

City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: September 1, 2009

SUBJECT: Contract with Eden Systems (A Division of Tyler Technologies) for
Financial and Land Management System

Report in Brief

The City's current financial and land management software systems are antiquated and suffer from limited functionality, performance and occasional downtimes. These issues are critical inefficiencies to the City's core systems which negatively impact daily business operations and, most importantly, the services provided to the Woodland community.

In the current economic climate, the City is being asked to do more with less. In order to leverage technology to improve and in some cases automate existing business processes and eliminate inefficiencies, the approved 10-year Capital Improvement Plan includes resources to implement a new financial and land management system. An internal process implemented over the last year led to the conclusion that the system offered by Tyler Eden would provide the best result for the City based on functionality and Return on Investment (ROI).

Staff recommends that the City Council authorize the City Manager to enter into a contract with Tyler Eden for the implementation of a Financial and Land Management Software System, including Electronic Timekeeping and Human Resources modules as described herein.

Background

The implementation of a new Enterprise Information System (EIS) will automate processes that currently require excessive staffing and will help eliminate inefficiencies and limited functionality existing in the current systems. These conditions often result in duplicative, non-automated processes that are inaccurate and inefficient. In addition, the new EIS will allow the City to improve customer service through modernized processes including online utility payments, online viewing of historical utility usage and payment history, online payment of permits and business licenses and capability of "one-stop" payments through a centralized cashiering module.

In addition to the features which will benefit the City's external customers, the EIS project will include implementation of two new technologies that will assist in automating Timekeeping and

Human Resources services. These processes are currently handled manually and the transition to automation will allow employees to accurately track their time and facilitate the City's transition to a Performance Based Budget that will define goals, objectives and performance measures.

An important thrust of the EIS project is the re-engineering of existing City business processes in order to fully leverage the efficient use of automation. Implementation of the new system will require all City programs to reevaluate their business practices and revise procedures to utilize the new technology. While this will be challenge given the City's reduction in its workforce, it is also essential to complete for exactly the same reason. Improved efficiencies will allow the organization to maintain or in some cases improve levels of service despite the loss of positions in many departments.

In order to select the optimal financial and land management system, the City assembled a System Acquisition Team (SAT) with the goal of selecting an integrated solution. An RFP process was initiated which resulted in eleven vendors proposal submissions. The eleven proposals were reviewed and the top five vendors were provided one day to demo their product to the City. Vendor demos were reviewed by the SAT members and Technology Services staff. Potential systems were investigated on customer satisfaction from end-users' and technology support/maintenance perspectives. Additionally, MISAC members' (Municipal Information System Association of California) experience and recommendations were also considered.

SAT members spent over 12 months reviewing "Enterprise Resource Planning" (ERP) and "Best of Breed" (BOB) systems. In the end, Tyler Eden Financials and Tyler Eden Community Services were selected as the optimal integrated ERP system for the City of Woodland. This system is expected to meet the City's core financial and land management needs for many years to come.

Discussion

The City's current Financial System is Pentamation, a SunGard product. Pentamation was originally implemented on a UNIX HP3000, which at that time was already an antiquated server. All commands had to be typed manually, unlike today's Windows/Apple interfaces as the system did not have a modern mouse, point and click type, interface. In 2005, Pentamation was upgraded to work on a Windows server although the Pentamation program actually continued to operate as a UNIX program. This upgrade provided limited improvement in Information Technology operations; however, the UNIX and Windows systems are not fully compatible and inefficiencies in many business operations continued.

SunGard's hurried effort to bring their financial and land management software to a Windows environment created technical complexities that resulted in a system with a significant number of technical issues and limitations. SunGard has attempted to resolve issues in their software through releases of various patches and/or upgrades. However, each patch or upgrade has created an average of 20 additional issues, resulting in system downtime.

The City's Information Technology (IT) Division has limited resources and expertise in supporting Pentamation. Because of the limited resources and the continued difficulties resulting from the

patches and upgrades, it was determined that the City would no longer continue to implement SunGard “fixes”. Though SunGard continues to support the City’s Pentamation version, it has discontinued marketing the Pentamation version sold to the City of Woodland. This has affected the City’s ability to receive adequate and qualified technical support. Only a single individual on SunGard’s technical staff has knowledge on the City’s Pentamation version configuration; whenever he is unavailable, backend system support is practically non-existent. This technical support situation is further aggravated by the fact that Pentamation is located on the east coast, and daily support terminates at 2PM for west coast clients; problems that arise after 2PM will not be addressed until the following day at the earliest.

System documentation is an important tool for both technical support purposes and end-user guidance and instruction. This documentation has been consistently lacking from SunGard and was not rectified during the 2005 upgrade. To make matters worse, SunGard has historically made changes, primarily remotely, to the City’s Pentamation system. These changes are not regularly documented, nor have updates been provided to the City of Woodland; this has further exacerbated the difficulty in supporting the existing system and user requirements.

In summary, it is nearly impossible to continue using the outdated and inefficient Pentamation system despite the “fixes” provided by SunGard since 2005. As the City of Woodland is a \$126.3 million enterprise with a wide variety of business operations ranging from water utilities to public safety, a system that will accurately and efficiently track the resources required for these services is an essential business tool.

The process that resulted in the selection of Tyler Eden will address inefficiencies in the financial and land management systems. The following information summarizes the most critical system features that will improve the management of these areas.

Financial System

The financial portion of Pentamation often requires staff to develop manual “workarounds” in order to accomplish various tasks. Minimizing manual processes is important for both efficiency and accuracy. A major concern with Pentamation is the lack of automated controls that promote policy and budgetary compliance. The City’s auditors have consistently commented on this lack of system controls, noting that manual processes are inherently prone to failure and they have suggested implementation of different financial system would present less risk to the City.

Staff believes that implementation of the selected vendor for the EIS project will increase efficiency while simultaneously expanding safeguards and controls and improving accuracy and availability of information. Features available with the Tyler Eden Financial system include:

1. The ability to display 8 years of history in the budget module
2. The ability to reopen closed purchase orders.
3. The ability of limit spending to budgeted amounts approved.
4. The ability to delineate rolled over encumbrances from current fiscal year budgeted amounts.

5. GASB reporting capability will save hundreds of accounting staff hours.
6. The ability to implement an e-Gov solution for Woodland citizens to view payment history and make payments online.
7. Query by Example (QBE) reporting, end users will have the option of choosing which data to display in a report and can also build their own queries by using the QBE report customization form.
8. Workflow Assistant will provide electronic notifications and approvals. This will improve current work flow processes that transverse multiple departments and will help identify bottlenecks. The ability to go paperless is available with this feature.
9. Electronic Timekeeping, will allow employees and customers (vendors and contractors) to process their timecards, view vacation and sick leave accruals. Electronic timekeeping ties into Project Accounting linking both payroll and billing of outside clients.
10. Project Accounting will allow all departments involved to see tasks assignments, notes and project status, and will help identify bottlenecks.
11. Online self-help service for employees to view and change benefits and beneficiary information
12. Comprehensive Annual Financial Reporting (CAFR)
13. Centralized Cashiering, one-stop payment centers where citizens can pay a utility bill, business license, building permit, Parks' class, parking citation or even, library overdue book fees.
14. Ability to approve and route purchase orders electronically.
15. Improved granular security that is easier to understand and configure.
16. Helpdesk has West Coast hours instead of being cutoff at 2PM each day.

Land Management System

The City's current land management system, Community Plus, was implemented as an afterthought to the Finance module and does not adequately meet the requirements of the Community Development Department, particularly as development within the City continues. The Community Plus software, like the accounting software, has limited functionality and issues. The issues and limited functionality have caused the following conditions to occur:

1. Corruption of City owner parcels and addresses information.
2. Lost revenue caused by poorly designed work flow functionality
3. Continuous staff productivity loss in using ineffective software
4. Limitation of services to the Woodland community
5. Limited data retrieval and analysis functionality hinders the ability to make sound business decisions in a timely manner

Features available with the Tyler Eden Land Management system include;

1. Full integration with the City's financial system, only available in larger, very costly systems. This will eliminate double-entry and batch file processes currently in place.
2. Workflow Assistant will provide electronic notifications and approvals. This will improve current work flow processes within CDD divisions and other departments, track and report

- project status, identify pending tasks/responsible staff and will help identify bottlenecks. The ability to go paperless is available with this feature.
3. Project Accounting will allow all departments involved to see tasks assignments, notes and project status and are linked into timekeeping for billing outside clients.
 4. Ability to view land management tasks and projects spatially through the integration of GIS
 5. Ability to limit record creation for only actual addresses and have address name standardization. This will help ensure a single record created
 6. Ability to notify residents of proposed/planned projects, business license requests, etc., by identifying a buffer zone which is made up of an address and a radius. Mailings can then be automatically generated for residents in the buffer zone.
 7. Provide the City Council and upper management with a high level view of land management projects, including details such as; building, permits, licensing, home foreclosures and code violations.
 8. Query by Example reporting, end users will have the option of choosing which data to display in a report and can also build their own queries by using the QBE report customization form.
 9. The ability to implement an e-Gov solution for Woodland citizens to view status of permits and business licenses, view payment history and make payments online.
 10. The ability to make mass fee changes in advanced with a pre-determined activation date. Currently, fee changes cannot be made in advanced or in mass. Each fee charge must be manually updated and can take approximately 2-3 weeks to complete.
 11. Centralized Cashiering, one-stop payment centers where citizens can pay a utility bill, business license, building permit, Parks' class, parking citation and library overdue book fees.

The ROI savings in implementing this approximately \$1,200,000 project is conservatively estimated at \$454,358 annually, making the return on the City's investment less than 36 months. The ROI was developed after the Financial and Land Management system had been selected. It was developed with the help of SAT representatives from Finance, CDD and Human Resources. SAT representatives were asked to examine areas where measurable cost savings could be identified and to estimate, conservatively, the number of hours that could be saved if the examined area was enhanced by the proposed system. The number of hours estimated for each service area was multiplied by the "C" step salary of the position responsible for the service area.

The attached ROI document was developed to justify the necessity for the City to implement a fully-integrated Enterprise Information System. The necessity is justified through the recognition of measurable savings that can, after the first year's implementation, be reallocated in a manner that meets the needs of the community.

Fiscal Impact

The FY09/10 Capital Budget adopted by the City Council on June 16, 2009 included \$472,628 of appropriations for the EIS Project (08-37). The ten-year Capital Improvement Program also includes four additional year allocations for annual software purchase payments (\$162,000) for a total project cost of \$1,243,638. As part of the agreement, Tyler Eden has agreed to carry the software purchase

loan for a 5-year period at a 2% interest rate. Tyler Eden's agreement to carry the loan internally indicates a commitment to their product and to the City and merits acknowledgement. It should also be noted that under a full ROI discussion the interest rate and deferred software purchase costs, especially during the current economic situation, should also be taken into consideration. It provides a less financially burdensome opportunity for the City to implement new technology.

Public Contact

Posting of the City Council agenda.

Alternative Courses of Action

1. Authorize the City Manager to enter into a contract Tyler Eden for the implementation of a Financial and Land Management System that will include Timekeeping and Human Resources Modules as described herein.
2. Cease further consideration of the Tyler Eden contract and direct staff to continue using the existing systems or seek alternative proposals.

Recommendation for Action

Staff recommends that the City Council approve Alternative No. 1.

Prepared by: Manuel Soto
Technology Services Manager

Reviewed by: Sue Vannucci
Director of Administrative Services

Agreement reviewed by: Andrew Morris, City Attorney
Best Best & Krieger

Mark G. Deven
City Manager

Attachments

RETURN ON
INVESTMENT
ANALYSIS

EDEN SYSTEMS
A DIVISION OF TYLER
TECHNOLOGIES

FINANCIAL/
LAND MANAGEMENT
SOFTWARE

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Introduction

A comprehensive Return on Investment (ROI) analysis for the EIS project is dependent upon a variety of factors, not the least of which is a comprehensive review of existing business processes. In lieu of a costly review of all processes the System Acquisition Team has examined some likely service areas in which measurable cost savings could be identified. This has allowed us to provide some data with which to measure the relative value of acquiring and implementing a new system. Some of the process improvements were not quantifiable without significant review and documentation; in those instances any potential savings have been listed as "unknown." The cost savings identified here are conservative estimates and it is anticipated that actual realized savings will be greater.

The Finance, Human Resources and Community Development Departments were interviewed and the results are included below. All cost savings identified have been extrapolated to a full fiscal year.

SUMMARY ROI SAVINGS

| | |
|--|-----------|
| Finance Department Annualized Savings: | \$119,300 |
| Human Resources Annualized Savings: | \$ 5,760 |
| Community Department Annualized Savings: | \$329,298 |
| Total Annual Savings: | \$454,358 |

FINANCE DEPARTMENT

Payroll

With the current system (Pentamation), all payroll data is entered manually in the system by a Finance Specialist assigned to the payroll function. Employees submit paper time cards containing information about hours worked, type of leave used, and project billing. This data is manually transferred to the Pentamation payroll module. In addition to the monthly entry of timecard data, the Finance staff must make any changes in the system related to employee information, benefit changes, etc. even though this information is also entered in the Human Resources module by HR staff. The Finance Specialist spends approximately 40 hours per month doing this data entry at a cost of \$1,350 per month. Additionally, the current link between payroll, human resources, and position control is not efficient causing three different people (HR Tech, Accountant, Finance Specialist) to perform data entry in the system for a single position change.

Minimum Annualized Cost Savings: \$16,200

Project Accounting / Liability Accounts

Staff time charged to projects and liability accounts are currently accounted for with a manual process involving a spreadsheet and related journal entries. Accounting staff has to manually make adjustments based on the paper timecards submitted by employees for the hours they wish to charge to projects. Staff spends approximately 20 hours per month on this manual process for a normal month at a cost of approximately \$800. Additional time is spent researching information for departments with questions about their projects and liability accounts.

Minimum Annualized Cost Savings: \$ 9,600

GASB Reporting

The preparation of the City's annual financial statements is extraordinarily cumbersome and time consuming and involves many manual processes. Very large spreadsheets are created with manual data entry from Pentamation reports to produce the reports needed to complete the audit. Staff spends approximately 160 hours per year preparing reports needed to create the financial statements, and another 160 hours per year providing information to the auditors as they request it, totaling approximately \$15,500. The ability for a system to automatically create financial statement reports in an "audit-ready" format would easily cut this time in half. Based on some difficulties with the manual processes we are forced to use with Pentamation, it is anticipated that we will receive a management comment about this in subsequent audits.

Minimum Annualized Cost Savings: \$15,500

Contract Management

The City receives a management comment from the auditors each year regarding the need for a centralized contract management system. The current system does not allow for an integrated contract management process and the result is that each department is managing their own contracts in their own way. There have also been issues in the past involving fraudulent contract management which could likely be avoided with a centralized system. Staff is unable to determine how much time could be saved by automating contract management due to the current decentralization; however possible fraudulent contracts could be avoided.

Minimum Annualized Cost Savings: Unknown

Paperless/Online Utility Billing

A system that would allow for integrated online access for utility customers to view their account activity and pay their bills would save time and money for the utility billing function of the Finance Department. The City currently spends approximately \$78,000 on printing, mailing, and processing of paper utility bills. Additionally, it has been the direction of the Council to work toward online and/or electronic bill pay.

Minimum Annualized Cost Savings: \$78,000

Investment Management

A number of new projects could be undertaken with more available time. An example would be more comprehensive investment portfolio management which could possibly increase yield. Many organizations have one FTE devoted completely to the management of their investments and this responsibility is only one of many for our Senior Accountant. A financial system which was more conducive to investment tracking and management, combined with an increase in available time due to improvements in other functional areas could mean better returns on the City's investments.

Minimum Annualized Cost Savings: Unknown

HUMAN RESOURCES

Employee Information Capture

The capture of benefits and allowance information currently requires the employee come to the HR office. Allowing an online change of information would result in both HR and employee staff time savings.

Minimum Annualized Cost Savings: \$5,760

Data Report Generation

The current system does not allow for capture or extraction of all data required for HR reporting. As a result some data is tracked through other means (alternate databases, etc.) in order to provide necessary statistical information. Elimination of this process will result in less redundant data entry and increased staff time savings.

Minimum Annualized Cost Savings: Unknown

Position Control

This element affects Payroll, HR and Budgeting staff. An Employee Access Center will enable an end user to perform tasks currently accomplished by one or more of these staff areas, with a commensurate reduction in redundant data entry.

Minimum Annualized Cost Savings: Unknown

COMMUNITY DEVELOPMENT

Appointment Scheduling

The current appointment scheduling process is cumbersome and requires several layers of redundant data entry. Inspectors must maintain individual calendars and customers are unable to request, edit or reschedule appointments without manual interaction with staff. An automated IVR (Interactive Voice Response) system would allow these capabilities and integrate with staff calendar programs (Microsoft Outlook).

Minimum Annualized Cost Savings: \$13,910

Permits

It is projected that approximately 15% of permits can be issued by making online permitting available to customers. This would enable time savings for both customers and staff, as well as result in a small increase (projected at 5%) in the total numbers of permits issued (as customers who would not normally purchase a permit because of the time involved do so online).

Minimum Annualized Cost Savings: \$205,455

Defining Fee Schedule

Resetting the Fee Schedule in the current system requires a manual change to each individual fee calculation in the fee table. A universal fee change capability (i.e. increasing fees across the board by 5%) would save significant staff time.

Minimum Annualized Cost Savings: \$3,200

Project Management

Managing projects in the current system involves maintaining several different data sets outside of the primary system to enable tracking of all necessary data. Reporting against that data is a largely manual process.

Minimum Annualized Cost Savings: \$48,000

Business Licenses

It is projected that enabling online issuance of Business Licenses will save two hours of staff time per day, in addition to printing and mailing costs.

Minimum Annualized Cost Savings: \$4,160

Code Enforcement

Because of the inaccuracy of critical owner data in the current system, the Code Enforcement process is completely manual. Enabling use of a new program will allow for cost savings through a variety of avenues (data tracking, printing and mailing, event tracking, shared data with other department divisions, etc.).

Minimum Annualized Cost Savings: \$28,333

Document Management

Online document availability and electronic management will result in cost savings through elimination of outside document support costs and widespread access to data for both staff and customers.

Minimum Annualized Cost Savings: \$20,000

Management Reporting

Compilation of reports for management is largely manual. Acquisition of a system with robust reporting capability and centralization of all data will result in staff time savings.

Minimum Annualized Cost Savings: \$6,240

City of Woodland – Tyler Technologies Agreement

This agreement (“Agreement”) is made this ____ day of ____, 2009 (“Effective Date”) by and between Tyler Technologies, Inc. with offices at 1100 Oakesdale Avenue SW, Renton, Washington 98057 (“Tyler”) and the City of Woodland with offices at 300 First Street, Woodland, California 95695 (“City”).

WHEREAS, the City desires the services of Tyler in conjunction with the purchase and implementation of Tyler EDEN software product, along with associated consulting and professional services; and

WHEREAS, Tyler has presented a proposal for such services to the City, dated July 11, 2008 (incorporated by reference as Exhibit 6) and is duly licensed, qualified and experienced to perform those services;

NOW, THEREFORE, the parties hereto mutually agree as follows:

Section A – General Terms and Conditions

- 1. Scope of Work.** Tyler shall do all work, attend all meetings, produce all reports and carry out all activities necessary for completion of the services described in the Scope of Work, attached hereto and incorporated herein by this reference as Exhibit 5. This Agreement and its exhibits shall be known as the "Agreement Documents." Terms set forth in any Agreement Document shall be deemed to be incorporated in all Agreement Documents as if set forth in full therein. If any portion of the Agreement Documents shall be in conflict with any other portion, provisions contained in the Agreement shall govern over conflicting provisions contained in the exhibits to the Agreement.
- 2. Independent Contractor.** Tyler enters into this Agreement as an independent contractor and not as an employee of the City. Tyler shall have no power or authority by this Agreement to bind the City in any respect. Nothing in this Agreement shall be construed to be inconsistent with this relationship or status. All employees, agents, contractors or subcontractors hired or retained by Tyler are employees, agents, contractors or subcontractors of Tyler and not of the City. The City shall not be obligated in any way to pay any wage claims or other claims made against Tyler by any such employees, agents, contractors or subcontractors, or any other person resulting from performance of this Contract.

Tyler agrees it has satisfied itself by its own investigation and research regarding the conditions affecting the work to be done and labor and materials needed, and that its decision to execute this Agreement is based on such independent investigation and research.

- 3. Time of Performance.** The services of Tyler are to commence upon execution of this Agreement by, and receipt of written notice to proceed from City, and shall be undertaken and completed in a prompt and timely manner.

The City Manager or his or her designee may, by written instrument signed by the Parties, extend the duration of this Agreement for an additional period not to exceed the lesser of one year or the original term of this Agreement, provided the extension does not require the payment of compensation in excess of the maximum compensation set forth in Section A, Article 4, "Compensation".

4. Compensation.

- a. Tyler shall be paid in accordance with the Fee and Payment Schedule, attached hereto and incorporated herein by this reference as Exhibit 4, for Tyler's contracted fees, but in no event shall total compensation exceed Seven Hundred Twenty Five Thousand, Eight Hundred Seventy Dollars(\$725,870), for and based on the scope of services outlined in the Statement of Work attached to this Agreement, and further provided that (i) Client fully and timely performs all its responsibilities set forth in the Statement of Work and any Project Plan mutually developed there under, (ii) all assumptions set forth in the Data Conversion Process are realized; and (iii) in the event the City requires additional products or services not included in the Investment Summary, the not-to-exceed figure shall not apply. Notwithstanding the foregoing, if force majeure or catastrophic events occur beyond the reasonable control of Tyler and without fault or negligence of Tyler, the parties agree to negotiate in good faith additional fees (including but not limited to travel expenses) to be paid to Tyler.
- b. Travel will be billed in accordance with Tyler's then current "Business Travel Policy" attached hereto as Exhibit 3. Notwithstanding the foregoing, Tyler shall apply the terms of Tyler's current Business Policy throughout the duration of City's implementation, with the exception of the mileage rates and per diem, which shall follow the standard market fluctuation. The federal daily per diem rate for Yolo County will apply to reimbursement of meals. In the event the City negotiates a special rate with a local hotel, City shall notify Tyler and Tyler will make best efforts to utilize the preferred accommodations.
- c. City shall pay Tyler for all products, services, and expenses not in dispute which were delivered or incurred prior to the date Tyler received City's notice of termination. Payment for products, services, and expenses in dispute will be determined in accordance with the dispute resolution process.

5. Termination.

- a. Termination for Convenience. This Agreement may be terminated, without cause, at any time by the City upon thirty (30) days' written notice. In the event of termination for convenience, Tyler shall be compensated as provided for in this Agreement. Upon such termination, the City shall be entitled to all work delivered, notwithstanding Tyler copyright or trademark information as specified in Section A, Article 30 "Ownership" hereunder.
- b. Termination for Cause. In the event of Tyler's failure to perform under this Agreement, City 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, City will have the right to terminate this Agreement. Upon such termination, City shall pay

Tyler for all products, services, and expenses not in dispute which were delivered or incurred prior to the date Tyler received City's notice of termination. Payment for products, services, and expenses in dispute will be determined in accordance with the dispute resolution process.

- c. The obligations of this Agreement relating to Tyler's obligations to defend and indemnify the City shall survive any termination of this Agreement.
 - d. Notwithstanding any provisions of this Agreement, Tyler shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of this Agreement by Tyler, and the City may withhold any disputed payments due to Tyler until such time as the exact amount of damages, if any, due the City from Tyler is determined.
6. **Changes.** The City may, from time to time, request changes in the scope of the services of Tyler to be performed hereunder. Such changes, including any increase or decrease in the amount of Tyler's compensation and/or changes in the schedule must be authorized in advance by the City, in writing. Mutually agreed changes shall be incorporated in written amendments to this Agreement, or the attached Scope of Work. Notwithstanding the foregoing, City shall pay Tyler for all products and services delivered prior to notice of said change in accordance with the agreed upon payment schedule as set forth in Exhibit 4.
7. **Extensions of Time.** Either Party may, for good cause, request extensions of time to perform the services required hereunder. Such extensions shall, if granted, be authorized in advance by the non-requesting party in writing and shall be incorporated in written amendments to this Agreement or the attached Scope of Work. In the event either party cancels services less than two (2) weeks in advance, the requestor is liable to the non-requesting party for all non-refundable expenses incurred on the requestor's behalf, provided that the non-requesting party provides a detailed invoice of such expenses within thirty (30) days of the cancellation of such services.
8. **Compliance with Local Law.** Tyler shall comply with all applicable laws, ordinances and codes of federal, state and local governments, and shall commit no trespass on any public or private property in performing the services authorized by this Agreement. All products and services supplied or furnished by Tyler shall comply with all federal and state mandates.
9. **Warranty.** Tyler agrees and represents that it is qualified to properly provide the services set forth in Section C in a manner which is consistent with the generally accepted standards of Tyler's profession. Tyler further represents and agrees that it will perform said services in a legally adequate manner in conformance with applicable federal, state and local laws and guidelines.
10. **Subcontracting.** None of the services covered by this Agreement shall be subcontracted without the prior written consent of the City, which may be withheld in City's sole and absolute discretion. Tyler shall be fully responsible to the City for the negligent acts and omissions of persons directly employed by Tyler, and of Tyler's contractors and subcontractors, and of persons directly employed by them.
11. **Assignability.** Neither party may assign an award or the mutually negotiated

contract without the prior written consent of the other party, except that Tyler may, without the prior express written consent of the City, assign the award or the mutually negotiated contract in its entirety to the surviving entity of any merger or consolidation or to any purchaser of substantially all of Tyler's assets. Notice of any assignment or transfer, whether voluntary or involuntary, shall be furnished promptly to the City.

- 12. Interest in Agreement.** Tyler covenants that neither it, nor any of its employees, agents, contractors, subcontractors has any interest, nor shall they acquire any interest, direct or indirect, in the subject of the Agreement, nor any other interest which would conflict in any manner or degree with the performance of its services hereunder.

Tyler shall make all disclosures required by the City's conflict of interest code in accordance with the category designated by the City, unless the City Manager determines in writing that Tyler's duties are more limited in scope than is warranted by the category designated by the City code and that a narrower disclosure category should apply. Tyler also agrees to make disclosure in compliance with the City conflict of interest code if, at any time after the execution of this agreement, City determines and notifies Tyler in writing that Tyler's duties under this agreement warrant greater disclosure by Tyler than was originally contemplated. Tyler shall make disclosures in the time, place and manner set forth in the conflict of interest code and as directed by the City.

- 13. Confidential Materials.** All of the materials prepared or assembled by Tyler pursuant to performance of this Agreement are confidential and Tyler agrees they shall not be made available to any individual or organization without the prior written approval of the City, except by court order.

- 14. Liability of Tyler-Negligence.** Tyler shall be responsible for performing the work under this Agreement in a manner which is consistent with the generally accepted standards of Tyler's profession and shall be liable for the acts, omissions, negligence or willful misconduct of its employees, agents, contractors and subcontractors. The City shall have no right of control over the manner in which the work is to be done but only as to its outcome.

- 15. Indemnification.** Tyler shall indemnify, defend, and hold harmless the City, its officers, officials, agents, and employees from and against any and all claims, damages, demands, liability, costs, losses and expenses, including without limitation court costs and reasonable attorneys' fees arising out of or in connection with the acts, omissions, negligence or willful misconduct on the part of Tyler and its negligent failure to comply with any of its obligations contained in the Agreement Documents, except such loss or damage which was caused by the sole negligence or willful misconduct of the City.

- 16. Tyler to Provide Insurance.**

- a.** Tyler shall not commence any work before obtaining, and shall maintain in force at all times during the duration and performance of this Agreement the policies of insurance specified below. Such insurance must have the approval of the City as to limit, form, and amount, and shall be placed with

- insurers with a current A.M. Best's rating of no less than A:VII.
- b. Prior to execution of this agreement and prior to commencement of any work, Tyler shall furnish the City with original endorsements effecting coverage for all policies required by the Agreement. The endorsements shall be signed by a person authorized by the insurer to bind coverage on its behalf. Tyler's insurer shall, subject to the approval of the City, provide complete, certified copies of all required certificates affecting the coverage required by this Section. Tyler agrees to furnish one copy of Tyler's General Liability policy to the City, and additional copies as requested in writing, certified by an authorized representative of the insurer. Approval of the insurance by the City shall not relieve or decrease any liability of Tyler.
 - c. In the case of the professional liability insurance required by this Section, Tyler's insurer must provide a complete, certified copy of the certificate.
 - d. Each insurance policy required by this Agreement shall be endorsed to state that coverage shall not be suspended, voided, canceled, terminated by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.
 - e. The requirement as to types, limits, and the City's approval of insurance coverage to be maintained by Tyler are not intended to, and shall not in any manner, limit or qualify the liabilities and obligations assumed by Tyler under the Agreement.
 - f. Tyler and its contractors and subcontractors shall, at their expense, maintain in effect at all times during the performance or work under the Agreement not less than the following coverage and limits of insurance, which shall be maintained with insurers and under forms of policy satisfactory to the City. The maintenance by Tyler and its contractors and subcontractors of the following coverage and limits of insurance is a material element of this Agreement. The failure of Tyler or of any of its contractors or subcontractors to maintain or renew coverage or to provide evidence of renewal may be treated by the City as a material breach of this Agreement.
 - g. ***Worker's Compensation and Employer's Liability Insurance***
 - i. Worker's Compensation - Insurance to protect Tyler, its contractors and subcontractors from all claims under Worker's Compensation and Employer's Liability Acts ("Acts"). Such coverage shall be maintained, in type and amount, in strict compliance with all applicable state and Federal statutes and regulations. Tyler shall execute a certificate in compliance with Labor Code Section 1861 according to the City's direction.
 - ii. Claims Against City - If an injury occurs to any employee of Tyler for which the employee or his/her dependents, in the event of his death, may be entitled to compensation from the City under the provisions of said Acts, for which compensation is claimed from the City, there will be retained out of the sums due Tyler under this Agreement, an amount sufficient to cover such compensation as fixed by said Acts, until such compensation is paid or it is determined that no compensation is due. If the City is required to pay such compensation, the amount so paid will be deducted and retained from such sums due, or to become due to Tyler, or, if Tyler has already been paid all compensation due under this Agreement,

Tyler shall reimburse the City for the amount so paid within forty five(45) days of a demand by the City for such reimbursement.

h. *Comprehensive General and Automobile Liability Insurance*

- i.** The insurance shall include, but shall not be limited to, protection against claims arising from death, bodily or personal injury, or damage to property resulting from actions, failures to act, or operations of the insured, or by its employees or agents, or by anyone directly or indirectly employed by the insured. The amount of insurance coverage shall not be less than one million dollars (\$1,000,000.00) per occurrence.
- ii.** The comprehensive general and automobile liability insurance coverage shall also include, or be endorsed to include, the following:
- iii.** Provision or endorsement naming the City and each of its officers, employees, and agents, as additional insureds under Tyler's General Liability policy in regards to: liability arising out of the performance of any work under the Agreement; liability arising out of activities performed by or on behalf of Tyler; premises owned, occupied or used by Tyler; or automobiles owned, leased, hired or borrowed by Tyler. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, officials, employees or volunteers.
- iv.** Any insurance or self insurance maintained by the City, its officers, officials, employees or volunteers shall be in excess of Tyler's insurance and shall not contribute with it. Provision or endorsement stating that any failure to comply with reporting or other provisions of the policies including breaches of representations shall not affect coverage provided to the City, its officers, officials, employees, or volunteers.
- v.** Provision or endorsement stating that Tyler's insurance shall apply separately to each insured against who claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- vi.** Provision or endorsement stating that such insurance, subject to all of its other terms and conditions, applies to the liability assumed by Tyler under the Agreement, including, without limitation, that set forth in Section A, Article 15 "Indemnification".

i. *Professional Liability*

- i.** Tyler and its contractors and subcontractors shall secure and maintain in full force, during the term of this Agreement professional liability insurance policies appropriate to the respective professions and the work to be performed as specified in this Agreement. The limits of such professional liability insurance coverage shall not be less than one million dollars (\$1,000,000.00) per claim.

17. Taxes. The fees set forth in Exhibit 4 – Fee and Payment Schedule 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 City to Tyler. In the event City possesses a valid direct-pay permit, City will forward such permit to Tyler on the Effective Date of this Agreement, in accordance with the relevant General Terms and Conditions. In such event, City shall be responsible for remitting all applicable taxes to the proper authorities. If tax-exempt, City shall

provide Tyler with City's tax-exempt certificate.

- 18. Services Warranty.** Tyler warrants that it shall perform services in a professional, workmanlike manner, consistent with industry standards. In the event Tyler provides services that do not conform to this warranty, Tyler shall re-perform the services, to the City's satisfaction, at no additional cost to City,
- 19. 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.
 - c. 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 subject to Section 5 of this Agreement. This paragraph shall not relieve City of its responsibility to pay for services and goods provided to City and expenses incurred on behalf of City prior to the effective date of termination.
 - d. In no event shall strikes, slowdowns, or labor disputes with respect to Tyler or any subsidiary, affiliate, or subcontractor be deemed force majeure events.
- 20. Disclaimer.** THE RIGHTS, REMEDIES, AND WARRANTIES SET FORTH IN THIS AGREEMENT ARE EXCLUSIVE AND IN LIEU OF ALL OTHER RIGHTS, REMEDIES, AND WARRANTIES EXPRESSED, IMPLIED, OR STATUTORY, INCLUDING, WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND SYSTEM INTEGRATION, WHICH ARE HEREBY DISCLAIMED BY TYLER.
- 21. Dispute Resolution.** Should a dispute arise with respect to this Agreement, the aggrieved party will notify the other party immediately in writing. If Tyler and City cannot resolve a dispute within thirty (30) calendar days following notification in writing by either party of the existence of said dispute, then 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, City's Project Manager for this project, and the two (2) appointees is called a Dispute Resolution Group.
 - b. The Dispute Resolution Group shall convene, either in person or via telephonic or other electronic transmission, 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 minimum of a two (2) hour session, 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.

- c. Nothing in this Section 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, or resolve the dispute through other alternative means.

- 22. **No Intended Third Party Beneficiaries.** This Agreement is entered into solely for the benefit of Tyler and City. 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.
- 23. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California. The parties hereby acknowledge that this Agreement was entered into in Woodland, California and that any action to interpret or enforce this Agreement shall be brought in Yolo County Superior Court or in the Eastern District of California.
- 24. **Entire Agreement.** This Agreement represents the entire agreement of City and Tyler with respect to the subject matter hereof, and supersedes any prior agreements, understandings, and representations, whether written, oral, expressed, implied, or statutory. City hereby acknowledges that in entering into this Agreement it relied solely on information explicitly set forth in this Agreement, including information in the Agreement Documents attached or incorporated by reference. This Agreement supersedes all prior communications, understandings and agreements relating to the subject matter hereof, whether oral or written.
- 25. **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.
- 26. **Modification.** This Agreement may only be modified by written amendment signed by authorized representatives of both parties.
- 27. **Approval of Governing Body.** City represents and warrants to Tyler that this Agreement has been approved by its governing body and is a binding obligation upon the City.
- 28. **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:
 - a. Actually received,
 - b. Upon receipt by sender of a certified mail, return receipt signed by an employee or agent of the party,

- c. Upon receipt by sender of proof of email delivery, or
- d. If not actually received, ten (10) days after deposit with the United States Postal Service authorized mail center with proper postage (certified mail, return receipt requested) affixed and addressed to the respective other party at the address set forth in this Agreement or such other address as the party may have designated by notice or Agreement amendment to the other party.
- e. 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
Attention: Contracts Manager

Client:

City of Woodland
300 First Street
Woodland, California 95695
Attn: Technology Services Manager

- 29. 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 information that:
- a. At the time of the disclosure is in the public domain;
 - b. After disclosure, becomes part of the public domain by publication or otherwise, except by breach of this Agreement by a party;
 - c. A party can establish by reasonable proof was in that party's possession at the time of disclosure;
 - d. A party receives from a third party who has a right to disclose it to that party; or
 - e. Is subject to a request made under the Freedom of Information Act or California Public Records Act, 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.

30. Ownership.

- a. Tyler shall retain ownership (including all copyright) of all products and materials generated for the City, including but not limited to software products, reports, charts, displays, schedules, exhibits and other documentation, as Tyler incorporates all client-specific technology into general releases for the benefit of all Tyler clients. Tyler will continue to retain all rights, title and interests in and to all of the Tyler products and other materials created by Tyler. Tyler software products, according to U.S. Copyright Law, cannot be classified as “work for hire”. Tyler will not assign any of its rights, title and interest in and to all of the Tyler products and other materials created by Tyler. Tyler will not assign any of its rights, title and interest in and to all of the Tyler products and other materials created by Tyler. City may not use any of Tyler’s proprietary and copyrighted material without the express written permission of Tyler, at Tyler’s sole discretion.
- b. Notwithstanding the foregoing, upon termination of this Agreement, the City shall be entitled to City-generated data, including but not limited to, appraisals, inventories, studies, analyses, drawings and data estimates performed prior to termination.

31. Shipping. Delivery shall be F.O.B. the City facility to which any product has been shipped. Tyler shall all risk of loss or damage to items while in transit.

32. Miscellaneous Provisions.

- a. Tyler shall designate a project manager who at all times shall represent Tyler before the City on all matters relating to this Agreement. The project manager shall continue in such capacity unless and until he or she is removed at the request of the City, is no longer employed by Tyler, or replaced with the written approval of the City, which approval shall not be unreasonably withheld.
- b. Tyler shall keep itself fully informed of, shall observe and comply with, and shall cause any and all persons, firms or corporations employed by it or under its control to observe and comply with, applicable federal, state, county and municipal laws, ordinances, regulations, orders and decrees which in any manner affect those engaged in the delivery of services.
- c. Tyler shall not engage in unlawful employment discrimination. Such unlawful employment discrimination includes, but is not limited to, employment discrimination based upon a person's race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, gender, citizenship or sexual orientation.
- d. Tyler shall maintain and make available for onsite inspection by the City and its auditors accurate records of all of its costs, disbursements and receipts exceeding five dollars (\$5) with respect to any work under this Agreement. Such inspections may be made during regular office hours with one week advanced notice for 3 years from contract execution.

Section B Software License

1. License Grant.

a) Upon the effective date of this Agreement, Tyler hereby grants to City a non-exclusive, non-transferable, royalty-free, revocable license to use Tyler software products and related interfaces (collectively, the "Tyler Software Products") and Tyler user manuals for City's internal business purposes only and otherwise subject to the terms and conditions of this Agreement. This license is revocable by Tyler only if City fails to comply with the terms and conditions of this Agreement, including without limitation, City's failure to timely pay the Application Software License Fees in full. Upon City's payment in full for Tyler Software Products, this license shall become irrevocable, subject to the restrictions on use and other terms set forth in this Agreement.

b) Subject to City's license to use such products, Tyler shall retain ownership of Tyler Software Products and user manuals.

c) Tyler Software Products are not licensed to perform functions or processing for entities that were not disclosed to Tyler prior to the effective date of this Agreement, provided that all departments and division of the City shall be deemed to be part of the City, and not separate entities.

d) The right to transfer Tyler Software Products to a replacement hardware system is included in this Agreement. City shall pay Tyler for the cost of new media or any required technical assistance to accommodate the transfer. The City will make best efforts to inform Tyler of the planned move.

e) City acknowledges and agrees that Tyler Software Products and user manuals are proprietary to Tyler and have been developed as trade secrets at Tyler's expense. City shall use best efforts to keep Tyler Software Products and user manuals confidential and to prevent any misuse, unauthorized use or unauthorized disclosure of Tyler Software Products or user manuals by any party.

f) Tyler Software Products may not be modified. City shall not perform decompilation, disassembly, translation or other reverse engineering on Tyler Software Products. If City modifies Tyler Software Products, Tyler's obligations to provide maintenance services on and warranty Tyler Software Products shall be void.

g) City may make copies of Tyler Software Products for archive purposes only. City will repeat any and all proprietary notices on any copy of Tyler Software Products. City may make copies of 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 Tyler Software Products. At City's request, Tyler will add City as a beneficiary to such escrow agreement. City 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. City agrees to pay Tyler, and Tyler agrees to accept from City as payment in full for the license granted herein, the Application Software License Fees set forth in Exhibit 4 – Fee and Payment Schedule

3. Verification of Tyler Software Products.

City will select one (1) of the following two (2) options within thirty (30) days of installation by providing written notice to Tyler pursuant to this Agreement:

a) Within sixty (60) days after Tyler Software Products have been installed on City's hardware, Tyler will verify Tyler Software Products by demonstrating to City that Tyler Software Products perform all of the functions set forth in Exhibit 2 - Verification Test, which demonstration shall constitute verification that Tyler Software Products substantially conform to the then-current Tyler user manuals and the functional descriptions of Tyler Software Products in Tyler's written proposal to City (Exhibit 6); or

b) Within sixty (60) days after Tyler Software Products have been installed on City's hardware, City may use its own process to verify that Tyler Software Products perform all of the functions set forth in Exhibit 2 - Verification Test, which shall constitute verification that Tyler Software Products substantially conform to the then-current Tyler user manuals and the functional descriptions of Tyler Software Products in Tyler's written proposal to City (Exhibit 6).

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, City may invoke its rights to terminate this Agreement and/or require a refund from Tyler pursuant to this Agreement.

d) Tyler shall promptly correct any functions of Tyler Software Products that failed verification.

4. Limited Warranty.

a) For the purposes of this Agreement, a "Defect" is defined as a failure of the Tyler Software Products to substantially conform to the then-current Tyler user guides and the functional descriptions of the Tyler Software Products in Tyler's written proposal to Client. In the event of conflict between the afore-mentioned documents, Tyler's Proposal shall control for twelve (12) months from the Effective Date. Thereafter, the then-current Tyler user guides will control, provided that any change in the Tyler Software Product does not substantially remove previous functionality. In the event previous functionality is modified or removed, Tyler will provide an alternate mean to accomplish said process. A Tyler Software Product is "Defective" if it contains a Defect. For as long as a current Maintenance Agreement is in place, Tyler warrants that the Tyler Software Products will not contain Defects. If the Tyler Software Products do not perform as warranted, Tyler will use reasonable efforts, consistent with industry standards, to cure the Defect in accordance with Tyler's then-current support call process.

b) For as long as a current Maintenance Agreement is in place, Tyler warrants that Tyler Software Products will substantially conform to the then-current Tyler user manuals and the functional descriptions of Tyler Software Products in Tyler's written proposal to City (Exhibit 6, incorporated by reference), if applicable. In the event of conflict between the user manuals and Exhibit 6, Tyler's Proposal shall control for twelve (12) months from the Effective Date. Thereafter, the then-current Tyler user guides will control, If Tyler Software Products do not perform as warranted, Tyler will use reasonable efforts, consistent with industry standards, to cure the defect. Should Tyler be unable to cure the defect or provide a replacement product, City 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, and/or to invoke its rights under the Termination clause of this Agreement contained in Section A, Article 5.

5. Intellectual Property Infringement Indemnification.

a) Tyler's Obligations. Tyler shall defend and indemnify City against any claim by an unaffiliated third party that a Tyler Software Product, if used within the scope of this Agreement, directly infringes that party's registered United States patent, copyright or trademark issued and existing as of the Effective Date or as of the distribution date of a release to the Tyler Software Product, and will pay the amount of any resulting adverse final judgment issued by a court of competent jurisdiction or of any settlement that Tyler pre-approves in writing..

b) City's Obligations. Tyler obligations in this section are contingent on the City performing all of the following in connection with any claim as described herein:

i. Promptly notifies Tyler in writing of any such claim;

ii. Gives Tyler reasonable cooperation, information, and assistance in connection with the claim; and

iii. Consents to Tyler's sole control and authority with respect to the defense, settlement or compromise of the claim.

c) Exceptions to Tyler's Obligations. Tyler will have no liability hereunder if the claim of infringement or an adverse final judgment rendered by a court of competent jurisdiction results from:

i. City's use of a previous version of a Tyler Software Product and the claim would have been avoided had City used the current version of the Tyler Software Product;

ii. City'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 City made to the Tyler Software Product and such correction, modification, alteration or enhancement is determined by a court of competent jurisdiction to be a sole cause of the infringement;

v. Use of the Tyler Software Product by any person or entity other than City or City's employees; or

vi. City's willful infringement, including City's continued use of the infringing Tyler Software Product after City becomes aware that such infringing Tyler Software Product is or is likely to become the subject of a claim hereunder, provided that Tyler has supplied City, at no charge, with a non-infringing replacement product of at least equivalent functionality.

d) Remedy.

i. In the event a Tyler Software Product is, by a court of competent jurisdiction, finally determined to be infringing and its use by City is enjoined, Tyler shall take one of the following actions, at its election:

(a) Procure for City the right to continue using the infringing Tyler Software Products;

(b) Modify or replace the infringing Tyler Software Products so that it becomes non-infringing; or

(c) Invoke its rights under the Termination clause of this Agreement contained in Section A, Article 5.

ii. The foregoing states Tyler's entire liability and City'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 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 two (2) times the Application Software License Fees set forth in Exhibit 4 - Fee and Payment Schedule. Such Application Software License Fees reflect and are set in reliance upon this limitation of liability.

Section C - Professional Services

1. Services. Tyler shall provide the services set forth in this Section C – Professional Services and as more specifically defined in Exhibit 5, “Statement of Work”. City shall be liable to Tyler for the services actually provided to City, subject to any cap or “not to exceed” amount specified herein. In no event shall the total compensation due under this section C.1 exceed ten percent (10%) of the amount set forth in section A.4 without City's prior written approval.

2. Professional Services Fees.

a) Verification in accordance with Exhibit 2 – Verification Test shall be billable to City at the rate for Training & Installation services set forth in Exhibit 1 – Investment Summary.

b) Unless another schedule of payment is set forth in this Agreement or is agreed upon by City and Tyler, payment is due within thirty (30) calendar days of invoice receipt.

c) Expenses shall be billed in accordance with the then-current Tyler Business Travel Policy attached as Exhibit 3, based on Tyler's usual and customary practices. Notwithstanding the foregoing, Tyler shall apply the terms of Tyler's current Business Policy throughout the duration of City's implementation, with the exception of the mileage rates and per diem, which shall follow the standard market fluctuation. Copies of receipts shall be provided upon request at no charge unless all receipts for the duration of the Implementation are required.. Should all receipts for non per diem expenses be requested, an administrative fee of Twenty-Five Dollars (\$25) per

week 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 Exhibit 4 – Fee and Payment Schedule and additional related services not set forth in Exhibit 4 – Fee and Payment Schedule shall be billed at Tyler’s then current rates. Notwithstanding the foregoing, Tyler’s daily service fees for training, consulting and conversion shall be held in place for twelve (12) months following the Effective Date. Tyler shall not perform, nor be compensated for, additional services pursuant to this paragraph without written authorization from City's Representative.

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 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 two (2) times the service fees set forth in Exhibit 4 – Fee and Payment Schedule. Such fees reflect and are set in reliance upon this limitation of liability.

5. Cancellation. In the event City cancels services less than two (2) weeks in advance, City is liable to Tyler for (i) all non-refundable expenses incurred by Tyler on City's behalf.

In the event Tyler cancels services less than two (2) weeks in advance, Tyler is liable to City for (i) all non-refundable expenses incurred by City associated with the services in question.

Section D - Maintenance

1. Scope. City agrees to purchase and Tyler agrees to provide maintenance services for Tyler Software Products in accordance with the following terms and conditions, and the Maintenance and Support Level Agreement, attached hereto as Exhibit 5.

2. Term. Maintenance services shall be provided from the first day of training and shall remain in force for a one (1) year term. Upon expiration of the maintenance services, City may renew the maintenance services for subsequent one (1) year periods at the lesser of: (i) the actual increase imposed by Tyler on other clients; or (ii) 5% per year for Years two (2) through five (5) of this Agreement, unless terminated in writing by Client at least forty-five (45) days prior to the end of the then-current term.

3. Payment.

a) **Additional Charges.** Any maintenance services performed by Tyler for City which are not covered, as set forth in Article 5 of Section D, hereunder, including materials and expenses, shall be billed to City at Two Hundred Fifty Dollars (\$250) per hour. In the event the City requires additional services as defined herein, the City shall provide seventy-two (72) hour advanced notice.

b) Tyler reserves the right to suspend maintenance services if City fails to pay undisputed Application Software Maintenance Fees within ninety (90) calendar days of the due date. Tyler will reinstate maintenance services upon City's payment of the overdue Application Software Maintenance Fees.

4. Maintenance Services Terms and Conditions.

- a) For as long as maintenance services are provided, Tyler shall, in a professional, good and workmanlike manner, perform its obligations set forth in this Agreement in order to conform Tyler Software Products to the applicable warranty under this Agreement. If City modifies Tyler Software Products, Tyler's obligations to provide maintenance services on and warrant Tyler Software Products shall be void.
- b) Tyler shall provide telephone support on Tyler Software Products. Tyler personnel will accept telephone calls during the hours of 5 AM PST and 6 PM PST, Monday through Friday, excluding holidays.
- c) Tyler shall continuously maintain a master set of Tyler Software Products on appropriate media, a hardcopy printout of source code to Tyler Software Products, and Tyler user manuals.
- d) Tyler shall maintain personnel appropriately trained to be familiar with Tyler Software Products in order to provide maintenance services.
- e) Tyler shall provide City with all releases Tyler makes to Tyler Software Products. City acknowledges and agrees that a new release of Tyler Software Products is for implementation in Tyler Software Products as they exist without City customization or modification.
- f) City acknowledges and agrees that Tyler reserves the right to cease supporting a prior release of Tyler Software Products six (6) months after shipping a new release of Tyler Software Products.

5. Limitations and Exclusions. Application Software Maintenance Fees do not include installation or implementation of 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, or support outside Tyler's normal business hours.

6. City Responsibilities.

- a) City shall provide, at no charge to Tyler access to 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) City shall maintain for the duration of the term of receiving maintenance services a VPN connection through Citrix or Microsoft Terminal Services. 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 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 two (2) times 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 Products

1. License or Sell Third Party Products. For the price set forth in Exhibit 4 – Fee and Payment Schedule, Tyler agrees to license or sell and deliver to City, and City agrees to accept from Tyler the Third Party Products set forth in Exhibit 4 – Fee and Payment Schedule ("Third Party Products").

2. License of Third Party Software Products.

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

b) The developer of the Third Party Software Products (each a "Developer", collectively "Developers") shall retain ownership of the Third Party Software Products.

c) The right to transfer the Third Party Software 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 City. Client shall provide advance written notice to Tyler of any such transfer.

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

e) City shall not perform decompilation, disassembly, translation or other reverse engineering on the Third Party Software Products.

f) City may make copies of the Third Party Software Products for archive purposes only. City will repeat any and all proprietary notices on any copy of the Third Party Software Products. City may make copies of the documentation accompanying the Third Party Software Products for internal use only.

3. Delivery. Unless otherwise indicated in Exhibit 4 – Fee and Payment Schedule, the prices for Third Party Products include costs for shipment while in transit from the Developer or supplier to City.

4. Installation and Acceptance. Unless otherwise noted in Exhibit 4 – Fee and Payment Schedule, Tyler Software Product installation fee includes installation of the Third Party Products. Verification of Tyler Software Products in accordance with Article 3 of Section A shall constitute City'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.** City 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 warrants that it is authorized by each Developer to grant licenses or sublicenses to the Third Party Products, and that all such licenses or sublicenses granted to City under this Agreement have been authorized by the respective Developers b) Tyler warrants that each Third Party Product shall be new and unused, and if City fully and faithfully performs each and every obligation required of it under this Third Party Product Agreement, City's title or license to each Third Party Product shall be free and clear of all liens and encumbrances arising through Tyler, any Developer, or any third party.

c) City 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 shall pass through to City any warranty adjustments that Tyler may receive from the Developer or supplier of the Third Party Products. Tyler shall provide City with copies of all warranties or guarantees provided with any Third Party Product upon installation of the Third Party Product.

7. **Maintenance.**

a) In the event City elects not to purchase through Tyler maintenance services on the Third Party Products, or such maintenance services are unavailable, City may repair and maintain the Third Party Products and purchase enhancements as necessary after acceptance as set forth in Article 4 of Section E. b) In the event City 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 provided that City may invoke its rights under the Termination clause of this Agreement contained in Section A, Article 5.

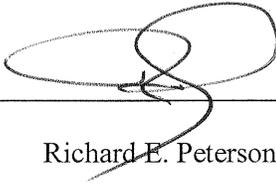
c) In the event the Developer charges a fee for future Third Party Software Product release(s), City shall be required to pay such fee.

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 two (2) times the Third Party Product Fees set forth in Exhibit 4 – Fee and Payment Schedule. Such prices are set in reliance upon this limitation of liability.

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

Tyler Technologies, Inc.

City of Woodland, California

By:  _____

Richard E. Peterson, Jr.
President, Large Financial Division

By: _____

Name: _____

Title: _____

Date: July 1, 2009 _____

Date: _____

Attest:

Name: _____

Title: _____

Date: _____

Approved as to Form:

Name: _____

Best Best & Krieger LLP

City Attorney

EXHIBIT 1: INVESTMENT SUMMARY

| Products and Services | Base Application License Fee | Discount / Contract License Fee | Third Party Product Fees | Training & Installation Hours | Data Conversion Hours | Professional Service Fees | Estimated Travel Expenses |
|--|------------------------------|---------------------------------|--------------------------|-------------------------------|-----------------------|---------------------------|---------------------------|
| TYLER (EDEN) SOFTWARE PRODUCTS | | | | | | | |
| EDEN - Financial Applications | | | | | | | |
| General Ledger / Accounts Payable / Purchasing | \$ 23,600.00 | \$ 20,060.00 | | 112.0 | 56.0 | \$ 25,200.00 | \$ 4,900.00 |
| Advanced Budgeting | \$ 10,000.00 | \$ 8,500.00 | | 32.0 | 8.0 | \$ 6,000.00 | \$ 1,700.00 |
| Requisitioning | \$ 5,000.00 | \$ 4,250.00 | | 16.0 | - | \$ 2,400.00 | \$ 850.00 |
| Project Accounting | \$ 15,400.00 | \$ 13,090.00 | | 64.0 | 72.0 | \$ 20,400.00 | \$ 2,700.00 |
| Inventory Control | \$ 14,500.00 | \$ 12,325.00 | | 32.0 | 48.0 | \$ 12,000.00 | \$ 1,350.00 |
| Fixed Assets | \$ 9,100.00 | \$ 7,735.00 | | 32.0 | 32.0 | \$ 9,600.00 | \$ 1,350.00 |
| Accounts Receivable | \$ 9,100.00 | \$ 7,735.00 | | 32.0 | 32.0 | \$ 9,600.00 | \$ 1,350.00 |
| Cash Receipting Interface | \$ 4,800.00 | \$ 4,080.00 | | 40.0 | - | \$ 6,000.00 | \$ 1,600.00 |
| Executive Dashboard - PORTALS | \$ 9,900.00 | \$ 8,415.00 | | 24.0 | | \$ 3,600.00 | \$ 1,400.00 |
| GASB 34 Reporter | \$ 9,700.00 | \$ 8,245.00 | | 40.0 | | \$ 6,000.00 | \$ 2,100.00 |
| Web-Extensions - Accounts Payable | \$ 4,100.00 | \$ 3,485.00 | | | | | |
| Web-Extensions - Accounts Receivable | \$ 5,000.00 | \$ 4,250.00 | | | | | |
| EDEN - Personnel Applications | | | | | | | |
| Human Resources | \$ 8,800.00 | \$ 7,480.00 | | 32.0 | 32.0 | \$ 9,600.00 | \$ 1,350.00 |
| Payroll | \$ 21,300.00 | \$ 18,105.00 | | 168.0 | 72.0 | \$ 36,000.00 | \$ 7,350.00 |
| Position Budgeting | \$ 3,700.00 | \$ 3,145.00 | | 16.0 | | \$ 2,400.00 | \$ 500.00 |
| Web-Extensions - Human Resources | \$ 8,000.00 | \$ 6,800.00 | | | | | |
| EDEN - Citizen Services Applications | | | | | | | |
| Parcel Manager | | | | | | | |
| Permits & Inspections | \$ 18,000.00 | \$ 15,300.00 | | 128.0 | 40.0 | \$ 25,200.00 | \$ 5,750.00 |
| Utility Billing | \$ 22,800.00 | \$ 19,380.00 | | 160.0 | 80.0 | \$ 36,000.00 | \$ 7,100.00 |
| Licensing | \$ 10,000.00 | \$ 8,500.00 | | 64.0 | 40.0 | \$ 15,600.00 | \$ 2,700.00 |
| Customer Requests | \$ 8,000.00 | \$ 6,800.00 | | 64.0 | | \$ 9,600.00 | \$ 2,700.00 |
| Web-Extensions - Customer Requests | \$ 4,100.00 | \$ 3,485.00 | | | | | |
| Web-Extensions - Permits & Inspections | \$ 6,800.00 | \$ 5,780.00 | | | | | |
| Web-Extensions - Utility Billing | \$ 6,800.00 | \$ 5,780.00 | | | | | |
| Web-Extensions - Licensing | \$ 4,100.00 | \$ 3,485.00 | | | | | |
| Utility Billing - Hand-Held Interface | \$ 2,300.00 | \$ 1,955.00 | | | | | |
| OTHER TYLER (EDEN) SOFTWARE PRODUCTS | | | | | | | |
| Report Views (SQL) Data Dictionaries | \$ 5,000.00 | \$ 4,250.00 | | | | | |
| California State Package | \$ 5,000.00 | \$ 4,250.00 | | | | | |
| Tyler Standard Forms | \$ 16,800.00 | \$ 14,280.00 | | | | | |
| Tyler Output Processor | \$ 8,200.00 | \$ 6,970.00 | | 16.0 | | \$ 2,400.00 | |
| Tyler Content Manager LE | \$ 10,000.00 | \$ 8,500.00 | | 16.0 | | \$ 2,400.00 | |

EXHIBIT 1: INVESTMENT SUMMARY (continued)

| Products and Services | Base Application License Fee | Discount / Contract License Fee | Third Party Product Fees | Training & Installation Hours | Data Conversion Hours | Professional Service Fees | Estimated Travel Expenses | Time |
|---|------------------------------|---------------------------------|--------------------------|-------------------------------|-----------------------|---------------------------|---------------------------|-----------|
| OTHER EDEN PROFESSIONAL SERVICES | | | | | | | | |
| System Administration | | - | | 24.0 | | \$ 3,600.00 | | \$ |
| Web Install & Setup | | - | | 8.0 | | \$ 1,200.00 | | \$ |
| Web E-Commerce Setup | | - | | 8.0 | | \$ 1,200.00 | | \$ |
| Cashiering Setup including VenSign | | - | | 8.0 | | \$ 1,200.00 | | \$ |
| Premier Project Mgmt. Planning Services (Flat Fee) | | - | | 40.0 | | \$ 17,000.00 | \$ 3,550.00 | \$ |
| Chart of Accounts Consultation | | - | | | | \$ 6,000.00 | \$ 1,600.00 | \$ |
| On-Sight Data Review | | - | | | 64.0 | \$ 9,600.00 | \$ 2,700.00 | \$ |
| Senior Mgmt. / End-User Training | | - | | 80.0 | | \$ 12,000.00 | \$ 3,550.00 | \$ |
| Business Process Consultation (Off-Site) | | - | | 160.0 | | \$ 24,000.00 | \$ - | \$ |
| Permits & Inspections Data Conversion | | - | | | 24.0 | \$ 3,600.00 | | \$ |
| Operating System and Database Support (OSDBA) | | - | | | | | | |
| EDEN Support Plus | | - | | | | | | |
| Sub-Total Tyler (EDEN) | \$ 289,900.00 | \$ 246,415.00 | | 1,416 | 632 | \$ 324,200.00 | \$ 58,150.00 | \$ |
| THIRD PARTY PRODUCTS | | | | | | | | |
| EDEN Integrated Cashiering IMAGING Included (5 Cashiering Stations) | | | \$ 38,250.00 | 32.0 | | \$ 4,800.00 | \$ 1,700.00 | \$ |
| Cashiering Hardware (5 Stations) | | | \$ 12,675.00 | | | | | \$ |
| Crystal Reports (site License) | | | \$ 14,280.00 | | | | | \$ |
| Crystal Reports (site License) | | | | 32.0 | | \$ 4,800.00 | \$ 1,350.00 | \$ |
| Crystal Reports - Intermediate Class Financials | | | | 32.0 | | \$ 4,800.00 | \$ 1,350.00 | \$ |
| Crystal Reports - Intermediate Class Personnel | | | | 32.0 | | \$ 4,800.00 | \$ 1,350.00 | \$ |
| Crystal Reports - Intermediate Class Citizen Services | | | | 32.0 | | \$ 4,800.00 | \$ 1,350.00 | \$ |
| Crystal Reports Software Assurance | | | | | | | | |
| MapObjects Runtime | | | \$ 800.00 | | | | | \$ |
| Sub-Total Third Party | \$ - | \$ - | \$ 66,005.00 | 160 | | \$ 24,000.00 | \$ 7,100.00 | \$ |
| Totals | \$ 289,900.00 | \$ 246,415.00 | \$ 66,005.00 | 1,576.00 | 632.00 | \$ 348,200.00 | \$ 65,250.00 | \$ |

Exhibit 2 – Verification Test

The Verification Test will be conducted after Tyler Software Products are installed and before they are implemented. The Verification Test is performed using Tyler sample database. Such database contains general information applicable to all Tyler clients. As such, the Verification Test will not demonstrate City-specific functionality. Rather, the Verification Test will confirm that Tyler Software Products are installed and performing baseline functions.

Client: City of Woodland, California

Contact:

Date:

Financial Products

1. View general ledger accounts form (Initial) _____
2. View budget documents
3. View accounts payable vendor form
4. Find purchase orders in purchase order inquiry
5. View inventory item form
6. View fixed assets form
7. View projects form
8. View accounts receivable customers form

Customer Information System Products

1. View fee schedule with rate tables (Initial) _____
2. View utility billing account form
3. View utility billing customer form
4. View parcels form
5. View license form
6. View permits form

Personnel Products

1. View employee form (Initial) _____
2. View position form
3. View deduction codes
4. View pay type codes
5. View shift calendars

Exhibit 3 – Business Travel Policy

Airfare

All airfare will be booked Economy Class, with best efforts to make reservations 2 – 4 weeks in advance for best pricing. All air tickets will be booked “non refundable” to minimize ticket costs. If change fees or other additional charges are incurred as a result of City rescheduling, cancellations, or other factors that impact the planned dates for a trip, the City will be billed for those charges.

Airport Parking

City is billed for the cost of on-airport long term parking costs incurred while staff is traveling to City site.

Mileage

Federal Government Rate

Tyler employee mileage to the airport, train terminal, etc. for the client trip will be billed at the IRS designated reimbursement rate per mile. Actual mileage for the employee travel to the site will be billed at the IRS rate if not traveling by air, rail, etc.

Airport Shuttle

If Tyler employee uses the service of an airport shuttle, this amount will not exceed the standard rate for airport parking (as noted above) plus mileage to and from the airport.

Car Rental

Tyler has negotiated rates with national automobile rental companies to minimize car rental fees. Actual cost of car rental, taxes, refueling costs etc. will be billed to the City.

Hotel/Motel

Tyler employees will stay at medium-class hotels/motels (less than 4 stars) when available. 4 or 5 Star hotels/motels may be selected if, during promotional times, prices can be negotiated at rates similar to 3 star facilities.

Meals

Federal daily per diem rate for City location will apply. Per diem will include travel time to and from the Client location.

Miscellaneous

All direct expenses not included above will be billed to the City. This includes but is not limited to such items as internet connectivity (if not included free in the cost of hotel) and any other incidentals such as copies, supplies, road tolls, local parking fees, etc. directly related to time spent on site.

Exhibit 4: Fee and Payment Schedule

Payment schedule based upon a total investment summary of **\$ 725,870.00** and support payments of **\$ 94,598** (includes Tyler/ EDEN and 3rd party support)

Year 1 – Fiscal Year 2009/ 2010

- Payment Due: \$ 154,000 upon contract execution
- Support Due: \$ 0 – Tyler/ EDEN support waived (\$80,772) for one year from contract execution.
- All 3rd party support due = \$13,826 upon contract execution

Year 2 – Fiscal Year 2011

- Payment Due: \$ 154,000 one year from contract execution
- Support Due: \$ 84,810 one year from contract execution
- 3rd party support = \$13,826* one year from contract execution

Year 3 – Fiscal Year 2012

- Payment Due: \$ 154,000 two years from contract execution
- Support Due: \$ 89,051 two years from contract execution
- 3rd party support = \$13,826* two years from contract execution

Year 4 – Fiscal Year 2013

- Payment Due \$ 154,000 three years from contract execution
- Support Due: \$ 93,504 three years from contract execution
- 3rd party support = \$13,826* three years from contract execution

Year 5 – Fiscal Year 2014

- Payment Due \$ 154,000 four years from contract execution
- Support Due: \$ 98,179 four years from contract execution
- 3rd party support = \$13,826* four years from contract execution

* Client shall be liable to Tyler for actual Third Party Support increases in Years 2 through 5. Tyler has no control over the maintenance increases charged by 3rd party providers. Although no increases have been shown, the increases by the 3rd party provider will be passed on and billed to Client.

EXHIBIT 5: Maintenance and Support Level Agreement

Support Services

Tyler knows that satisfied clients—more than any other single factor—determine a company’s ongoing success. We also recognize that support is a key component of customer satisfaction. That’s why we provide our clients with support in a variety of ways. We want to ensure they maximize their use of EDEN, receiving the best return on their investment.

Some companies contract out application support to a less-knowledgeable third party. In contrast, Tyler offers a complete solution, with all EDEN Customer Support Services provided by in-house expertise. Our mission is to become the industry leader in providing timely response and call closure to clients and on-site trainers, resulting in a high-level of client satisfaction.

The EDEN support solution includes the following services, described in detail in the sections that follow:

| | |
|--|------------------------------|
| EDEN Help Desk | Included with Annual Support |
| Software Development and Updates | Included with Annual Support |
| OSDBA Help Desk | Optional |
| Customer Care | Included with Annual Support |
| Disaster Recovery | Optional |
| Consulting Group | Optional |
| Web Page Customer Tools/Information Access | Included with Annual Support |
| Local Group Training | Optional |
| Local User Groups | Included with Annual Support |
| Annual Users Conference | Optional |

EDEN Help Desk

Customer Support averages a less than 1 hour response time on all priority 1 calls and a less than 3 hour response time on the remaining calls, unless received at the end of the day; those calls are returned the next morning.

Focused by Application

EDEN Customer Support is divided into application-specific teams, plus a separate team for OSDBA (Operating System / Database Administration) contract clients. Application-specific

teams allow a technician to focus on a group of applications and therefore offer more detailed support to our clients.

Call Tracking and Priorities

Tyler records all client contacts in a Customer Response Management (CRM) system. This system tracks the history of each incident, including the person calling, time of the call, priority of the call, problem description, support recommendations, client feedback, FERs (Fix or Enhancement Requests) to Development, and resolution.

A priority is assigned to each call logged:

| # | Description | Average response time |
|---|--|-----------------------|
| 1 | Critical Issue – system is down | <1 Hour |
| 2 | Severe issue, but there is a work around | <2 Hours |
| 3 | Important issue – not severe | <4 Hours |
| 4 | Lowest priority issues | 1 Business Day |

For system applications, standard phone support coverage is from 5:00 AM to 6:00 PM (Pacific Standard Time) Monday through Friday. OSDBA Support is available from 5:00 AM to 6:00 PM (PST) Monday through Friday. The client can also contract with Tyler for support service outside of standard hours.

Call Escalation Process

Each day, Senior Technicians, Team Leaders, and Senior Analysts review open calls in their focus area to monitor progress.

Calls still open are reviewed periodically and escalated as required. The priority of a given call may be modified as Tyler becomes more informed about the circumstances surrounding an issue. For example, a lower priority call may become Priority 1 if research discovers a more critical issue or a previously unknown deadline or penalty.

Remote Diagnostic Tool

Should Tyler need to access a client's server to diagnose a problem, GoToAssist is used to share the client's desktop via the Internet. EDEN Support can temporarily assume control of the client's desktop to show them how to use a program or how to find information in a report. In addition, the client can show the EDEN Help Desk how they are using EDEN and what they are experiencing. GoToAssist also supports the transfers of files, if necessary. EDEN Support also utilizes VPN connections working with SQL tools directly against database servers in the event of data issues.

Web / E-mail Support

Support is available from the EDEN Client Support section of www.tylertech.com. Using our website, a client can enter new support issues, manage existing issues and contact Support personnel. EDEN offers the alternative of email support; however, because response time may be longer, Tyler recommends that clients use e-mail for non-urgent support issues only.

OSDBA Help Desk

The EDEN OSDBA (Operating System / Database Administration) Department is configured as a separately billable service to Tyler clients on a contract basis.

If the client opts for this service, a one-day analysis performed remotely by an OSDBA technician is included. This analysis performs recommended EDEN and RDBMS (Relational Database Management System) tasks, including consistency checking, space evaluations, data space recovery, hard disk re-configuration, backup recovery verification, and system table updates. This establishes a stable base from which further system support can be provided.

The primary areas of provided services include:

Operating System Support

Basic OS System Administration

Cleaning up file systems

Printer installation & configuration assistance

Cash Station (POS) installation & configuration assistance

System backup configuration assistance

System recovery assistance

System transfer services

RDBMS Database Software Support

RDBMS (Relational Database Management System) Administration assistance

RDBMS software upgrade installation assistance

Data recovery assistance

Connectivity software installation & configuration assistance

RDBMS tuning assistance

EDEN Software Support

Maintenance Release/Upgrade installation assistance

Additional OSDBA Services

Some of these services are available at no charge or for a minimal fee with your OSDBA contract:

EDEN Server System Maintenance
Remote System Administrator Training
Server Transfer Service every two years
See the Product Brief for Consulting Group for more details.

Customer Care

Customer Care is a hands-on role dedicated to maximizing the customer satisfaction of Tyler Clients using the EDEN software solution. The customer care team is chartered with the responsibility of staying in touch with the client base and understanding the generic and specific customer satisfaction issues. This will include organizing and making recommendations to EDEN Management regarding product improvements, and recommending business process or delivery practices improvement. The team will identify and provide services/methods that will enhance the product knowledge and use of the Product by the installed base so that our Clients maximize their product leverage with minimal intervention required by Support or Training departments. This team also provides the focal point for organizing local/regional user groups and will facilitate the inter-agency communication of EDEN clients.

Web Page Customer Tools / Information Access

Like most Web sites, www.tylertech.com is designed to provide information to clients, employees, and prospects.

One aspect that stands apart is a section called Customer Tools within EDEN Client Support. This section provides valuable information of specific interest to the client base. For example, clients can:

- Research server requirements and hardware installation instructions
- Review and register to attend regional Group Training Seminars, the Annual User Conference, or regional User Group Meetings
- Download information about EDEN Releases, Online Manuals, Trouble Saving Tips, and Crystal Report templates
- Log issues with the Support Department
- Register for e-mail notification of support issues
- Attend scheduled electronic meetings for training and product demonstrations

Local Group Training

The Consulting Group offers clients cost-effective group classes, scheduled at regular intervals, available at regional locations throughout the United States. These training classes can:

- Be a refresher on procedures run just once a year
- Describe how to implement an advanced function

Provide instruction on using new functionality

Tyler mails course descriptions with suggested target audiences to all current users. Clients can also refer to the EDEN Client Support section of www.tylertech.com. Examples of classes:

EDEN 4.x - Improvements and Enhancements

Fixed Assets

Monthly Reconciliation

Budget Preparation

Personnel - Salary and Benefit Projections

System Administration

W-2 / 1099 Processing

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