sign the report indicating acceptance of the service day and its subsequent billing, or not sign the report and note reasons for Client's non-acceptance of the service day. This acceptance is final.

Client: Mendocino County

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- c) Verification in accordance with Article 3 Verification of the Tyler Software Products (a) of Section B - Software License Agreement shall be billable to Client at the rate for Implementation services set forth in the Investment Summary.
- d) Payment is due within thirty (30) calendar days of invoice receipt.
- e) Expenses shall be billed in accordance with the then-current Tyler Business Travel Policy, based on Tyler's usual and customary practices. Copies of receipts shall be provided on an exception basis at no charge. Should all receipts for non per diem expenses be requested, an administrative fee shall be incurred. Receipts for mileage and miscellaneous items less than five dollars (\$5) are not available.

3. Additional Services. Services utilized in excess of those set forth in the Investment Summary and additional related services not set forth in the Investment Summary shall be billed at Tyler's then current rates.

4. Limitation of Liability. In no event shall Tyler be liable for special, indirect, incidental, consequential, or exemplary damages, including, without limitation, any damages resulting from loss of use, loss of data, interruption of business activities, or failure to realize savings arising out of or in connection with the provision or quality of the services or the use of the Tyler Software Products. Tyler's liability for damages and expenses arising out of this Professional Services Agreement, whether based on a theory of contract or tort, including negligence and strict liability, shall be limited to the Consulting, Implementation, Conversion, and Other Professional Services fees set forth in the Investment Summary. Such fees reflect and are set in reliance upon this limitation of liability.

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.

Section D - 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 shall remain in force for a one (1) year term. Upon expiration of this Maintenance Agreement, Client may renew the Maintenance Agreement for subsequent one (1) year periods at the then-current Application Software Maintenance Fees.

3. Payment.

- a) Additional Charges. Any maintenance services performed by Tyler for Client which are not covered by this Maintenance Agreement, as set forth in Article 5 of Section D Maintenance Agreement, including materials and expenses, shall be billed to Client at Tyler's then current rates.
- b) Tyler reserves the right to suspend maintenance services if Client fails to pay undisputed Application Software Maintenance Fees within sixty (60) calendar days of the due date. Tyler will reinstate maintenance services upon Client's payment of the overdue Application Software Maintenance Fees.

4. Maintenance Services Terms and Conditions.

- a) For as long as a current Maintenance Agreement is in place, Tyler shall, in a professional, good and workmanlike manner, perform its obligations set forth in the Support Call Process document attached hereto as Exhibit 2 in order to conform the Tyler Software Products to the applicable warranty under this Agreement. If Client modifies the Tyler Software Products without Tyler's prior written consent, Tyler's obligations to provide maintenance services on and warrant the Tyler Software Products shall be void.

Client: Mendocino County

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- b) Tyler shall provide telephone support on the Tyler Software Products. Tyler personnel will accept telephone calls during the hours set forth in Exhibit 2 - Support Call Process.
- c) Tyler shall 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 manuals.
- d) Tyler shall maintain personnel that is appropriately trained to be familiar with the Tyler Software Products in order to provide maintenance services.
- e) Tyler shall provide Client with all releases Tyler makes to the Tyler Software Products. 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) Client acknowledges and agrees that Tyler reserves the right to cease supporting a prior release of the Tyler Software Products six (6) months after shipping a new release of the Tyler Software Products.

5. Limitations and Exclusions. Application Software 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 connectivity (including PC-Anywhere, if necessary) for backup connectivity purposes. In the event Client uses the Tyler Software Products on a Windows platform, Client shall maintain a modem connection through PC-Anywhere. Tyler, at its option, shall use the connection to assist with problem diagnosis and resolution.

7. 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 provision or quality of maintenance services or use of the Tyler Software Products. Tyler's liability for damages and expenses arising out of this Maintenance Agreement, whether based on a theory of contract or tort, including negligence and strict liability, shall be limited to the Application Software Maintenance Fees paid to Tyler during the twelve (12) months prior to the claim. Such Application Software Maintenance Fees reflect and are set in reliance upon this limitation of liability.

Section E - 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 Third Party Products set forth in the Investment Summary ("Third Party Products").

2. License of Third Party Products.

- a) Upon Client's payment in full of the System Software License Fees, Tyler shall grant to Client and Client shall accept from Tyler a non-exclusive, nontransferable, non-assignable license to use the Third Party Products and related documentation for Client's internal business purposes, subject to the terms and conditions set forth herein.

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- b) The developer of the Third Party Products (each a "Developer", collectively "Developers") shall retain ownership of the Third Party Products.
- c) The right to transfer the Third Party Products 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 Third Party Products 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 Third Party Products and related documentation confidential and to prevent any misuse, unauthorized use, or unauthorized disclosure of the Third Party Products and related documentation by any party.
- e) Client shall not perform decompilation, disassembly, translation or other reverse engineering on the Third Party Products.
- f) Client may make copies of the Third Party Products for archive purposes only. Client will repeat any and all proprietary notices on any copy of the Third Party Products. Client may make copies of the documentation accompanying the Third Party Products 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 Addendum A or in the Investment Summary, the Tyler Software Product installation fee includes installation of the Third Party Products. Upon completion of installation, Client shall obtain from Tyler a certification of completion, or similar document, which shall constitute Client's acceptance of the Third Party Products. Such acceptance shall 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 Third Party Products.
 - b) Tyler warrants that each Third Party Product shall 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 Third Party Product shall 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 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 Third Party Products, it shall be the responsibility of Client to repair and maintain the Third Party Products and purchase enhancements as necessary after acceptance.
 - b) In the event Client elects to purchase through Tyler maintenance services on the Third Party Products, Tyler will facilitate resolution of a defect in a Third Party Product with the Developer.
 - c) In the event the Developer charges a fee for future Third Party Software release(s), Client shall be required to pay such fee.
- 8. 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 Third Party Products. Tyler's liability for damages and expenses arising out of this Third Party Product Agreement, whether based on a theory of contract or tort, including negligence and strict liability, shall be limited to the License Fee/Purchase Price of the Third Party Products. Such prices are set in reliance upon this limitation of liability.

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 of this Agreement, in accordance with Article 15 of Section F General Terms and Conditions. In such event, Client shall be responsible for remitting all applicable taxes to the proper authorities. If tax-exempt, Client shall provide Tyler with Client's tax exempt number or form.

Quoted to: Mendocino County

Attention: Paul Holden

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2. Invoice Dispute.

a) In the event Client believes products or services do not conform to warranties in this Agreement, Client shall 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 shall provide a written response to Client that shall include either a justification of the invoice or an adjustment to the invoice. Tyler and Client shall 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 shall remit full payment of the invoice.

b) Any invoice not disputed as described above shall 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. 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 shall not be allowed unless:

a) Within five (5) business days of the occurrence of force majeure, the party whose performance is delayed thereby shall provide 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 shall provide 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 shall 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 shall 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.

4. Indemnification.

a) Subject to the limitation of liability set forth herein, Tyler shall indemnify and hold harmless Client and its agents, officials and employees from and against any and all claims, losses, liabilities, damages, costs and expenses (including reasonable attorney's fees and costs) arising from Tyler's negligence or willful misconduct. Tyler shall not be liable to the degree or extent of damages, loss, or expense determined to be the fault of the Client.

b) Subject to the limitation of liability set forth herein, Client shall indemnify and hold harmless Tyler and its agents, officials and employees from and against any and all claims, losses, liabilities, damages, costs and expenses (including reasonable attorney's fees and costs) arising from Client's negligence or willful misconduct. Client shall not be liable to the degree or extent of damages, loss, or expense determined to be the fault of Tyler.

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 MUNIS.

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 shall apply:

a) Each party shall appoint one (1) person to act as an impartial representative. The appointed individual shall be of sufficient knowledge and experience to understand and deal with the dispute but shall 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 shall be in writing and signed by both parties. Such resolution shall 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.

Nothing in this Article shall 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.

Quoted to: Mendocino County

Attention: Paul Holden

Contract # MN10464-5

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

8. Governing Law. This Agreement shall 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 shall, to any extent, be 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 shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

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

12. Termination.

a) Termination for Convenience. In the event of Client's termination of this Agreement for convenience, Client shall provide Tyler with thirty (30) days' advance written notice of Client's intent to terminate this Agreement. Client shall pay Tyler for products, services and expenses delivered or incurred prior to the date Tyler received Client's notice of termination.

b) Termination for Cause. In the event of Tyler's failure to perform under this Agreement, Client shall immediately notify Tyler in writing of such failure and allow Tyler a thirty (30) day period in which to cure such failure. If, at the end of the cure period, Tyler has not cured such failure, Client will have the right to terminate this Agreement. Upon such termination, Client shall pay Tyler for all products, services, and expenses not in dispute which were delivered or incurred prior to the date Tyler received Client's notice of termination. Payment for products, services, and expenses in dispute will be determined in accordance with the dispute resolution process.

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

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

15. Notices. All notices or communications required or permitted as a part of this Agreement shall be in writing (unless another verifiable medium is expressly authorized) and shall 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.

Quoted to: Mendocino County

Attention: Paul Holden

Contract # MN10464-5

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.
370 U.S. Route 1
Falmouth, ME 04105

Client: Mendocino County
501 Low Gap Road
Ukiah, CA 95482

Attention: Chief Financial Officer

Attention:

16. 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.

17. Insurance. Prior to performing services under this Agreement, Tyler shall provide Client with certificates of insurance evidencing the following insurance coverage:

- a) Commercial general liability of at least \$1,000,000;
- b) Automobile liability of at least \$1,000,000;
- c) Professional liability of at least \$1,000,000; and
- d) Workers compensation complying with statutory requirements.

18. 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 will 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 shall survive the termination or cancellation of this Agreement for a period of two (2) years. This obligation of confidentiality shall not apply to:

- (a) information that at the time of the disclosure is in the public domain;
- (b) information that, after disclosure, becomes part of the public domain by publication or otherwise, except by breach of this Agreement by a party;
- (c) information that a party can establish by reasonable proof was in that party's possession at the time of disclosure;
- (d) information that a party receives from a third party who has a right to disclose it to that party; or
- (e) information that 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.

19. 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 shall 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.

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

21. 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.

22. Shipping. Delivery shall be F.O.B. shipping point.

23. 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 of this Agreement and will provide Tyler with the necessary paperwork and/or contact information.

Addendum A

The following are clarifications and/or modifications to the Agreement. In the event of a conflict between Addendum A and the Agreement, Addendum A shall prevail.

1. Payment Terms.

a. Client will pay \$84,468.75 upon execution of this Agreement that equals 25% of the Application Software License Fees.

b. Client will pay \$190,537.50 upon delivery of the software products that equals:
50% of the Application Software License Fees (\$168,937.50)
100% of the Third Party Products License Fees/Purchase Price, excluding
Tyler Forms Processing Secure Signature Card System (\$18,000)
100% of the Third Party Products Year 1 Maintenance Fees (\$3,600)

c. Client will pay \$1,650 upon delivery of the Tyler Forms Processing Secure Signature Card System that equals 100% of the Third Party Product Purchase Price.

d. Client will pay \$84,468.75 that equals 25% of the Application Software License Fees upon verification of the Tyler Software Products in accordance with Article 3 of Section B Software License Agreement. Unless the Tyler Software Products fail verification, this period shall not exceed ninety (90) days after delivery.

2. 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 3.

3. Consulting, Implementation, Conversion, and Other Professional Services, plus expenses, are billed if and as provided/incurred and are due and payable thirty (30) days after receipt of invoice. Notwithstanding anything to the contrary herein, Implementation services fees are billable as follows: First eighty four (84) of the Implementation services days as set forth in the Investment Summary (\$84,000) provided to Client are billable on the earlier of sixty (60) days from Live Production of all of the Tyler Software Products or March 1, 2008.

4. The first annual Application Software Maintenance Fees of \$75,284 which cover the one (1) year period commencing upon installation of the Tyler Software Products are hereby waived. Subsequent annual Application Software Maintenance Fees will be due on the anniversary of the installation date of the Tyler Software Products. Tyler will increase the annual Application Software Maintenance Fees by (i) 0% in year two (2); (ii) 5% per year in years three (3) through five (5); (iii) 6.5% per year in years six (6) through eight (8); and (iv) 8% per year in years nine (9) and ten (10).

5. Except as specifically provided therein, Tyler will provide the modifications set forth in Exhibit 5 to Client free of charge.

6. Fees for modifications other than those set forth in Exhibit 5 are due and payable 50% 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 accepted by Client.
7. Tyler will provide Operating System / Database Support to Client free of charge for the three (3) month period commencing upon installation of the Tyler Software Products. Thereafter, during the one year following, Client may procure such support from Tyler at the rate of \$125/hour, and thereafter, Client may procure such support from Tyler at an annual rate equal to 25% of the then-current Application Software Maintenance Fees.
8. Section B, Article 6 is restated as follows: 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. Tyler's liability for damages and expenses arising out of this Software License Agreement, whether based on a theory of contract or tort, including negligence and strict liability, shall for claims occurring until sixty (60) days after Live Production be limited to the fees identified in the Investment Summary paid by Client to Tyler, and shall for claims occurring thereafter be limited to the Application Software License Fees set forth in the Investment Summary. Such fees reflect and are set in reliance upon this limitation of liability.
9. Section D, Article E is restated as follows: As long as Client is under the Maintenance Agreement and pays the annual Application Software Maintenance Fees, Tyler shall provide Client with all releases Tyler makes to the Tyler Software Products that Tyler makes available without additional charge to customers under the annual Maintenance Agreement. 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, except to the extent such customization or modification has been performed by Tyler.
10. Section F, Article 14 is restated as follows: To the fullest extent permitted by law, Tyler shall hold harmless, defend and indemnify the County of Mendocino, its Board of Supervisors, employees and agents from and against any and all claims, losses, damages, liabilities and expenses, including but not limited to reasonable attorneys' fees, arising out of or resulting from the performance of services under this Agreement, provided that any such claim, loss, damage, liability or expense (1) is attributable to bodily injury, sickness, disease or death,

or to injury to or destruction of property, including the loss therefrom, or to any violation of federal, state or municipal law or regulation, and (2) is caused in whole or in part by any negligent act, omission or willful misconduct of Tyler, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, except to the extent it is caused in part by any party indemnified hereunder. The Client may participate in the defense of any such claim without relieving Tyler of any obligation hereunder.

11. Section F, Article 12.a is restated as follows: The Client has and reserves the right to suspend, terminate or abandon the execution of any work by Tyler without cause at any time upon giving not less than thirty (30) days prior written notice to Tyler. In the event that the Client should abandon, terminate or suspend Tyler's work, Tyler shall be entitled to payment for products, services, and expenses provided or incurred hereunder prior to the effective date of said suspension, termination or abandonment.
12. Section F, Article 14 is restated as follows: Neither party to this agreement may assign its rights and responsibilities under this Agreement without the prior written authorization of either party, except that Tyler may, without the prior written authorization of the Client, assign its rights and responsibilities under this Agreement in its entirety to the surviving entity of any merger or consolidation or to any purchaser of substantially all of Tyler's assets.
13. **INSURANCE AND BOND:** Tyler shall at all times during the term of the Agreement with the Client maintain in force those insurance policies and bonds as designated in the attached Exhibit 7, and will comply with all those requirements as stated therein.
14. **WORKERS' COMPENSATION:** Tyler shall provide Workers' Compensation insurance, as applicable, at Tyler's own cost and expense, and further, neither Tyler nor its carrier shall be entitled to recover from Client any costs, settlements, or expenses of Workers' Compensation claims arising out of this Agreement.
15. Section B, Article 5 is restated as follows: Tyler represents that it knows of no allegations, claims, or threatened claims that the materials, services, hardware or software ("Tyler Products") provided to Client under this Agreement infringe any patent, copyright or other proprietary right. Tyler shall defend, indemnify and hold harmless Client, from and against all losses, claims, damages, liabilities, costs expenses and amounts (collectively, "Losses") arising out of or in connection with an assertion that any Tyler Products or the use thereof, infringe any patent, copyright or other proprietary right of any third party.
 - a. Client will: (1) notify Tyler promptly of such claim, suit or assertion; (2) permit Tyler to defend, compromise, or settle the claim; (3) provide, on a reasonable basis, information to enable Tyler to do so; and (4) consent to Tyler's sole control and authority with respect to the defense, settlement or

compromise of the claim, provided, however, Tyler shall not agree without Client's prior written consent, to any settlement, which would require Client to pay money or perform some affirmative act in order to continue using the Tyler Products.

- b. If Tyler is obligated to defend Client pursuant to this Section 15 and fails to do so after reasonable notice from Client, Client may defend itself and/or settle such proceeding, and Tyler shall pay to Client any and all losses, damages and expenses (including attorney's fees and costs) incurred in relationship with Client's defense and/or settlement of such proceeding.
- c. In the case of any such claim of infringement, Tyler shall either, at its option, (1) procure for Client the right to continue using the Tyler Products; or (2) replace or modify the Tyler Products so that they become non-infringing, but substantially equivalent in functionality and performance; or (3) terminate Client's license for the infringing Tyler Product and refund to Client the Application Software License Fee paid for the infringing Tyler Product, as depreciated on a straight-line basis over a seven (7) year period commencing on the Effective Date of this Agreement.
- d. Notwithstanding this Section 15, Client retains the right and ability to defend itself, at its own expense, against any claims that Tyler Products infringe any patent, copyright, or other intellectual property right.
- e. Tyler will not be obligated under this Section 15 if the infringement results from: (i) Client's use of a previous version of a Tyler Product and the claim would have been avoided had you used the current version of the Tyler Product; (ii) Client's combining the Tyler Product with devices or products not provided by Tyler, (iii) use of a Tyler Product in applications, business environments or processes for which the Tyler Product was not designed or contemplated, and where use of the Tyler 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 Product; (v) use of the Tyler Product by any person or entity other than Client or Client's employees; or (vi) Client's willful infringement. Tyler shall have no liability hereunder if (i) Client modified a Tyler Product without Tyler's prior written consent and such modification is determined by a court of competent jurisdiction to be a contributing cause of the infringement, (ii) Client continues using the infringing Tyler Product after Client becomes aware that such infringing Tyler Product is or is likely to become the subject of a claim hereunder, or (iii) the infringement would have been avoided by Client's use of the most current version of the Tyler Product.
- f. The foregoing states Tyler's entire liability and Client's sole and exclusive

remedy with respect to the subject matter hereof.

16. ADVERTISING OR PUBLICITY: Tyler shall not use the name of Client, its officers, directors, employees or agents, in advertising or publicity releases or otherwise without securing the prior written consent of Client in each instance.
17. AUDITS; ACCESS TO RECORDS.
 - a. Tyler shall upon reasonable notice make available to the Client, its authorized agents, officers, or employees, for examination any and all ledgers, books of accounts, invoices, vouchers, cancelled checks, and other records or documents evidencing or relating to the expenditures and disbursements charged to the Client, and shall upon reasonable notice and subject to the provisions of Section C, Article 2.e furnish to the Client, its authorized agents, officers or employees such other evidence or information as the Client may require with regard to any such expenditure or disbursement charged by the Tyler.
 - b. Tyler shall maintain full and adequate records in accordance with Client requirements to show the actual costs incurred by Tyler in the performance of this Agreement. If such books and records are not kept and maintained by Tyler within the County of Mendocino, California, Tyler shall, upon reasonable request of the Client and subject to the provisions of Section C, Article 2.e, make such books and records available to the Client for inspection at a location within County or Tyler shall pay to the Client the reasonable, and necessary costs incurred by the Client in inspecting Tyler's books and records, including, but not limited to, travel, lodging and subsistence costs. Tyler shall provide such assistance as may be reasonably required in the course of such inspection. The Client further reserves the right to examine and reexamine said books, records and data during the three (3) year period following termination of this Agreement or completion of all work hereunder, as evidenced in writing by the Client, and Tyler shall in no event dispose of, destroy, alter, or mutilate said books, records, accounts, and data in any manner whatsoever for three (3) years after the Client makes the final or last payment or within three (3) years after any pending issues between the Client and Tyler with respect to this Agreement are closed, whichever is later.
18. DRUG-FREE WORKPLACE. Tyler and Tyler's employees shall comply with the Client's policy of maintaining a drug-free workplace. Neither Tyler nor Tyler's employees shall unlawfully manufacture, distribute, dispense, possess or use controlled substances, as defined in 21 U.S. Code § 812, including, but not limited to, marijuana, heroin, cocaine, and amphetamines, at any Client facility or work site. If Tyler or any employee of Tyler is convicted or pleads *nolo contendere* to a criminal drug statute violation occurring at a Client facility or work site, the Tyler, within five days thereafter, shall notify the head of the Client department/agency for which the contract services are performed. Violation of this provision shall constitute a material breach of this Agreement.

19. **EQUAL EMPLOYMENT OPPORTUNITY PRACTICES PROVISIONS:** Tyler certifies that it is in compliance with the Equal Employment Opportunity Requirement of Executive Order 11246, as amended by Executive Order 11375 and supplemented I 45CFR, Part 60, Title VII of the Civil Rights Act and any other federal or state laws pertaining to equal employment opportunity and that it shall not discriminate against any employee or applicant for employment on the basis of race, color, religion, age, sex, national origin, ancestry, marital status, political affiliation or physical or mental condition, in matters pertaining to recruitment, hiring, training, upgrading, transfer, compensation or termination.

- a. Tyler shall, in all solicitations or advertisements for applicants for employment placed as a result of this Agreement, state that it is an "Equal Opportunity Employer" or that all qualified applicants will receive consideration for employment without regard to their race, creed, color, disability, sex, sexual orientation, national origin, age, religion, Vietnam era Veteran's status, political affiliation, or any other non-merit factor.
- b. Tyler shall, if requested to so do by the Client, certify that it has not, in the performance of this Agreement, discriminated against applicants or employees because of their race, creed, color, disability, sex, sexual orientation, national origin, age, religion, Vietnam era Veteran's status, political affiliation, or any other non-merit factor.
- c. If requested to do so by the Client, Tyler shall provide the Client with access to copies of all of its records pertaining or relating to its employment practices, except to the extent such records or portions of such records are confidential or privileged under state or federal law.
- d. Nothing contained in this Agreement shall be construed in any manner so as to require or permit any act, which is prohibited by law.
- e. Tyler shall include the provisions set forth in paragraphs a through e (above) in each of its subcontracts.

20. **COMPLIANCE WITH LICENSING REQUIREMENTS:** Tyler shall comply with all necessary licensing requirements and shall obtain appropriate licenses and display the same in a location that is reasonably conspicuous, as well as file copies of same with the Client's Executive Office.

- a. All communication relating to the day-to-day activities of this project shall be exchanged between a representative of the Client and a representative of Tyler.

Client Representative	Tyler Representative
Paul C. Holden Information Services Operations	<u>Mike Lyons</u> <u>Chief Financial Officer</u>

Manager 175 S. School St. Ukiah, CA 95482 phone: (707) 463-4393 fax: (707) 463-5477 e-mail: holdenp@co.mendocino.ca.us	Tyler Technologies, Inc. 370 U.S. Route One Falmouth, ME 04105 Phone: (207) 781-2260 x4427 Fax: (207) 781-2459
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If the Tyler representative or address of either party changes during the Term of this Agreement, a written notice shall be given to the other party prior to the effective date of change.

21. OWNERSHIP OF DOCUMENTS AND SOURCE CODE. Except as expressly provided to the contrary in System Agreement, neither party's entering into or performing this Agreement will be deemed to assign, license or otherwise transfer any intellectual property rights held by either party under the laws of any jurisdiction. All data processed by the Tyler Software Products and any derivative works of such data produced by the Tyler Software Products are instruments of service which shall be deemed the property of the Client. Without limiting the foregoing, all source code for computer programs or modifications to programs, which are produced pursuant to this Agreement shall be deemed the intellectual property of Tyler. Tyler may apply for copyrights or patents on all or any part of the work performed under this Agreement.

22. Section B, Article 1.h is restated as follows: Tyler agrees to designate the Client as a beneficiary under its existing source code escrow agreement attached to this Agreement as Exhibit 7 ("Master Preferred Escrow Agreement") and to provide the Client, within 30 days after the Effective Date, with a copy of documents evidencing such designation.

The escrow account will be with DSI Technology Escrow Services. Tyler will have delivered the source code for the Tyler Software Products to DSI Technology Escrow Services for escrow, and Tyler will provide updated source code for the Tyler Software Products to DSI Technology Escrow Services in connection with releases of the Tyler Software Products (for as long as the Client maintains the Maintenance Agreement with Tyler).

The Client will pay the entire cost of becoming a beneficiary under this source code account and is solely responsible for maintaining its status as beneficiary.

Release and use of the source code will be in accordance with Master Preferred Escrow Agreement.

23. SYSTEMS AND NETWORK SECURITY:

- a. Systems and Network Security. At all times during the term of this Agreement, Tyler shall use reasonable commercial efforts to provide all services, and use all resources related thereto, in a secure manner and in accordance with the Client's security requirements, including reasonable measures for the prevention and detection of fraud, abuse, or other inappropriate use or access of systems and networks by all appropriate means, including network management and maintenance applications and tools, and

the use of appropriate encryption technologies. In no event shall Tyler's actions or inaction result in any situation that is less secure than the security Tyler then provides for its own systems and data. In addition, all Tyler personnel (including personnel of any subcontractors) shall be subject to and shall at all times conform to all state and federal laws, rules, and requirements for the protection of premises, materials, equipment, and personnel, as they may be disclosed to Tyler in writing. Any violations or disregard of these rules shall be cause for denial of access by such personnel to the Client's property, systems and networks.

- b. Access to Client Information. Prior to performing any services under this Agreement, Tyler personnel who will access Client computer data and software, including the County Data (as defined below), shall comply with all Client policies and procedures regarding data access and security, including those prohibiting or restricting remote access to Client systems and data. The Client shall authorize and Tyler shall issue any necessary information-access mechanisms, including access IDs and passwords, and Tyler promises that only the personnel to whom they are issued shall use the same. Tyler shall provide to such personnel only such level of access as is required to perform the tasks and functions for which such personnel are responsible. Tyler shall, from time to time upon request from the Client, provide the Client with an updated list of those Tyler personnel having access to the Client's systems, software, and data. Computer data and software, including the County Data, provided by the Client or accessed by Tyler personnel, shall be used by Tyler personnel only in connection with Tyler's obligations hereunder, and shall not be commercially exploited by Tyler in any other manner whatsoever. In addition, failure of Tyler to comply with the provisions of this Section may result in the Client restricting offending personnel from access to Client computer systems or County Data, or termination of this Agreement in accordance with its terms. Tyler shall at all times maintain and ensure the confidentiality and security of the County Data.

As used herein, the term "County Data" shall mean, in or on any media or form of any kind: (i) all data and summarized data related to the Client, its citizens, or Tyler's services that is in the possession of the Client and all data concerning or indexing such data (regardless of whether or not owned by the Client, generated or compiled by the Client, or provided by its citizens), including data that is in the Client's databases or otherwise in the Client's possession at any time; and (ii) all other Client records, data, files, input materials, reports, forms, and other such items that may be received, computed, developed, used, or stored by Tyler, or by any of its subcontractors, in the performance of Tyler's duties under this Agreement. The scope of County Data shall be subject to the same exclusions and limitations as apply to Confidential Information under Section F, Article 18.

24. Tyler will provide all implementation/training services shown on the Investment Summary on site, however, other services, including installation, consulting, conversion, and programming, may be performed or provided remotely. Tyler

will provide at a minimum 35 person days of Consulting services and 102 on site person days of Implementation/training services. Tyler will utilize its system implementation methodology, as outlined in its Response to the Client's Request for Proposal #25-06, dated February 17, 2006, together with Client's performance of its responsibilities and obligations set forth in the mutually developed implementation plan, to achieve the project milestone goals contained in the mutually developed implementation plan.

25. Tyler agrees to be bound by Tyler's representations contained in Tyler's Response to the Client's Request for Proposal #25-06, dated February 17, 2006.

26. The Client's address under Section F, Article 15 shall be as follows:

Mendocino County Information Services
175 S. School Street
Ukiah, CA 95482

Attention: Operations Manager

27. The terms and conditions of this Agreement are valid only if the Agreement is executed by Client on or before June 30, 2006.

Exhibit 1

Verification Test

The verification tests detailed below will be conducted following installation and prior to implementation. Only the tests corresponding to the software products licensed by Client will be conducted. The tests are performed using the MUNIS Verification Database. This database contains general information applicable to all customers. Given this, the verification tests will not validate site specific functionality. Rather, the tests will prove the MUNIS system is installed and performs base line functions. Client-specific functionality will be reviewed during the implementation phase when site-specific data will be built and applied against desired functionality.

Each phase contains three sections: table views, reports, and process. The phases are intended to be completed in 4 hours. Finally, each phase has a space where Client will be asked to initial, certifying the verification has been accepted.

FINANCIALS:

Phase 1

1. View General Ledger Master Table
2. View Budget Master Table
3. View Vendor Master Table
4. View General ledger Account Inquiry – perform drill down
5. Find PO's/Reqs in PO Inquiry
6. View Inventory Master
7. View Fixed Assets Master
8. View Work Order Master

Phase 2

- 9 Enter a requisition
- 10 Approve the requisition
- 11 Convert to a PO
- 12 Post the PO
- 13 Enter an invoice against the requisition
- 14 Post the invoice
- 15 Select items to be paid report
- 16 Print Checks (on blank paper without forms)
- 17 Find journals in Journal Inquiry using date find

Phase 3

18. Reports:
 - b. GL Trial Balance
 - c. YTD Budget Report
 - d. Vendor Invoice List
 - e. Purchase Orders by GL Account (Select Open POs)
 - f. Inventory List by Location
 - g. Fixed Asset List by Location

PAYROLL/HR:

Phase 1

1. View Deduction master
2. View Pay Type Master
3. View Employee Master
4. View Employee Detail History – Perform Drill Down
5. View Position Table
6. View Terminated Employee Table

Phase 2

7. Add new Employee
8. Build Job Pay Records
9. Start a new PR
10. Generate employee records
11. Enter exceptions
12. Print Final Proof
13. Update Employee files
14. Print checks (on blank paper without forms)

Phase 3

15. Reports
 - b. Employee Detail
 - c. Employee Accrual
 - d. Detail Check History Report
 - e. Payroll Register

UTILITY BILLING:

Phase 1

1. View Charge Code file with Rate Tables
2. View Account Master – Perform Drill Down
3. View Customer File
4. View Bill Inquiry
5. View Account Inquiry

Phase 2

6. Add new account
7. Create water service record
8. Start a new bill run
 - a. View Charges File Maintenance
9. Enter meter reading manually
10. Run Charges Proof Register
11. Generate AR
12. Print Bills (on blank paper without forms)
13. Make a payment to a bill

Phase 3

14. Reports:

- a. Consumption Inquiry/Report
- b. UB Aging Report
- c. Charge/Payment History
- d. Detail Receivables Register

OTHER REVENUE (TAX/EXCISE/GENERAL BILLING):**Phase 1**

- 1. View Customer File
- 2. View Parcel File
- 3. View Charge Code File
- 4. View Tax Year Parameter
- 5. View Motor Vehicle Master File
- 6. View Bill Inquiry
- 7. View Lien File
- 8. View Receipt Inquiry
- 9. View Activity Totals Inquiry/Report

Phase 2

- 10. Create a new General Billing Customer
- 11. Add a GB Invoice
- 12. Make a payment against the GB
- 13. Make a payment against a Tax/Excise/Personal Property/Ect. Bill
- 14. Print Payments Proof
- 15. Post Payments
- 16. Use Receipt Inquiry to find the payment

Phase 3

17. Reports

- a. Summary Receivables
- b. Detail Receivables
- c. Posted Payments Report

PERMITS & CODE ENFORCEMENT:**Phase 1**

- 1. View Permit Type f/m
- 2. View Project Type f/m
 - a. Find a Project type with the 4 "bottom buttons" checked which indicates there is data. If none, build some defaults at the bottom.
 - b. Drill down using the bottom buttons.
- 3. View Inspection Type f/m
 - a. Drill down into Inspectors and Checklist at bottom

4. View Violation Code f/m
 - a. Drill down into Enforcement Steps
5. View Property Master
 - a. Perform drill down using the Side Menu options.

Phase 2

6. Add a new Property.
 - a. Set up default Restrictions, Hazards, and Violations at the bottom.
7. Add a new Application.
 - a. Use a Project/Act that has the four defaults set in Project Type f/m (One each is fine.)
 - b. Make sure the App automatically set up the default Permits, Prerequisites, Inspections, and Dept/Board Reviews by choosing the options to view.
 - c. Choose the Collect side menu option. Make sure you can accept payments for the Fees and the system links to the A/R module properly.

Phase 3

8. Reports
 - a. Applications Status Report
 - b. Inspections History Report
 - c. Violations Report
 - d. Contractors Report
 - e. Dept/Board Review Report

PARKING TICKETS:

Phase 1

1. View Parking Ticket (PT) Parameter File
2. View PT Charge Codes
3. View Owner Maintenance

Phase 2

1. PT Entry
2. PT Inquiry
3. Review Export/Import of data
4. Review Late Processing

Phase 3

1. Issue by location report
2. Violations by issue date report
3. Issuer productivity report

BUSINESS LICENSES:

Phase 1

1. View Customer File
2. View Description Codes
3. View BL Charge Codes

4. View BL Master File
5. View BL Late Payment process
6. View Bill Inquiry
7. View Business Master Report
8. View Business Location Report

ANIMAL LICENSES:

Phase 1

1. View Animal Type File
2. View Customer File
3. View AL Master File
4. View License Detail Report
5. View License History Report
6. View Tag Report

PROJECT ACCOUNTING:

(Performed with General Ledger)

Phase 1

1. View Project Master Table
2. View GL Master with Project Code
3. View Project Budget Report

MUNIS OFFICE:

Phase 1

1. Export from GL Account Inquiry into Excel
2. Export from GL Account Inquiry in Word

MUNIS CRYSTAL REPORTS:

Phase 1

1. Select ZZ – Verification Report from the System Admin section of the MUNIS Crystal Reports Library. This will display results from the MUNIS live database so no configuration needs to be done to the Crystal setup to run this report.

CONTRACT MANAGEMENT:

Phase 1

1. View Contract Master File
2. Enter a Requisition against a contract
3. View Contract Master to highlight changes

TREASURY MANAGEMENT:

Phase 1

1. View a Recurring Cash Flow record for current FY in Recurring Cash Flow F/M.
2. Generate Cash Flow File Maintenance.
3. Generate a journal entry on the Cash Flow File Maintenance record created.
4. Go to General Journal Entry/Proof, find journal that was generated and post it.

MUNIS SELF SERVICE – EMPLOYEES:

Phase 1

1. View and update the General Administration Settings
2. Add a new user under Users

Phase 2

3. View and update Application Administration under Employee Admin
4. View and add a web link or document under Document Administration

Phase 3

5. View Personal Information under the Employee Self Service
6. View and Update Employee Profile
7. View Time Off

Exhibit 2

Support Call Process

MUNIS Technical Support Department

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

How to contact us

Call the MUNIS toll free number (800-772-2260) or e-mail support through the MUNIS Website (www.tyler-munis.com).

Support Hours

Each product support team provides technical phone support coverage from 8:00 AM – 8:00 PM (Eastern Standard Time) Monday – Friday.

OS/DBA Support is available from 8:00 AM – 6:00 PM (Eastern Standard Time) Monday – Friday.

How support is organized

The MUNIS Technical Support department is divided into 7 teams; Financials, Payroll/HR, Utility Billing and Collections, Tax/Other Revenue and Collections, Crystal Reports, Tyler Forms, and OS/DBA (Operating System and Database Administration).

These “product specific” teams allow support staff to focus on a group of products or services. A team of specialists assigned to each team will handle your 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 ensuring we provide exceptional technical support to our clients. The Support Analysts are responsible for assisting the team with client's issues and provide on-going training for the team. Technical Support Specialists are responsible for diagnosing and resolving customer issues in a timely and courteous manner.

Focus on Incoming rate

When you call Technical Support your call will be answered incoming by a support technician, or you will be transferred into the support voice mail. Our Goal is to capture at least 75% of our daily calls incoming, which means you will often be able to start working with a support specialist immediately when you call.

Leaving messages for support

When you leave a message on the support voice mail, make sure the following information is in the message:

- Your 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 (please see Appendix A for examples of priority 0, 1, 2, and 3 issues)
- When you will be available for a return call from support (most times support will call back within an hour of your message)

E-mail support

Some questions can be handled very effectively by e-mail. Once you have registered as a user on the MUNIS Website (www.tyler-munis.com) there is an option under "Customer Tools" that allows you to ask questions or report issues to support.

You will be asked for some required information such as Customer Number, Customer Name, Contact Name, Phone Number, and E-mail Address. In addition you need to select the Module, Priority, and MUNIS Version from drop down menus. There is unlimited text for you to describe the question or problem, plus the ability to attach files or screenshots that you think would be helpful to support.

The appropriate team will review your e-mail and respond back within two business days.

Customer Relationship Management System

Every call from you is logged into our customer relationship management system and given a unique call number (MN#####). 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, FERs (Fix or Enhancement Requests) to Development, and resolution.

Call Numbers (MN#####)

Support's goal is to return client's 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. Then 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 is determined that the issue will not be resolved during the initial call. The open call number lets you easily track and reference specific open issues with support. Open calls numbers begin with MN and are followed by a 6 digit number (MN#####).

Development FERs

An FER is created when a program fix is escalated to Development. Development uses FERs to track the status of every program fix. Similar to support calls, FERs start with MN and are followed by a 5 digit number (MN#####).

Priority 0 FERs are fixed immediately and distributed to the clients who are impacted.

Priority 1 FERs are fixed within 30 days of the date the call came into Technical Support.

Priority 2 FERs are fixed within 60 days of the date the issue was brought to Development for assistance.

Priority 3 FERs are worked on as time permits and have no time constraint or deadline.

Priority 1, 2 and 3 FERs are included in the next MUNIS release once they are corrected and quality assured.

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 (0, 1, 2, and 3) according to the client's needs/deadlines. See Appendix A for a sample list of priorities. 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. MUNIS keeps track of how responsive Support is to priority 0, 1 and 2 calls each week. This measurement allows us to better evaluate overall customer satisfaction.

Priority 0 open calls

Each day, the Support Analysts and Product Managers review open priority 0 calls in their focus area. Priority 0 calls are either being worked on by a Support Technician or a senior support employee.

If Support requires assistance from Development, the Product Manager or Support Analyst will contact them immediately.

Priority 0 issues are worked on by Support and Development until they are resolved. If it is determined that the issue is a program problem, an FER will be created with the appropriate priority and handled according to the FER priority policy previously outlined on page 2.

Priority 1 open calls

Support Analysts and Product Managers examine priority 1 calls every 2 days. Priority 1 calls must be resolved or turned over to Development via an FER within two weeks from the day the call came in.

If it is determined that the issue is a program problem, an FER will be created with the appropriate priority and handled according to the FER priority policy previously outlined on page 2.

Priority 2 open calls

Support Analysts and Product Managers examine priority 2 calls weekly. They must be resolved or turned over to Development via an FER within 30 days from the start of the call.

If it is determined that the issue is a program problem, an FER will be created with the appropriate priority and handled according to the FER priority policy previously outlined on page 2.

Priority 3 open calls

Support Analysts and Product Managers examine priority 3 calls weekly. They must be resolved or turned over to Development via an FER within 60 days from the start of the call.

If it is determined that the issue is a program problem, an FER will be created with the appropriate priority and handled according to the FER priority policy previously outlined on page 2.

Following up on open calls

Some of your issues will not be resolved during the first call with a support technician. If the call remains open, the technician will give you an open call number to reference (MN#####).

If you want to follow up on a call you have open with a support technician, call the appropriate support team and reference the call # to the technician who answers or leave this information in your message. Referencing the open call number allows anyone in support to follow up on the issue for you. You can also e-mail support through the MUNIS Website (www.tyler-munis.com) and reference the open call number in the support call number field.

Escalating a support call

If you feel you are not getting the service you need, call the appropriate Product Manager and tell them the open call number for which you need assistance. The Product Manager will follow up on your open issue and determine what needs to be done to meet your needs.

Technical Support Product Managers:

John Carolan	(X4196)	Financials Team
Sonja Johnson	(X4157)	Payroll Team
Shawn Gaudreau	(X4424)	Tax Team
Laurie Littlejohn	(X4392)	Utility Billing Team
Greg Mehlhorn	(X4391)	OS/DBA Team
Ed Bryan	(X4140)	Crystal Team
Greg Mehlhorn	(X4391)	Tyler Forms Team

If you are unable to reach the Product Manager, you should call CJ McCarron, Manager of Technical Support at extension 4124.

Remote Support Tool

Sometimes, to diagnose a problem or assist you with a question, GoToAssist is used to share your desktop via the Internet. 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 PC and view your site's set up, diagnose problems, or assist you with screen navigation.

At the end of each GoToAssist session you have with us, 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 so that we can continually improve our services.

E-mail Registration

Customers can go to our web site and register for email "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. There is an option to unregister at any time if you want to do so.

Helpful Hints on the MUNIS Website

Once you have registered as a user on the MUNIS Website (www.tyler-munis.com) you will have access to "Customer Tools". In addition to e-mailing questions to support, you can search our helpful hints knowledge base by product and release. These documents make you aware of high-level issues reported to MUNIS and explain the specifics of the problem (programs, issue, condition, resolution) and, if applicable, the corrected programs.

Call Priority Definitions and Response Time Summaries

Definition of Priorities (examples):

- 0 Critical Issue – MUNIS is down
Undiagnosed but feared critical
Situation may require a restore – MUNIS use suspended until a diagnosis is given
Federal deadline / penalty or fine to be levied
State/local deadline / penalty or fine to be levied
Implementers on site and training cannot continue
Site is going live today
Client is in the middle of Year End Processing and cannot continue
Payroll Checks cannot be printed/completed/Direct Deposit file due to bank
Tax/Utility Bills are due and the client cannot continue
System down due to hard drive/Server Failure – OS/DBA
System down due to expired/deactivated GUI License
- 1 Severe issue, but there is a work around
Federal/State/Local Deadline approaching within 30 days
Another critical process hinges on the success of the completion of this issue
Issue that may cause us to contact an external vendor so time to solve is not within our control
Issue that may need to be evaluated for a major release so it is hot because of the release deadline
Conversion/Migration data issue where client is under a deadline to prove data
Request for new media – timing critical (W2 bug fix, for example)
Client calling back with validation information on a FER sent to the site for confirmation.
- 2 Important issue – not severe
Suspect a bug of a non-critical nature – may eventually generate a FER
Routine system issues to be scheduled through OS/DBA or other technical employees
Requests for new media – non-critical
Requests for educational seminar information
Issue with no immediate deadline (i.e.: > 30 days)
Data correction to fix a few bills/records
Routine product issues
New printer set up/configuration with OS/DBA
Problems loading GUI client software, IQ Objects, Crystal or Informix SDK
- 3 Lowest priority issues
Not a severe issue – may just be a question of how something works
Not expected to result in an FER for Development
Password for web site – phone numbers – enhancement request – request for documentation
Request for training
Routine system issues scheduled with OS/DBA

Response Time Summaries:

Open Call Priority	Maximum # of Days a support call is open	Average # of Days a Support call is open	Maximum # of Days a Development FER is open
0	Immediate	1/2 Day	Immediate
1	10 Days	2 Days	30 Days from Support call
2	30 Days	2 Days	60 Days from FER date
3	60 Days	6 Days	N/A

Exhibit 3

Tyler MUNIS Division Business Travel Policy

1. Introduction

This statement of company policy on travel and related business expenses is intended to establish equitable standards and achieve consistent and fair treatment of all employees who incur such expenses.

Travel should be consistent with the needs of the business and used to accomplish business objectives in a cost efficient and safe manner. The Company recognizes that all reasonable and necessary expenditures by an employee on behalf of the Company are reimbursable to the employee.

Employees are expected to:

- a. exercise good judgement with respect to expenses, spending the Company's money as judiciously as they would their own and
- b. report all expenses promptly and accurately with the required documentation.

2. Company Travel Agent

All travel arrangements (Air, Lodging and Car Rental) must be made through Dube Carlson Wagonlit Travel, the Company Travel Agent. Dube Carlson will provide employees with the convenience of one phone call reservations and help the Company monitor and manage travel expenses. The local number is 883-8938 and the toll free number is (800) 622-8938.

3. American Express Corporate Card

Tyler Technologies has selected American Express as its official corporate card for all business travel and entertainment expenses. Employees who travel on a regular basis will be issued a card in their name without having to fill out an application. An employee who does not travel enough to qualify for a corporate card may use a personal credit card if they are required to travel on company business.

Frequent travelers may chose to participate in the Membership Rewards Program which grants cardholders one point for every dollar charged on the card. The annual fee for this program is the responsibility of the individual employee.

4. Expense Reports

Expense reports must be accompanied by original receipts and, if applicable, signed Customer Services Reports. For hotels and car rentals, employees must submit all establishment statements in addition to the credit card receipt. For airline tickets, attach the passenger receipt or the original "Amex Square" that accompanies the statement. If the ticket is charged to the corporate account, the airline ticket receipt should be attached to the expense report but not reported for reimbursement.

The Company encourages employees to plan their business trips as far in advance as possible in order to obtain lower fares. If the American Express bill arrives before the ticket is used, submit the original "Amex Square" with the next expense report. Do not submit the passenger receipt, as it may be needed during the actual trip. When the ticket is actually used, indicate on that week's expense report that the fare was previously reimbursed.

Employees must submit an expense report to their manager or designee for approval no later than the week following the travel. Approved expense reports received in accounting by noon Tuesday will be processed for payment on Friday.

5. Air Travel

A. Reservations and Tickets

All air travel must be booked through Dube Carlson Wagonlit Travel and charged to the employee's Corporate American Express Card. Airline tickets for employees who have not received their card yet or do not qualify for one will be charged to the Company account. Dube Carlson will identify all reasonable travel alternatives and discounts available including choice of airport, airline, dates and times. The employee will select the most cost-effective flight available. Employees are encouraged to make reservations far enough in advance to take full advantage of discount opportunities.

Unused tickets must be returned to the Company Travel Agent immediately to ensure proper credit.

B. Restrictions

No more than 3 members of management or 6 employees may travel together on the same aircraft.

Employees may not pilot a private plane while on company business.

6. Automobile

A. Private

Business use of an employee's private automobile will be reimbursed at a rate of \$.445 per mile 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.

Mileage, parking and tolls incurred in traveling to an employee's office are considered commuting expenses and are not reimbursable travel expenses.

Employees must carry insurance, at their own expense, with limits appropriate to the states in which they drive. The Company requires a minimum of \$100,000 combined single limit for bodily and property damage; however \$300,000 is recommended. The Company does not assume liability for damages incurred in the event of an accident.

B. Rental

Employees are authorized to rent cars only in conjunction with air travel when cost, convenience and the specific situation require their use. Public transportation (buses, airport limousine services or taxis) should be considered when traveling in and around cities or to and from airports.

The Company has selected Avis as its primary rental car firm. Reservations must be made through the Company Travel Agent to ensure that we take full advantage of the contract. When renting a car for Company business, employees should decline the "collision damage waiver" and "personal accident insurance" on the rental agreement as the Company carries leased vehicle coverage for any employee leasing a vehicle for business purposes. Travelers should also decline the "fuel purchase option" and return the car with a full tank of gas.

If the rental is split between personal and business use, the employee is responsible for any accident occurring during the personal portion of the rental.

7. Lodging

All hotel reservations must be made by the Company Travel Agent except when a block of rooms has been reserved as a part of a meeting or convention being attended. Dube Carlson will select hotel chains that are well established, reasonable in price and conveniently located in relation to the traveler's work assignment. Typical hotel chains include Fairfield Inn, Hampton Inn and Holiday Inn Express. If none are available, Dube Carlson will identify comparable hotels in the area and negotiate a competitive rate. If the customer has a discount rate with a local hotel, notify Dube Carlson as soon as possible to ensure that all employees can take advantage of the rate. When the Company anticipates a substantial

number of overnight stays at a location, Dube Carlson will negotiate a special rate for employees traveling to that site.

Employees should inform Dube Carlson of membership in travel clubs such as AAA. In some cases, the club rate may be lower than the company rate.

Employees who do not utilize the Company Travel Agent or choose hotels that are not comparable to the selected chains may have their reimbursement prorated.

When reporting hotel costs, include just the price of the room and applicable taxes. Other items on the hotel bill, such as telephone and fax expenses, should be segregated and accounted for in the appropriate places on the travel expense report. Reasonable calls to the employee's home are allowable. Refer to Section 8 of this policy for details on telephones.

8. Meals

Employee meals while on travel status are reimbursable in the form of a flat per diem rate. The reimbursement rates for individual meals are as follows:

Breakfast	\$ 5.00
Lunch	9.00
<u>Dinner</u>	<u>26.00</u>
Total	\$40.00

Receipts are not necessary to claim a per diem meal.

An employee on travel status will not be reimbursed for a meal that was purchased by another Tyler employee or a customer.

A. Overnight Travel

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

Departure Day

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

Return Day

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

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

B. Same Day Travel

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

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

C. Entertainment

All entertainment expense must have a business purpose and there are strict legal requirements regarding this activity. A business discussion must occur either before, after or during the event in order to qualify for reimbursement.

In order to comply with the IRS substantiation requirement, all entertainment expenses must be supported by the following details:

1. the date of the event
2. the item (e.g., dinner lunch, drinks, etc.)
3. the name of the service establishment
4. the business topic (e.g., payroll, UB), "business discussion" and similar phrases are not sufficient descriptions
5. the name, title and company of each person in attendance to establish the business relationship
6. the total amount of the expense

An employee who submits an entertainment expense for a meal or participates in a meal submitted by another employee, as entertainment can not claim a per diem for that same meal.

9. Communication

A. Telephone Credit Cards

The Company provides employees who travel on a regular basis with a Global Crossing Calling Card. Employees should use the card when making business calls from their hotel

room, home or pay phones to take advantage of the lower rates. Reasonable calls to an employee's home while traveling on Company business are allowable.

B. Company 800 Number – 800 772-2260

Employees who are traveling should use the 800 number rather than a calling card to call the office. The 800 number should be only used for long distance calls to the office, local calls are charged at the same rate as long distance calls.

C. Cellular Phones

The Company has determined that the following positions require the use of a cellular phone:

- Senior Management
- Sales
- Project Managers

Employees in such positions will be reimbursed up to \$100 for the one time purchase of a cellular phone. The employee will own the phone and be responsible for its maintenance. The company will not reimburse the employee for the cost of a replacement phone or any accessories.

The company will reimburse eligible employees up to \$100 per month for the cost of a monthly plan that offers a specified number of free minutes each month. The employee is responsible for finding the calling plan that best suits his/her business usage. The Company may also designate employees in other positions to be eligible for this plan if the circumstances justify the expense.

The Company has determined that the following positions do not require the use of a cellular phone but due to extensive travel the employee may choose to use one while traveling on company business:

- Implementation Specialists
- Installation Specialists

The company will reimburse eligible employees up to \$50 per month for the cost of a monthly plan that offers a specified number of free minutes each month. The employee is responsible for finding the calling plan that best suits his/her business usage. The Company may also designate employees in other positions to be eligible for this plan if the circumstances justify the expense.

D. High Speed Internet Access

Implementation Specialists are expected to conduct some training days via webex. Those who live more than 45 miles from the closest MUNIS office (Falmouth, Westborough or Raleigh) will be reimbursed up to \$45 per month for the cost of high speed internet access. Report the cost on an expense report accompanied by the monthly bill. Implementation Specialists living within a 45 mile radius are expected to use the office for webex training.

10. Unallowable Expenses

Except as covered elsewhere in this policy, the following is a list of items considered to be of a personal nature and, therefore, not reimbursable by the Company:

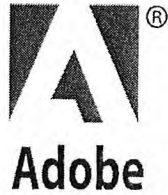
- a. shoe shines, haircuts, and similar personal grooming services
- b. movies, shows and sporting events
- c. travel and personal property insurance
- d. excess cost of making a personal side trip
- e. fines for traffic violations
- f. laundry and valet charges on trips less than five days
- g. loss or theft of personal property, money or tickets
- h. travel expenses to and from your principal place of work
- i. purchase of clothing or items for personal use
- j. cost of personal credit cards

11. Responsibilities

Management is responsible for the administration of this policy as it relates to their employees. The Chief Financial Officer must approve all interpretations and exceptions to this policy. The Company reserves the right to amend this policy at any time, without advance notice.

Effective Date: January 1, 2006

Exhibit 4



ADOBE® CENTRAL OUTPUT SERVER
PRODUCT DESCRIPTION

Customer Name: **Mendocino County, California**

Name of Program: **Adobe® Central Output Server**

Scope of Use: **LIMITED TO USE WITH THE MUNIS APPLICATION ONLY AND
(ATTACHED) ACCORDING TO THE ADOBE® END-USER LICENSE AGREEMENT**

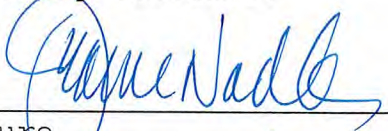
Designated Location(s): **ACCORDING TO ADOBE® END-USER LICENSE AGREEMENT
(ATTACHED)**

Operating Requirements: **ACCORDING TO ADOBE® END-USER LICENSE AGREEMENT (ATTACHED)**

Implementation Schedule: **ACCORDING TO ADOBE® END-USER LICENSE AGREEMENT (ATTACHED)**

Term of License: **ACCORDING TO ADOBE® END-USER LICENSE AGREEMENT
(ATTACHED)**

Accepted by Customer:



Signature



Printed Name

6-16-06

Date

Accepted by Tyler
Technologies, Inc.:



Signature

Richard E. Peterson, Jr.

Printed Name

6-15-06

Date

ADOBE END USER LICENSE AGREEMENT

NOTICE TO USER: THIS LICENSE AGREEMENT GOVERNS YOUR USE OF THE ADOBE SOFTWARE ACCOMPANYING IT. BEFORE OPENING THE PACKAGE CONTAINING THE ADOBE SOFTWARE, CLICKING TO "ACCEPT" DURING REVIEW OF THIS LICENSE, DOWNLOADING, INSTALLING OR USING THE SOFTWARE, PLEASE CAREFULLY READ THIS AGREEMENT, WHICH CONTAINS THE TERMS UNDER WHICH YOU ("LICENSEE") ARE ACQUIRING A LICENSE TO USE THE ACCOMPANYING ADOBE SOFTWARE. IF LICENSEE DOES NOT ACCEPT THE TERMS OF THIS AGREEMENT, PLEASE DO NOT OPEN THE ACCOMPANYING SOFTWARE, CLICK TO "ACCEPT" DURING REVIEW OF THIS LICENSE, DOWNLOAD, INSTALL OR USE THE SOFTWARE, AND PROMPTLY RETURN (IF APPLICABLE) THE UNOPENED OR UNINSTALLED SOFTWARE TO THE PLACE AT WHICH LICENSEE ACQUIRED IT FOR A FULL REFUND OF ANY LICENSE FEE PAID. IF LICENSEE OPENS THE ACCOMPANYING SOFTWARE, CLICKS TO "ACCEPT" DURING REVIEW OF THIS LICENSE DOWNLOADS, INSTALLS OR USES IT, LICENSEE WILL BE ACQUIRING A LICENSE TO USE THE ADOBE SOFTWARE PRODUCT IN OBJECT CODE FORM, INCLUDING ANY RELATED PRINTED OR ELECTRONIC DOCUMENTATION (COLLECTIVELY THE "PROGRAM"), ONLY IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT, AND LICENSEE WILL BE CONSIDERED TO HAVE ACCEPTED AND AGREED TO THE TERMS OF THIS AGREEMENT.

NOTWITHSTANDING THE FOREGOING, IF YOU RECEIVED THE ADOBE SOFTWARE AS PART OF A NEGOTIATED LICENSE AGREEMENT OR VOLUME LICENSING AGREEMENT WITH ADOBE, THE TERMS OF SUCH NEGOTIATED LICENSE AGREEMENT OR VOLUME LICENSING AGREEMENT SHALL SUPERCEDE THE TERMS OF THIS AGREEMENT TO THE EXTENT THEY ARE INCONSISTENT.

IN THE EVENT THAT A SYSTEM INTEGRATOR, CONSULTANT, CONTRACTOR OR OTHER PARTY BREAKS THE SEAL FOR LICENSEE, OR USES OR INSTALLS THE SOFTWARE ON LICENSEE'S BEHALF PRIOR TO LICENSEE'S USE OF THE SOFTWARE, SUCH SYSTEM INTEGRATOR, CONSULTANT, CONTRACTOR OR OTHER PARTY WILL BE DEEMED TO BE LICENSEE'S AGENT ACTING ON LICENSEE'S BEHALF AND LICENSEE WILL BE DEEMED TO HAVE ACCEPTED ALL OF THE TERMS AND CONDITIONS OF THIS AGREEMENT AS IF LICENSEE HAD BROKEN THE SEAL OR USED OR INSTALLED THE SOFTWARE.

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1. Definitions

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"CPU" means a single central processing unit within a computer.

"Development Environment" means Licensee's technical environment in

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"Effective Date" means, unless otherwise specified in the Agreement, the date upon which Licensee acquires a license to use the Program.

"Electronic Gateway" means an electronic password or other electronic security measure that allows authorized Licensee employees access to the Program, but prevents

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"Extranet" means a network that uses secured TCP/IP technology to link Licensee and other selected entities to facilitate private business communications.

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"Individual" means a natural person (i.e., not a corporation or other legal entity).

"Install" means to place a copy of the Program onto a hard disk or other storage medium through any means (including but not limited to use of an installation utility application accompanying the Program) for the purpose of permitting Access to the Program.

"Internet" means the collection of computer network connected by means of a common communications protocol commonly known as TCP/IP.

"Intranet" means a network used within Licensee's enterprise (which may include secured TCP/IP technology connections), which network may include servers in the control of third parties whose principal business is providing such server outsourcing and which network has the purpose of sharing information and computing resources among Users.

"Location" means a geographical location where Licensee normally carries on business at which Users are accessing the Program through either (a) Licensee's local area network contained within such geographical location or (b) an Electronic Gateway using the Internet, an Intranet or an Extranet, for Licensee's own internal business purposes.

"Permitted Number" means: one (1) in the case of CPUs, Development Servers, Servers, Users and Workstations; and ten (10) in the case of Locations; unless otherwise indicated herein or in another valid license granted by Adobe. With respect to Adobe Output Pak for Oracle E-Business Suite (Adobe Accelio Present Output Pak for Oracle E-Business Suite) and Adobe Output Pak for mySAP.com (Adobe Accelio Present Output Pak for accessing mySAP.com), "Permitted Number" means the number of

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"Production Environment" means Licensee's technical environment in which Licensee uses the Program for its business purposes.

"Program" means the Adobe software in object code form only, and any related printed or electronic documentation.

"Server" means a network server that contains one or more CPUs.

"Users" means any Individual who is authorized by Licensee to access and use the Program for Licensee's own internal business purposes.

"Workstation" means a computer workstation or personal computer that allows the Program to only be accessed by a single processor and that is not used as a network server.

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9. Term

Subject to the terms and conditions of this Agreement, the license granted under this Agreement shall remain in effect until Licensee ceases all use of the Program and provides written notice to Adobe of same. Adobe may terminate this Agreement due to Licensee's failure to comply with any of the provisions of this Agreement if after thirty (30) days written notice such failure remains uncured. Upon termination by Licensee or Adobe, Licensee agrees to promptly purge all copies of the Program from all computer systems on which it was stored, return to Adobe all physical copies of the Program and any other confidential information, and make immediate payment of any outstanding fees owed to Adobe.

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11. Export/Import Restrictions

Licensee represents and warrants that (a) no relevant agency has suspended, revoked or denied Licensee's export and/or import privileges; (b) Licensee is not located in or under the control of a national or resident of, a jurisdiction where this transaction is prohibited; and (c) Licensee shall not, in any manner whatsoever, either remove, convey, export, import or transmit the Program from or to Licensee's jurisdiction in violation of the applicable laws and regulations.

12. 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 by and construed and enforced in accordance with the substantive laws in force in: (a) the State of California, if a license to the Program is purchased when Licensee is in the United States, Canada, or Mexico; or (b) Japan, if a license to the Program 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) Ireland, if a license to the Program is purchased when Licensee is in any other jurisdiction not described above. This Agreement will not be governed by: (i) the principles of conflicts of law and that body of law applicable to choice of law; (ii) the United Nations Convention on Contracts for the International Sale of Goods, and/or its implementing and/or successor legislation and/or regulations; and/or (iii) the Uniform Computer Information Transactions Act and/or its implementing and/or successor legislation and/or regulations, as applicable respectively. 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 Ireland, when the law of Ireland applies, shall each have non-exclusive exclusive jurisdiction over all disputes relating to this Agreement. Each party hereby agrees to comply with all applicable laws, regulations and government orders in performing its obligations under this Agreement.

13. Assignment & Sub-license

Licensee may not transfer or assign this Agreement without the prior written consent of Adobe, which shall not be unreasonably withheld. The parties agree that Adobe is hereby entitled to assign and/or transfer all or part of its rights and obligations under this Agreement to any third party. Notwithstanding the foregoing, any successor, representative or assignee which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of Licensee shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Agreement, provided that such entity executes a prior acknowledgement confirming such entity's acceptance and agreement to be bound by and comply with the terms of this Agreement and Adobe receives such written acknowledgement prior to the transfer. Notwithstanding anything to the contrary in this Agreement, Licensee may sub-license the use of the

Program to a third party outsourcing or facilities management contractor to operate the Program on Licensee's behalf, provided that (a) Adobe receive prior written notice; (b) Licensee shall be responsible for ensuring that any such contractor fully complies with the terms of this Agreement as they relate to the use of the Program on the same basis as applies to Licensee; (c) such use is only in relation to Licensee's internal business purposes as restricted herein; (d) such use does not represent or constitute an increase in the number of licenses provided hereunder; and (e) Licensee shall remain fully liable for any and all acts or omissions by the contractor, related to this Agreement.

14. Entire Agreement

This Agreement is the entire agreement between the parties with respect to its subject matter and supersedes and replaces all prior oral or written agreements, representations, negotiations or understandings between the parties relating to such subject matter. No change or modification to this Agreement shall be valid unless it is in writing and signed by an authorized representative of each party. Except as specifically permitted in Section 2 hereof, no provisions in any purchase orders, or in any other documentation employed by or on behalf of either party in connection with this Agreement, regardless of the date of such documentation, will affect the terms of this Agreement, even if such document is accepted by the receiving party, with such provisions being deemed deleted.

15. Publication

Licensee consents to written and oral disclosure by Adobe of its name as an end user of the Adobe software and/or services in a factual listing of Adobe customers (with or without a list of the category of software licensed by Licensee) to be published within marketing and promotional materials, in presentations, on trade show signs and materials, on its external Web site, and to financial and industry analysts. Adobe will seek Licensee's prior written authorization for use of Licensee's name for promotional activities beyond the above-mentioned, which may include press releases and brochures, or descriptions of the specific software and/or services

provided by Adobe.

16. Waiver

No party will be deemed to have waived the exercise of any right that it holds under this Agreement unless such waiver is made in writing. Failure or delay by either party to exercise any of its rights, powers or remedies hereunder shall not constitute a waiver of those rights, powers or remedies. The single or partial exercise of a right, power or remedy shall not prevent its subsequent exercise or the exercise of any other right, power or remedy.

17. General

Neither party shall be responsible for delays or failure of performance resulting from acts beyond the reasonable control of such party. Should any provision or part of any provision of this Agreement be found void or unenforceable by a court of competent jurisdiction, such provision, or part thereof, shall be deemed severed, and the remainder of this Agreement shall remain in full force and effect. The English version of this Agreement shall be the version used when interpreting or construing this Agreement. The parties acknowledge and

agree that the limited warranty, exclusive remedies and limited liability set forth in this Agreement are fundamental elements of the basis of the bargain between Adobe and Licensee, and that Adobe would not be able to provide the Program on an economic basis without such limitations. The provisions within this Agreement which are meant, by their nature, to survive termination of this Agreement shall survive such termination, including, without limitation, the ownership, limitation of liability, governing law, entire agreement, waiver and general sections herein. Licensee acknowledges and agrees that Adobe's licensors (and/or Adobe if Licensee obtained the Program from any party other than Adobe) are third party beneficiaries of this Agreement, with the right to enforce the obligations set forth in this Agreement. In this Agreement words importing a singular number only shall include the plural and vice versa. The division of this Agreement into sections and the insertion of headings are for convenient reference only, and shall affect neither the construction nor the interpretation of this agreement.

Exhibit 5

Modifications

Script 1 - Retirement Calculation

Calculation Steps

A. Employee Contribution Steps:

There are 2 employee deductions, 1 for regular, 1 for cost of living.

1. Determine base salary —this is the biweekly salary
2. Determine Additional Pay. This is the accumulation of certain current earnings types that are marked for inclusion or exclusion. (These earnings types are determined by a court decision known as 'Ventura County').
3. Calculate: $\text{Base Salary} \pm \text{Additional Pay} = \text{Adjusted Wages}$
4. Locate the appropriate Contribution Rates Table entries
This depends on the tier, the type (safety/regular), the bargaining unit, and the employee's age at entry into the system.
There are 3 tiers: tier1, tier2 and tier3. An employee is placed in a tier based on factors such as date of hire, prior service credits, and bargaining unit.
Within each tier there are 7-10 bargaining units.
Within each bargaining unit there are entries for ages 17-67
Each entry has separate rates for regular employees and for safety employees. For each type (reg/safety), there are 2 rates: 1 for regular retirement, 1 for cost of living retirement.
5. Calculate: $\text{Adjusted Wages} - \text{Retirement Act Reduction Amt (53.84)} = \text{Adjusted Base Salary (ABS)}$
6. Calculate: $\text{ABS} \times \text{Regular Contribution Rate} = \text{Regular Retirement Contribution}$. If ABS is < 0 , Reg retirement deduction = 0.
7. Calculate: $\text{ABS} \times \text{COL Contribution Rate} = \text{COL Retirement Contribution}$. If ABS is < 0 , COL retirement deduction = 0.
8. Determine if there is a subsidy for this employee. If no subsidy, skip steps 9 and 10. If there is a subsidy, determine the rate. The subsidy only applies to the Regular retirement contribution.
9. Calculate: $\text{Adjusted Base Salary} \times \text{subsidy rate} = \text{Subsidy Amount}$
If Subsidy Amount < 0 , move 0 to Subsidy Amount
10. Calculate: $\text{Regular Retirement Contribution} - \text{Subsidy Amount} = \text{Regular Deduction Amount}$
If Regular Deduction Amount < 0 , move 0 to Regular Deduction Amount

11. Determine if current pay is for Police Leave. If the employee is on police leave, we want to convert the retirement deductions to post-tax, instead of pre-tax.

12. If the total Retirement Deduction Amount is greater than the current Net Pay Available, the current deduction should be zero. If there is no deduction, the Service Credit field should then be increased 14 days. If there is no employee contribution, skip the County Match. Do not take deduction for any employee share contribution (REG/COL), unless there is enough pay to cover both types.

B. County Match Calculation:

There are 2 county match contributions: 1 for regular, 1 for cost of living. Only do the County Match if there was enough pay to cover the employee contribution, regardless of whether or not there actually was an employee contribution. Some employees are subsidized (partially or totally) and may not have an employee contribution--we still do the County Match.

1. Determine Base Salary (this is the biweekly pay amount)

2. Determine Additional Pay. This is the accumulation of certain current earnings types that are marked for inclusion or exclusion. (These earnings types are determined by a court decision known as 'Ventura County').

3. Calculate: $\text{Base Salary} \pm \text{Additional Pay} = \text{Adjusted Wages}$

4. Locate the appropriate County Share Contribution Rates Table entries (REG and COL)

There are 3 tiers: tier1, tier2 and tier3

Within each tier there are separate rates for regular employees and for safety employees. For each type (reg/safety), there are 2 rates: 1 for regular retirement, 1 for cost of living retirement.

Within each tier there are separate rates for each bargaining unit.

Employee age at entry is not a factor.

5. Calculate $\text{Adjusted Wages} \times \text{Regular Contribution Rate} = \text{Regular County Match Amount}$

6. Calculate $\text{Adjusted Wages} \times \text{COL Contribution Rate} = \text{COL County Match amount}$

7. If there was a subsidy in step 9 of the employee share, add this amount to the county share amount.

Script 2 - Mendocino County Health Insurance deduction calculation

Health insurance rates are kept in a table and selected based on a) plan, b) coverage option and c) bargaining unit. The County currently has 4 plans for health insurance (2 pre-tax and 2 post-tax). Each plan has up to 5 coverage options. Within each coverage option, there are 7-10 bargaining units. Two rates are selected—one for the employee's share and one for the County's share.

If the employee works less than 80% of full time, the employee's share increases and the County's share decreases. This is the process:

- 1) compute employee's work percentage: $WORK-PERCENT = NORMAL-HOURS / 80$
- 2) 80% or higher counts as full time:
if $WORK-PERCENT \geq .80$ move 1.00 to $WORK-PERCENT$
- 3) compute the work-percent complement: $WORK-COMP = 1.00 - WORK-PERCENT$
- 4) get rates for employee's plan, coverage option and bargaining unit from table— $RATE-EMP$ and $RATE-CO$
- 5) calculate employee cost of health insurance:

$$COST-EMP = RATE-EMP + WORK-COMP * RATE-CO$$

- 6) calculate county share of health insurance

$$COST-CO = RATE-EMP + RATE-CO - COST-EMP$$

Note: If employee works 64 or more hours per payperiod, the costs for employee and County are simply the standard rates from the table. Since $WORK-COMP = 0$, $COST-EMP = RATE-EMP$ and $COST-CO = RATE-CO$.

Script 9 – COLA for Retirees

Retirees are paid via the payroll system on a monthly basis.

Pensions for retirees have several components that are tracked separately.

For example:

410	is the account that tracks 'annuity'
420	tracks 'current service'
450	tracks 'cost of living increases'

(Certain retirees may have more components, but for this example we'll use these 3.)

Every year in the April retirement payroll, we grant a cola that is determined by the retirement date. Retirees who have been retired for longer get a bigger increase. For 2006 the schedule looks like this:

retirement date on or before 04-01-1990	---	3%
retirement date from 04-02-1990 thru 04-01-1998	---	2.5%
retirement date from 04-02-1998 thru 04-01-2006	---	2%

The dates and rates change every year.

The amount of the cola is calculated by applying the percentage to the TOTAL pension. Then the 450 account is increased by the amount of the cola.

For example:

410 = 100.00

420 = 200.00

450 = 44.40

retirement date is 09-01-1991 so rate is 2.5%

$344.40 \times .025 = 8.61$ amt of cola

$\text{new } 450 = 44.80 + 8.61 = 53.41$

Performance Based Budgeting: Add an import/export feature with a cross reference table.

The County's spreadsheet will need some kind of unique code to indicate the statistic type and department. We will cross reference that to a TYLER account as part of the import. At initial setup, they will need to create the statistic accounts in the TYLER chart of accounts. No charge, available within 12 months of contract signing.

Treasury Management: TYLER to accommodate interest that has accrued on CDs that have not come to maturity. This would involve simple calculations like recognizing 30 or 45 days of accrual on a 90-day CD.

This function can be added to Treasury Management at no charge, within 12 months of contract signing.

The County requested a new cash pool code field on the General Ledger Master screen.

This can be added within 12 months of the contract signing. Note that the functionality already present will allow them to use this part of the system sooner than that in this area.

Budget projection: TYLER to pick up anticipated step increases that will be occurring between the time of the projection and the start of the new year.

This will be in place by the end of 2006.

Regarding the timing of the Payroll implementation live date: TYLER to assist in the production of W2s from the County's current system if Payroll live date is not met.

The County would need to have the pay type and deduction type tables setup (as would be a standard process for preparing for implementation) and then we would need a file to import. The maximum cost that would be incurred would be \$4500 for the conversion effort and training days would be billed as incurred.

Exhibit 6

Mendocino County Project Milestone Schedule

(These are tentative dates only. Within 90 days of the Effective Date of the Agreement, the parties will mutually develop a detailed implementation plan containing project milestones, subject to modification by mutual consent.)

June 2006	Contract Signing
July 2006	Kick Off Meeting and Chart of Accounts Analysis
August 2006	OSDBA Loads MUNIS Software
November 2006	Payroll and Human Resources Training
November 2006	Payroll and Human Resources Conversion
December 2006	Begin Payroll Parallel Testing
January 1, 2007	Live Payroll and Human Resources
June 2007	Financial Applications and Purchasing Training
July 1, 2007	Financial Applications Live, Financial Applications and Purchasing Training completed
January 1, 2008	Purchasing Live

EXHIBIT 7

INSURANCE REQUIREMENTS

Insurance coverage in a minimum amount set forth herein shall not be construed to relieve Tyler for liability in excess of such coverage, nor shall it preclude Client from taking such other action as is available to it under any other provisions of this Agreement or otherwise in law.

Tyler agrees to indemnify and hold harmless Client, its elected or appointed officials, employees or volunteers against any claims, actions, or demands against them, or any of them, and against any damages, liabilities or expenses, including costs of defense and attorneys' fees, for personal injury or death, or for the loss or damage to the property, or any or all of them, to the extent arising out of the performance of this Agreement by Tyler.

Tyler affirms that s/he is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for the Workers' Compensation or to undertake self insurance in accordance with the provisions of the Code and Tyler further assures that s/he will comply with such provisions before commencing the performance of work under this Agreement. Tyler shall furnish to Client certificate(s) of insurance evidencing Worker's Compensation Insurance coverage to cover its employees, and Tyler shall require all subcontractors similarly to provide Workers' Compensation Insurance as required by the Labor Code of the State of California for all of Tyler's and subcontractors' employees.

Tyler shall furnish to Client certificates of insurance with Automobile Liability/General Liability Endorsements evidencing at a minimum the following:

- a. Combined single limit bodily injury liability and property damage liability - \$1,000,000 each occurrence.
- b. Vehicle / Bodily Injury combined single limit vehicle bodily injury and property damage liability - \$500,000 each occurrence.



DSI TECHNOLOGY ESCROW SERVICES®
An Iron Mountain Company

Master Preferred Agreement

Master Preferred offers the flexibility of a modifiable contract combined with a high level of protection for both the depositor and the beneficiary. It allows for additional parties to accept contract conditions with a one-page addendum. It provides frequent correspondence between DSI and all parties to the agreement. The depositor and beneficiary will receive signed confirmations from DSI that every deposit has been inspected; an account history report to notify them of the status of the escrow; and ongoing monitoring services to ensure compliance of contract terms.

Purpose

DSI's Master Preferred Agreement is generally used when:

- Both parties agree that a high level of escrow protection is needed.
- The depositor or the beneficiary wants to establish an escrow contract that is executed once, defining the company's preferred terms.
- The depositor has multiple products to be licensed independently by various beneficiaries.
- Both parties want to reduce the time spent on negotiating the basic terms and conditions of the escrow agreement.
- Clients want to avoid setup costs when adding beneficiaries or depositors to their escrow account.

Features

Master Preferred customers benefit from these unique features:

- One agreement ensures consistency for all escrow requirements.
- Additional parties accept contract conditions with a one-page form.
- Tailored release conditions.
- Modification of terms for unique requirements.
- Written notification detailing the contents of the initial deposit and each update.
- Semiannual account histories listing all deposit activity.
- DSI direct billing to beneficiary.
- Technical verification options.
- Audit trail of deposit created through inspection, date stamping of all deposit materials.
- Deposit inspection with signed receipt for all parties.

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For More Information Call: (800) 962-0652 or Visit Us At www.dsiescrow.com or www.ironmountain.com

MASTER PREFERRED ESCROW AGREEMENT

Depositor Company Number 3529

This agreement ("Agreement") is effective April 11, 2003 among DSI Technology Escrow Services, Inc. ("DSI"), MUNIS, Inc. ("Depositor") and any additional party signing the Acceptance Form attached to this Agreement ("Preferred Beneficiary"), who collectively may be referred to in this Agreement as the parties ("Parties").

- A. Depositor and Preferred Beneficiary have entered or will enter into a license agreement, development agreement, and/or other agreement regarding certain proprietary technology of Depositor (referred to in this Agreement as the "License Agreement").
- B. Depositor desires to avoid disclosure of its proprietary technology except under certain limited circumstances.
- C. The availability of the proprietary technology of Depositor is critical to Preferred Beneficiary in the conduct of its business and, therefore, Preferred Beneficiary needs access to the proprietary technology under certain limited circumstances.
- D. Depositor and Preferred Beneficiary desire to establish an escrow with DSI to provide for the retention, administration and controlled access of the proprietary technology materials of Depositor.
- E. The parties desire this Agreement to be supplementary to the License Agreement pursuant to 11 United States [Bankruptcy] Code, Section 365(n).

ARTICLE 1 -- DEPOSITS

1.1 Obligation to Make Deposit. Upon the signing of this Agreement by the parties, including the signing of the Acceptance Form, and Exhibit D naming the Initial Account, Depositor shall deliver to DSI the proprietary technology and other materials ("Deposit Materials") required to be deposited by the License Agreement or, if the License Agreement does not identify the materials to be deposited with DSI, then such materials will be identified on Exhibit A. If Exhibit A is applicable, it is to be prepared and signed by Depositor and Preferred Beneficiary. DSI shall have no obligation with respect to the preparation, accuracy, execution, signing, delivery or validity of Exhibit A.

1.2 Identification of Tangible Media. Prior to the delivery of the Deposit Materials to DSI, Depositor shall conspicuously label for identification each document, magnetic tape, disk, or other media upon which the Deposit Materials are written or stored. Additionally, Depositor shall complete Exhibit B to this Agreement by listing each such media by the item label description, the type of media and the quantity. Exhibit B shall be signed by Depositor and delivered to DSI with the Deposit Materials. Unless and until Depositor makes the initial deposit with DSI, DSI shall have no obligation with respect to this Agreement, except the obligation to notify the parties regarding the status of the account as required in Section 2.2 below.

1.3. Escrow Account Name Identification. At the time of execution of this agreement, or when Depositor makes the initial deposit with DSI in accordance with Section 1.2 above, Depositor shall complete and sign Exhibit D naming the initial account upon which the Deposit Materials are written or stored. Any new deposits referencing new account names made subsequent to the signing of this Agreement, intended by the Depositor to be held in a separate account and maintained separately from the initial account, but made a part of this Agreement, shall be referenced by the Depositor on Exhibit E, and Exhibit E which shall be signed by the Depositor and DSI.

1.4 Acceptance of Deposit. When DSI receives the Deposit Materials, DSI will conduct a visual deposit inspection. At completion of the deposit inspection, if DSI determines that the labeling of the media matches the item descriptions and quantity on Exhibit B, DSI will date and sign Exhibit B and mail a copy thereof to Depositor and Preferred Beneficiary. If DSI determines that the labeling does not match the item descriptions or quantity on Exhibit B, DSI will (a) note the discrepancies in writing on Exhibit B; (b) date and sign Exhibit B with the exceptions noted; and (c) mail a copy of Exhibit B to Depositor and Preferred Beneficiary. DSI's acceptance of the deposit occurs upon the signing of Exhibit B by DSI. Delivery of the signed Exhibit B to Preferred Beneficiary is Preferred Beneficiary's notice that the Deposit Materials have been received and accepted by DSI. OTHER THAN DSI'S INSPECTION OF THE DEPOSIT MATERIALS, DSI SHALL HAVE NO OBLIGATION TO THE ACCURACY, COMPLETENESS, FUNCTIONALITY, PERFORMANCE OR NON-PERFORMANCE OF THE DEPOSIT MATERIALS.

1.5 Depositor's Representations. During the term of this Agreement, Depositor represents as follows:

- a. Depositor lawfully possesses all of the Deposit Materials deposited with DSI;
- b. With respect to all of the Deposit Materials and any materials provided solely for verification, pursuant to Section 1.6 of the Agreement ("Test Materials") Depositor has the right and authority to grant to DSI and Preferred Beneficiary the rights as provided in this Agreement, provided further that DSI's or its independent contractor's use of any Deposit Materials or Test Materials, pursuant to Section 1.6 of this Agreement, is lawful and does not violate the rights of any third parties;
- c. As of the effective date of this Agreement, the Deposit Materials are not the subject of any liens or encumbrances, however, any liens or encumbrances made after the execution of this Agreement will not prohibit, limit, or alter the rights and obligations of DSI under this Agreement;
- d. The Deposit Materials consist of the proprietary technology and other materials identified either in the License Agreement, Exhibit A, or Exhibit B, as the case may be; and
- e. The Deposit Materials are readable and useable in their current form or, if any portion of the Deposit Materials is encrypted, the decryption tools and decryption keys have also been deposited.

1.6 Available Verification Services. Upon receipt of a written request from Preferred Beneficiary, DSI and Preferred Beneficiary may enter into a separate proposal agreement

("Statement of Work") pursuant to which DSI will agree, upon certain terms and conditions, to inspect the Deposit Materials consistent with one or several of the levels of verification described in the attached Technical Verification Options. Depositor consents to DSI's performance of any level(s) of verification described in the attached Technical Verification Options. Depositor shall reasonably cooperate with DSI by providing its facilities, computer software systems, and technical and support personnel for verification whenever reasonably necessary. If a verification is elected after the Deposit Materials have been delivered to DSI, then only DSI, or at DSI's election, an independent contractor or company selected by DSI may perform the verification.

1.7 Deposit Updates. Unless otherwise provided by the License Agreement, Depositor shall update the Deposit Materials within sixty (60) days of each release of a new version of the product, which is subject to the License Agreement. Such updates will be added to the existing deposit. All deposit updates shall be listed on a new Exhibit B and Depositor shall sign the new Exhibit B. Each Exhibit B will be held and maintained separately within the escrow account. An independent record will be created which will document the activity for each Exhibit B. Any deposit updates shall be held in accordance with Sections 1.2 through 1.5 above. All references in this Agreement to the Deposit Materials shall include the initial Deposit Materials and any updates.

1.8 Removal of Deposit Materials. The Deposit Materials may be removed and/or exchanged only on written instructions signed by Depositor and Preferred Beneficiary, or as otherwise provided in this Agreement.

ARTICLE 2 -- CONFIDENTIALITY AND RECORD KEEPING

2.1 Confidentiality. DSI shall have the obligation to reasonably protect the confidentiality of the Deposit Materials. Except as provided in this Agreement or any subsequent agreement between the Parties, including without limitation Section 1.6, DSI shall not disclose, transfer, make available, or use the Deposit Materials. DSI shall not disclose the terms of this Agreement to any third party. If DSI receives a subpoena or any other order from a court or other judicial tribunal pertaining to the disclosure or release of the Deposit Materials, DSI will immediately notify the parties to this Agreement unless prohibited by law. It shall be the responsibility of Depositor and/or Preferred Beneficiary to challenge any such order; provided, however, that DSI does not waive its rights to present its position with respect to any such order. DSI will not be required to disobey any order from a court or other judicial tribunal, including, but not limited to, notices delivered pursuant to Section 7.6 below.

2.2 Status Reports. DSI shall provide to Depositor and Preferred Beneficiary a report profiling the account history semiannually.

ARTICLE 3 -- RIGHT TO MAKE COPIES

3.1 Right to Make Copies. DSI shall have the right to make copies of the Deposit Materials as reasonably necessary to perform this Agreement. DSI shall copy all copyright, nondisclosure, and other proprietary notices and titles contained on the Deposit Materials onto any copies made by DSI. With all Deposit Materials submitted to DSI, Depositor shall provide any and all instructions as may be necessary to duplicate the Deposit Materials, including, but not limited to, the hardware and/or software needed. Any copying expenses incurred by DSI as a result of a request to copy will be borne by the party requesting the copies. Alternatively, DSI may notify

Depositor requiring its reasonable cooperation in promptly copying the Deposit Materials in order for DSI to perform this Agreement.

ARTICLE 4 -- RELEASE OF DEPOSIT

4.1 Release Conditions. As used in this Agreement, "Release Condition" shall mean the following:

- a. Depositor's uncured material breach of the License Agreement;
- b. Depositor's failure to continue to do business in the ordinary course; or
- c. Joint written instruction from Depositor and Preferred Beneficiary.

4.2 Filing For Release. If Preferred Beneficiary believes in good faith that a Release Condition has occurred, Preferred Beneficiary may provide to DSI written notice of the occurrence of the Release Condition and a request for the release of the Deposit Materials. Such notice shall be signed by the Preferred Beneficiary and on company letterhead. Unless DSI acknowledges or discovers independently, or through the Parties, its need for additional documentation or information in order to comply with this Section, DSI shall promptly provide a copy of the notice to Depositor by commercial express mail. Such need for additional documentation or information may extend the time period for DSI's performance under this Section.

4.3 Contrary Instructions. From the date DSI mails the notice requesting release of the Deposit Materials, Depositor shall have ten (10) business days to deliver to DSI contrary instructions ("Contrary Instructions"). Contrary Instructions shall mean the written representation by Depositor that a Release Condition has not occurred or has been cured. Contrary Instructions shall be signed by Depositor and on company letterhead. Upon receipt of Contrary Instructions, DSI shall promptly send a copy to Preferred Beneficiary by commercial express mail. Additionally, DSI shall notify both Depositor and Preferred Beneficiary that there is a dispute to be resolved pursuant to Section 7.4 of this Agreement. Subject to Section 5.2 of this Agreement, DSI will continue to store the Deposit Materials without release pending (a) joint instructions from Depositor and Preferred Beneficiary; (b) dispute resolution pursuant to Section 7.4; or (c) an order from a court of competent jurisdiction.

4.4 Release of Deposit. If DSI does not receive Contrary Instructions from the Depositor, DSI is authorized to release the Deposit Materials to the Preferred Beneficiary or, if more than one beneficiary is registered to the deposit, to release a copy of the Deposit Materials to the Preferred Beneficiary. However, DSI is entitled to receive any fees due DSI before making the release. Any copying expenses will be chargeable to Preferred Beneficiary. Upon any such release, the escrow arrangement will terminate as it relates to the Depositor and Preferred Beneficiary involved in the release.

4.5 Right to Use Following Release. Unless otherwise provided in the License Agreement, upon release of the Deposit Materials in accordance with this Article 4, Preferred Beneficiary shall have the right to use the Deposit Materials for the sole purpose of continuing the benefits afforded to Preferred Beneficiary by the License Agreement. Preferred Beneficiary shall be obligated to maintain the confidentiality of the released Deposit Materials.

ARTICLE 5 -- TERM AND TERMINATION

5.1 Term of Agreement. The initial term of this Agreement is for a period of one (1) year. Thereafter, this Agreement shall automatically renew from year to year unless (a) Depositor and Preferred Beneficiary jointly instruct DSI in writing that the Agreement is terminated; (b) DSI instructs Depositor and Preferred Beneficiary in writing after its renewal date that the Agreement is terminated for nonpayment in accordance with Section 5.2; or (c) DSI reserves the right to terminate this Agreement, for any reason, other than for nonpayment, by providing, Depositor and Preferred Beneficiary, as applicable, ninety (90) days written notice of its intent to terminate this Agreement. If the Deposit Materials are subject to another escrow agreement with DSI, DSI reserves the right, after the initial one year term, to adjust the anniversary date of this Agreement to match the then prevailing anniversary date of such other escrow arrangements.

5.2 Termination for Nonpayment. In the event of the nonpayment of fees owed to DSI, DSI shall provide written notice of delinquency to all parties to this Agreement. Any party to this Agreement affected by such delinquency shall have the right to make the payment to DSI to cure the default. If the past due payment is not received in full by DSI within one (1) month of the date of such notice, then DSI shall have the right to terminate this Agreement at any time thereafter to the extent it relates to the delinquent party by sending written notice of termination to such affected parties. DSI shall have no obligation to take any action under this Agreement so long as any payment due to DSI remains unpaid.

5.3 Disposition of Deposit Materials Upon Termination. Subject to the foregoing termination provisions, and upon termination of this Agreement, DSI shall destroy, return, or otherwise deliver the Deposit Materials in accordance with Depositor's instructions. If there are no instructions, DSI may, at its sole discretion, destroy the Deposit Materials or return them to Depositor. DSI shall have no obligation to destroy or return the Deposit Materials if the Deposit Materials are subject to another escrow agreement with DSI or have been released to the Preferred Beneficiary in accordance with Section 4.4.

5.4 Survival of Terms Following Termination. Upon termination of this Agreement, the following provisions of this Agreement shall survive:

- a. The obligations of confidentiality with respect to the Deposit Materials;
- b. The obligation to pay DSI any fees and expenses due;
- c. The provisions of Article 7; and
- d. Any provisions in this Agreement which specifically state they survive the termination of this Agreement.

ARTICLE 6 -- DSI'S FEES

6.1 Fee Schedule. DSI is entitled to be paid its standard fees and expenses applicable to the services provided. DSI shall notify the party responsible for payment of DSI's fees at least sixty

(60) days prior to any increase in fees. In no event will fees increase by more than 5% per year. For any service not listed on DSI's standard fee schedule, DSI will provide a quote prior to rendering the service, if requested.

6.2 Payment Terms. DSI shall not be required to perform any service, including release of any Deposit Materials under Article 4, unless the payment for such service and any outstanding balances owed to DSI are paid in full. Initial fees are due upon receipt of a signed contract or receipt of the Deposit Materials whichever is earliest. Payments on all renewal and services invoices are due net thirty (30) days from date of invoice. If invoiced fees are not paid, DSI may terminate this Agreement in accordance with Section 5.2.

ARTICLE 7 -- LIABILITY AND DISPUTES

7.1 Right to Rely on Instructions. DSI may act in reliance upon any instruction, instrument, or signature reasonably believed by DSI to be genuine. DSI may assume that any employee of a party to this Agreement who gives any written notice, request, or instruction has the authority to do so. DSI will not be required to inquire into the truth or evaluate the merit of any statement or representation contained in any notice or document. DSI shall not be responsible for failure to act as a result of causes beyond the reasonable control of DSI.

7.2 Indemnification. Depositor and Preferred Beneficiary each agree to indemnify, defend and hold harmless DSI from any and all claims, actions, damages, arbitration fees and expenses, costs, attorney's fees and other liabilities ("Liabilities") incurred by DSI relating in any way to this escrow arrangement except where it is adjudged that DSI acted with negligence or willful misconduct.

7.3 Limitation of Liability. In no event will DSI be liable for any incidental, indirect, special, exemplary, punitive or consequential damages, including, but not limited to, damages (including loss of data, revenue, and/or profits) costs or expenses (including legal fees and expenses), whether foreseeable or unforeseeable, that may arise out of or in connection with this Agreement; and in no event shall the collective liability of DSI exceed ten times the fees paid under this Agreement. The foregoing limitation of liability does not apply with respect to any acts of adjudged negligence, personal injury claims, property damage claims (excluding the Deposit), or intellectual property infringement.

7.4 Dispute Resolution. Any dispute relating to or arising from this Agreement shall be submitted to, and settled by arbitration by, a single arbitrator chosen by the American Arbitration Association in accordance with the Commercial Rules of the American Arbitration Association. The arbitrator shall apply California law. Unless otherwise agreed by Depositor and Preferred Beneficiary, arbitration will take place in San Diego, California, U.S.A. Any court having jurisdiction over the matter may enter judgment on the award of the arbitrator. Service of a petition to confirm the arbitration award may be made by First Class mail or by commercial express mail, to the attorney for the party or, if unrepresented, to the party at the last known business address. If, however, Depositor and/or Preferred Beneficiary refuses to submit to arbitration, the matter shall not be submitted to arbitration and DSI may submit the matter to any court of competent jurisdiction for an interpleader or similar action. Unless adjudged otherwise, any costs of arbitration incurred by DSI, including reasonable attorney's fees and costs, shall be divided equally and paid by Depositor and Preferred Beneficiary.

7.5 Controlling Law. This Agreement is to be governed and construed in accordance with the laws of the State of California, without regard to its conflict of law provisions.

7.6 Notice of Requested Order. If any party intends to obtain an order from the arbitrator or any court of competent jurisdiction, which may direct DSI to take, or refrain from taking any action, that party shall:

- a. Give DSI at least five (5) business days prior notice of the hearing;
- b. Include in any such order that, as a precondition to DSI's obligation, DSI be paid in full for any past due fees and be paid for the reasonable value of the services to be rendered pursuant to such order; and
- c. Ensure that DSI not be required to deliver the original (as opposed to a copy) of the Deposit Materials if DSI may need to retain the original in its possession to fulfill any of its other duties.

ARTICLE 8 -- GENERAL PROVISIONS

8.1 Entire Agreement. This Agreement, which includes the Acceptance Form and Exhibits described herein, embodies the entire understanding among all of the parties with respect to its subject matter and supersedes all previous communications, representations or understandings, either oral or written. DSI is not a party to the License Agreement between Depositor and Preferred Beneficiary and has no knowledge of any of the terms or provisions of any such License Agreement. DSI's only obligations to Depositor or Preferred Beneficiary are as set forth in this Agreement. No amendment or modification of this Agreement shall be valid or binding unless signed by all the parties hereto, except that Exhibit A need not be signed by DSI, Exhibit B need not be signed by Preferred Beneficiary, Exhibit C need not be signed, Exhibit D need not be signed by Preferred Beneficiary or DSI and the Acceptance Form need only be signed by the parties identified therein.

8.2 Notices and Correspondence. All notices regarding Articles 4 and 5, and any Deposit Materials, shall be sent by commercial express or certified mail, return receipt requested. All other correspondence including invoices, payments, and other documents and communications shall be sent First Class U.S. Mail and given to the parties at the addresses specified in the attached Exhibit C and Acceptance Form. It shall be the responsibility of the parties to notify each other as provided in this Section in the event of a change of physical and e-mail addresses. The parties shall have the right to rely on the last known address of the other parties. Any correctly addressed notice or last known address of the other parties that is relied on herein that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified as provided herein shall be deemed effective as of the first date that said notice was refused, unclaimed, or deemed undeliverable by the postal authorities by mail, through messenger or commercial express delivery services.

8.3 Severability. In the event any provision of this Agreement is found to be invalid or unenforceable, the parties agree that unless it materially affects the entire intent and purpose of this Agreement, such invalidity or unenforceability shall affect neither the validity of this Agreement nor the remaining provisions herein, and the provision in question shall be deemed to be replaced with a valid and enforceable provision most closely reflecting the intent and purpose of the original provision.

8.4 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties. However, DSI shall have no obligation in performing this Agreement to recognize any successor or assign of Depositor or Preferred Beneficiary unless DSI receives clear, authoritative and conclusive written evidence of the change of parties.

8.5 Waiver. Any term of this Agreement may be waived by the party entitled to the benefits thereof, provided that any such waiver must be in writing and signed by the party against whom the enforcement of the waiver is sought. No waiver of any condition, or breach of any provision of this Agreement, in any one or more instances, shall be deemed to be a further or continuing waiver of such condition or breach. Delay or failure to exercise any right or remedy shall not be deemed the waiver of that right or remedy.

8.6 Regulations. Depositor and Preferred Beneficiary are responsible for and warrant compliance with all applicable laws, rules and regulations, including but not limited to customs laws, import, export, and re-export laws and government regulations of any country from or to which the Deposit Materials may be delivered in accordance with the provisions of this Agreement.

8.7 Attorney's Fees. In any litigation or other proceeding by which one party either seeks to enforce its rights under this Agreement (whether in contract, tort, or both) or seeks declaration of any rights or obligations under this Agreement (whether in contract, tort, or both), the prevailing party who has proven in court by court decree, judgment or arbitrator's determination that the other party has materially breached its representation and/or warranty under this Agreement shall be awarded reasonable attorneys' fees, together with any costs and expenses, to resolve the dispute and to enforce final judgment.

8.8 No Third Party Rights. This Agreement is made solely for the benefit of the Parties to this Agreement and their respective permitted successors and assigns, and no other person or entity shall have or acquire any right by virtue of this Agreement unless otherwise agreed to by all the parties hereto.

8.9 Authority to Sign. Each of the Parties herein represents and warrants that the execution, delivery, and performance of this Agreement has been duly authorized and signed by a person who meets statutory or other binding approval to sign on behalf of its business organization as named in this Agreement. DSI will be able to perform its obligations under this agreement once DSI has received a fully executed agreement.

8.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

MUNIS, Inc.
Depositor

By: [Signature]

Name: Michael Lyons

Title: CFO MUNIS INC.

DSI Technology Escrow Services, Inc.

By: [Signature]

Name: Perla Cedeño

Title: Contract Administrator

Date: March 31, 2003

Date: _____

MATERIALS TO BE DEPOSITED

Deposit Account Number 5376

Depositor represents to Preferred Beneficiary that Deposit Materials delivered to DSI shall consist of the following:

Depositor	Preferred Beneficiary
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

DESCRIPTION OF DEPOSIT MATERIALS

Depositor Company Name _____

Deposit Account Number _____

Product Name _____ Version _____
(Product Name will appear as Exhibit B Name on Account History report)

DEPOSIT MATERIAL DESCRIPTION:

Quantity	Media Type & Size	Label Description of Each Separate Item
_____	Disk 3.5" or _____	
_____	DAT tape _____ mm	
_____	CD-ROM	
_____	Data cartridge tape _____	
_____	TK 70 or _____ tape	
_____	Magnetic tape _____	
_____	Documentation	
_____	Other _____	

PRODUCT DESCRIPTION:

Environment _____

DEPOSIT MATERIAL INFORMATION:

Is the media or are any of the files encrypted? Yes / No If yes, please include any passwords and the decryption tools.

Encryption tool name _____ Version _____

Hardware required _____

Software required _____

Other required information _____

I certify for **Depositor** that the above described
Deposit Materials have been transmitted to DSI:DSI has visually inspected and accepted the
above materials (any exceptions are noted
above):

Signature: _____

Print Name: _____

Date: _____

E-mail: _____

Signature: _____

Print Name: _____

Date Accepted: _____

Exhibit B#: _____

DESIGNATED CONTACT

Depositor Company Number 3529

Notices, deposit material returns and communications to Depositor should be addressed to:

Company Name: MUNIS, Inc.
 Address: 370 U.S. Route 1
Falmouth, ME 04105

Designated Contact: Stacey M. Gerard
 Telephone: 207-781-2260, ext. 4431
 Facsimile: 207-781-2459
 E-mail: sgerard@munis.com

Verification Contact:
Kathryn St. Ours
 Telephone/E-mail:
207-781-2260, ext. 4135

kstours@munis.com

Requests to change the designated contact should be given in writing by the designated contact or an authorized employee.

Invoices to Depositor should be addressed to:

MUNIS, Inc.
370 U.S. Route 1
Falmouth, ME 04105

Contact: Accounts Payable
 P.O.#, if required: _____

DSI has two Operations Centers to serve you. Agreements, Deposit Materials and notices to DSI should be addressed to: (select location)

Ø Attn: Client Services
 9265 Sky Park Court, Suite 202
 San Diego, CA 92123
 Telephone: (858) 499-1600
 Facsimile: (858) 694-1919
 E-mail: clientservices@dsiescrow.com

or

✗ Attn: Client Services
 2100 Norcross Parkway, Suite 150
 Norcross, GA 30071
 Telephone: 770-239-9200
 Facsimile: 770-239-9201
 E-mail: clientservices@dsiescrow.com

All invoice fee remittances to DSI should be addressed to:

DSI Technology Escrow Services, Inc.
 PO Box 27131
 New York, NY 10087-7131

Date: 3/31/03

NAME OF INITIAL MASTER PREFERRED
ESCROW ACCOUNT

Depositor Company Number 3529

_____ ("Depositor") has entered into a Master Preferred Escrow Agreement with DSI Technology Escrow Services, Inc. ("DSI"). Pursuant to that Agreement, Depositor may deposit certain Deposit Materials with DSI.

The initial account will be referenced by the following name: _____

Deposit Account Number 5376

Depositor

By: _____

Name: _____

Title: _____

Date: _____

Depositor Company Number 3529

New Deposit Account Number _____

Depositor desires that new Deposit Materials be held in a separate account and be maintained separately from the initial account. By execution of this Exhibit E, DSI will establish a separate account for the new Deposit Materials. The new account will be referenced by the following name: _____.

Depositor	DSI Technology Escrow Services, Inc.
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

**PREFERRED BENEFICIARY
ACCEPTANCE FORM**

Depositor, Preferred Beneficiary and DSI Technology Escrow Services, Inc. ("DSI"), hereby acknowledge that _____ is the Preferred Beneficiary referred to in the Master Preferred Escrow Agreement effective _____, 20____ with DSI as the escrow agent and _____ as the Depositor. Preferred Beneficiary hereby agrees to be bound by all provisions of such Agreement.

Depositor hereby enrolls Preferred Beneficiary to the following account(s):

Account Name

Deposit Account Number

Notices and communications to Preferred Beneficiary should be addressed to:

Invoices should be addressed to:

Company Name: _____

Address: _____

Designated Contact: _____

Telephone: _____

Facsimile: _____

E-mail: _____

Contact: _____

P.O.#, if required: _____

Preferred Beneficiary

Depositor

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

DSI Technology Escrow Services, Inc.

By: _____

Name: _____

Title: _____

Date: _____

TECHNICAL VERIFICATION OPTIONS

LEVEL I - Inventory

This series of tests provides insight into whether the necessary information required to recreate the Depositor's development environment has been properly stored in escrow. These tests detect errors that often inhibit effective use of the escrow deposit.

Steps include: Analyzing deposit media readability, virus scanning, developing file classification tables, identifying the presence/absence of build instructions, and identifying materials required to recreate the Depositor's software development environment. At completion of testing, DSI will distribute a report to Preferred Beneficiary detailing DSI's investigation. This report will include build instructions, file classification tables and listings. In addition, the report will list required software development materials, including, without limitation, required source code languages and compilers, third-party software, libraries, operating systems, and hardware, as well as DSI's analysis of the deposit. When identifying materials required to recreate Depositor's software development environment, DSI will rely on information provided in Depositor's completed questionnaire (obtained via a DSI verification representative) and/or information gathered during DSI's testing experience.

LEVEL II - Build

This series of tests includes a standard effort to compile the Deposit Materials and build executable code.

Steps include: Recreating the Depositor's software development environment, compiling source files and modules, recreating executable code, and providing a listing of the hardware and software configurations necessary to recreate the Depositor's software development environment. DSI will also create a report detailing the steps necessary to recreate the development environment, problems encountered with testing, and DSI's analysis of the deposit.

LEVEL III - Validation

A Level III verification consists of testing the functionality of the compiled Deposit Materials (in a production setting or similar environment) and can be accomplished through one of the following three options:

Option A – With the Depositor's approval, executables created by DSI during Level II testing are provided to the Preferred Beneficiary for functionality testing.

Option B – The Preferred Beneficiary provides DSI with a copy of its licensed executables. DSI compares the executables created during Level II testing with the licensed executables and provides a comparison report to all parties.

Option C – DSI recreates the runtime environment for the licensed technology and installs the executables created during the Level II testing into that environment. (The environment is generally "scaled down" from the actual live environment.) DSI then runs test scripts supplied by the Preferred Beneficiary and provides a report of the test results to all parties. This may require Depositor approval.

For additional information about DSI Technical Verification Services, please contact a verification specialist at (800) 962-0652 or by e-mail at verification@dsiescrow.com.