

AGREEMENT

This agreement ("Agreement") is made this ____ day of _____ 2014 ("Effective Date") by and between Tyler Technologies, Inc., a Delaware corporation with offices at 5519 53rd Street, Lubbock, Texas 79414 ("Tyler") and the City of Oregon City, Oregon with offices as 320 Warner Milne Road, Oregon City, Oregon 97045 ("City").

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

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

SECTION A – SOFTWARE LICENSE AGREEMENT

1. License Grant.

a. Upon the Effective Date, Tyler hereby grants to City a perpetual, non-exclusive, non-transferable, royalty-free, revocable license to use the Tyler software products set forth in the investment summary attached hereto as Exhibit 1 ("Investment Summary") and related interfaces (collectively, the "Tyler Software Products") and documentation provided in or with the Tyler Software Products ("Documentation"). The Tyler Software Products and Documentation shall be used solely for City's internal business purposes and only subject to the terms and conditions of this Agreement. Tyler shall provide the Tyler Software Products to the City in a downloadable media format ready to install and use on the City's current hardware system.

b. This License is subject to the following terms:

1) Tyler shall retain ownership of, including all intellectual property rights in and to, the Tyler Software Products and Documentation.

2) The Tyler Software Products are not licensed to perform functions or processing for subdivisions or entities that were not disclosed to Tyler prior to the Effective Date. The entities that have been disclosed to Tyler include the following:

a) The Oregon City Municipal Court

3) The right to transfer the 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. City shall provide advance written notice to Tyler of any such transfer.

4) City acknowledges and agrees that the Tyler Software Products and Documentation are proprietary to Tyler and have been developed as trade secrets at Tyler's expense. To

the extent authorized by law, City shall keep the Tyler Software Products and Documentation confidential and to prevent any misuse, unauthorized use or unauthorized disclosure of the Tyler Software Products or Documentation by any party.

5) The Tyler Software Products may not be modified by anyone other than Tyler. If City modifies the Tyler Software Products without Tyler's prior written consent, Tyler's obligations to provide maintenance services on, and the warranty for, the Tyler Software Products will be void. City shall not perform decompilation, disassembly, translation or other reverse engineering on the Tyler Software Products.

6) City may make copies of the Tyler Software Products for archive purposes only. City shall repeat any and all proprietary notices on any copy of the Tyler Software Products. City may make copies of the Documentation for internal use only.

7) Tyler maintains an escrow agreement with an escrow services company under which Tyler places the source code of each major release of the Tyler Software Products. Tyler will add City as a beneficiary to such escrow agreement. City will pay the annual beneficiary fee and is solely responsible for maintaining its status as a beneficiary.

2. Limited Warranty. For the purposes of this Agreement, a "Defect" is defined as a failure of the Tyler Software Products to substantially conform to the then-current specifications and the functional descriptions of the Tyler Software Products in Tyler's written proposal to City. In the event of conflict between the afore-mentioned documents, the then-current specifications will control. A Tyler Software Product is "Defective" if it contains a Defect. For as long as a current Maintenance Agreement is in place, Tyler warrants that the Tyler Software Products will not contain Defects. If the Tyler Software Products do not perform as warranted, Tyler will use reasonable efforts, consistent with industry standards, to cure the Defect in accordance with Tyler's then-current support call process.

3. Intellectual Property Infringement Indemnification.

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

b) 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) The City shall promptly notify Tyler in writing of any such claim;
- ii) The City shall reasonably cooperate, inform and assist Tyler in connection with the claim; and
- iii) The City shall consent 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 correct version of the Tyler Software Product;
- ii) City's combining the Tyler Software Product with devices or products not provided by Tyler;
- iii) City's 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 contributing 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.

d) Remedy.

- i) In addition to Tyler's obligations under Paragraph 3(a) above, 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 will, at its election:
 - a) Procure for City the right to continue using the infringing Tyler Software Products; or
 - b) Modify or replace the infringing Tyler Software Products so that it becomes non-infringing.
- ii) The foregoing states Tyler's entire liability and City's sole and exclusive remedy with respect to the subject matter thereof.

4) Revocation. This license is revocable by Tyler if City fails to comply with the terms and conditions of this Agreement, including without limitation, City's failure to timely pay the Software fees in full. Upon City's payment in full for the Tyler Software Products, this license will become irrevocable, subject to the restrictions on use and other terms set forth in this Agreement.

SECTION B – PROFESSIONAL SERVICES AGREEMENT

1. Professional Services. Tyler hereby agrees to provide the professional services as set forth in the Investment Summary under the terms and provisions of this Agreement.

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

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

4. Additional Services.

a) The Investment Summary contains a good faith estimate of service fees and travel expenses. Training and/or consulting services utilized in excess of those set forth in the Investment Summary and additional related services not set forth in the Investment Summary will be billed at Tyler's then-current rates, plus travel expenses incurred in accordance with Section B(1).

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

SECTION C – MAINTENANCE AGREEMENT

1. Maintenance Services.

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

b) Maintenance Services Terms, Conditions, Limitations and Exclusions.

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

- ii) For as long as a current Maintenance Agreement is in place, Tyler shall provide City with all releases Tyler makes to the Tyler Software Products that Tyler makes generally available without additional charge to customers possessing a current Tyler annual Maintenance Agreement. Third Party Products and installation, consulting and training services related to the new releases may be provided to City at City's request at Tyler's then-current rates. City acknowledges and agrees that a new release of the Tyler Software Products is for implementation in the Tyler Software Products as they exist without City customization or modification. Tyler shall support prior releases of the Tyler Software Products in accordance with Tyler's then-current release life cycle policy.
- iii) Maintenance fees do not include installation or implementation of the Tyler Software Products, onsite support (unless Tyler cannot remotely correct a defect in a Tyler Software Product), application design, other consulting services, support of an operating system or hardware, and support outside Tyler's normal business hours.

c) City Responsibilities.

- i) City shall provide, consistent with applicable law, at no charge to Tyler, full and free access to the Tyler Software Products; working space; adequate facilities within a reasonable distance from the equipment; and use of machines, attachments, features or other equipment necessary to provide maintenance services set forth herein.
- ii) Tyler currently utilizes "Go To Assist" as a secure commercial PC to PC remote connectivity tool to provide remote maintenance services. City shall maintain for the duration of the Agreement a high-speed Internet connection capable of connecting to City's PCs and server. As a secondary connectivity tool to the Tyler Servers, Tyler will install a third party secure, unattended remote connectivity program which is currently Bomgar. To the extent authorized by law, City will provide Tyler a login account with local administrative privileges to the Tyler Servers. Tyler requires that City also maintain an alternate remote connectivity method (including VPN, if necessary) for backup connectivity purposes. Tyler, at its option, will use the connections to assist with problem diagnosis and resolution.

SECTION D – THIRD PARTY PRODUCT AGREEMENT

1. Agreement to License or Sell Third Party Products.

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

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

c) Third Party Software Maintenance.

- i) In the event City elects not to purchase through Tyler maintenance services on the Third Party Software, it shall be the responsibility of City to repair and maintain the Third Party Software and purchase enhancements as necessary after installation.
- ii) In the event City elects to purchase through Tyler maintenance services on the Third Party Software, Tyler will facilitate resolution of a defect in Third Party Software with the Developer.
- iii) In the event the Developer charges a fee for future Third Party Software release(s), City shall be required to pay such fee.

SECTION E – GENERAL TERMS AND CONDITIONS

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

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

Force Majeure will not be allowed unless:

a) Within ten (10) business days of the occurrence of Force Majeure, the party whose performance is delayed thereby provides the other party or parties with written notice explaining the cause and extent thereof, as well as a request for a time extension equal to the estimated duration of the Force Majeure events.

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

Either party will have the right to terminate this Agreement if Force Majeure suspends performance of scheduled tasks by one or more parties for a period of one hundred-twenty (120) or more days from the scheduled date of the task. This paragraph will not relieve 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.

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

3. Indemnification.

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

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

4. Limitation of Liability. To the extent allowed by law, Tyler shall not be liable for special, indirect, incidental, consequential, or exemplary damages, including, without limitation, any damages resulting from loss of use, loss of data, interruption of business activities, or failure to realize savings arising out of or in connection with the use of the Tyler Software Products, Services, or Third Party Products. Tyler's liability for damages and expenses arising from the Tyler Software Products or Services, whether based on a theory of contract or tort, including negligence and strict liability shall be limited to the Fees set forth in the Investment Summary related to the defective product or service. Tyler's liability for damages and expenses arising from Third Party Products, whether based on a theory of contract or tort, including negligence and strict liability shall be limited to the license fee/purchase price of the Third Party Products. Such fees reflect and are set in reliance upon this limitation of liability.

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

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

The parties further agree that, before resorting to any formal dispute resolution process, they will first engage in good faith negotiations in an effort to find a solution that serves their respective and mutual interests. Party principals agree to participate directly in these negotiations. Unless otherwise agreed in writing, the parties shall have fifteen (15) business days from the Dispute Notice Date to begin these negotiations, and thirty (30) days from the Dispute Notice Date to complete these negotiations. All such negotiations will be deemed confidential settlement discussions not subject to disclosure under Federal Rule of Civil Procedure 408 and/or any similar applicable state rule.

In the event the parties fail to resolve the dispute as set forth above, the dispute will be referred to non-binding mediation. Therefore, either party may assert its other rights and remedies under this agreement within a court competent jurisdiction.

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

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

8. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Oregon, without resort to any jurisdiction's conflict of laws rules or doctrines. Any claim, action, suit, or proceeding (collectively, "the claim") between the City and Tyler that arises from or relates to this contract shall be brought and conducted solely and exclusively within the Circuit Court of Clackamas County for the State of Oregon. Provided, however, if the claim must be brought in a federal forum, then it shall be brought and conducted solely and exclusively within the Portland office of the United States District Court for the District of Oregon. Tyler hereby consents to the in personam jurisdiction of said courts.

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

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

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

12. Termination.

a) Termination for Cause. City may terminate this Agreement for Cause in the event Tyler does not cure a material breach of this Agreement within thirty (30) days of receiving notice of such

breach from City. Upon such termination, City shall pay Tyler for all services and expenses not in dispute and non-Defective Tyler Software Products which were delivered or incurred prior to the date Tyler received City's notice of termination. Payment for services and expenses in dispute will be determined in accordance with the dispute resolution process.

b) Termination for Non-appropriation. If City should not appropriate or otherwise make available funds sufficient to purchase, lease, operate or maintain the products set forth in this Agreement, or other means of performing the same functions of such products, City may unilaterally terminate this Agreement only upon thirty (30) days written notice to Tyler. Upon termination, City shall remit payment for all products and services delivered to City and all expenses incurred by Tyler prior to Tyler's receipt of the termination notice. City will not be entitled to a refund or offset of previously paid license and other fees.

13. No Assignment. Neither party may assign its rights and responsibilities under this Agreement without the other party's prior written permission, which shall not be unreasonably withheld provided, however, that Tyler may, without the prior express written consent of the City, assign the award or the mutually negotiated Agreement in its entirety to the surviving entity of any merger or consolidation or to any purchaser of substantially all of Tyler's assets.

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

15. Confidentiality. Both parties recognize that their respective employees and agents, in the course of performance of this Agreement, may be exposed to confidential information and that disclosure of such information could violate rights to private individuals and entities. Each party agrees that it shall not disclose any confidential information of the other party to the extent allowed by law and further agrees to take appropriate action to prevent such disclosure by its employees or agents. The confidentiality covenants contained herein will survive the termination or cancellation of this Agreement for a period of two (2) years. This obligation of confidentiality will not apply to information that:

- a). At the time of the disclosure is in the public domain;
- b) After disclosure, becomes part of the public domain by publication or otherwise, except by breach of this Agreement by a party;
- c) A party can establish by reasonable proof was in that party's possession at the time of disclosure;
- d) A party receives from a third party who has a right to disclose it to that party; or
- e) Is subject to Freedom of Information Act or Public Records Law requests, only to the extent disclosure is based on the good faith written opinion of the receiving party's legal counsel that disclosure is required by law: provided, however, that the receiving party shall give prompt notice of the service of process or other documentation that underlies such requirement and use its best efforts to assist the disclosing party if the disclosing party wishes to obtain a protective order or otherwise protect the confidentiality of such confidential information. The disclosing

party reserves the right to obtain protective order or otherwise protect the confidentiality of its confidential information.

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

17. Payment Terms.

a) Tyler shall invoice City \$6,971.25 upon the Effective Date. Such amount equals 25% of the license fees for the Tyler Software Products.

b) Tyler shall invoice City \$16,731.00 when Tyler has made the Tyler Software Products available to City for downloading. Such amount equals 60% of the license fees for the Tyler Software Products.

c) Tyler shall invoice City the Hardware fees of \$315.00 upon delivery of such Hardware.

d) Tyler shall invoice City \$4,182.75 upon the earlier of (i) the first use of a Tyler Software Product in live production, or (ii) one hundred eighty (180) days from the date Tyler made the Tyler Software Products available to City for downloading. Such amount equals 15% of the license fees for the Tyler Software Products.

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

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

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

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

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

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

Bank:	Wells Fargo Bank, N.A. 420 Montgomery San Francisco, CA 94104
-------	---------------------------------------------------------------------

ABA:	121000248
------	-----------

Account: 4124302472

Beneficiary: Tyler Technologies Inc. – Operating

19. 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 did not rely on any information not explicitly set forth in this Agreement.

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

21. Notices.

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

- i) Actually received,
- ii) Upon receipt by sender of a certified mail, return receipt signed by an employee or agent of the party,
- iii) Upon receipt by sender of proof of email delivery, or
- iv) If not actually received ten (10) days after deposit with the United States Postal Service authorized mail center with proper postage (certified mail, return receipt requested) affixed and addressed to the respective other party at the address set forth in this Agreement or such other address as the party may have designated by notice or Agreement amended to the other party.

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

City of Oregon City, OR
320 Warner Milne Road
Oregon City, Oregon 97045
Rena Coultas

Tyler Technologies, Inc.
5519 53rd Street
Lubbock, Texas 79414
Albert Mendoza – Contract Specialist

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

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

24. Workers' Compensation. Tyler, its subcontractors, if any, and all employers providing work, labor or materials under this Contract are subject employers under the Oregon Workers' Compensation Law and shall comply with ORS 656.017, which requires them to provide Oregon workers' compensation coverage that satisfies Oregon law for all their subject workers. Tyler also shall comply with ORS 279B.230 regarding payment for medical care.

25. Compliance With Applicable Laws. Tyler shall comply with all federal, state and local laws, codes, regulations and ordinances applicable to the provision of goods under this contract, including, without limitation, the provisions of ORS 279C.505, 279C.515, and 279B.235, as set forth below and the provisions of: (i) Title VI of the Civil Rights Act of 1964 and its corresponding regulations; (ii) Section V of the Rehabilitation Act of 1973; (iii) the Americans with Disabilities Act of 1990 (Pub L No 101- 336). ORS 659.425, and all amendments of and regulations and administrative rules established pursuant to those laws; and (iv) all other applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations.

26. Payments Required By Ors 279c.505 and 279b.220. For all goods provided under this contract, Tyler shall (i) pay promptly, as due, all persons supplying labor or material; (ii) pay all contributions or amounts due the industrial Accident Fund from Tyler or any subcontractor; (iii) not permit any lien or claim to be filed or prosecuted against the state, county, school district, municipality, municipal corporation or subdivision thereof; and (iv) pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167.

27. Safety And Health Requirements. Goods and services provided under this contract shall comply with all federal Occupational Safety and Health Administration (OSHA) requirements and with all Oregon safety and health requirements, including those of the State Workers' Compensation Division.

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

City of Oregon

Tyler Technologies, Inc.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Investment Summary

Rena Coultas
Oregon City



Prepared for:	Oregon City	Contract ID # :	2014-0016
Contact Person:	Rena Coultas	Issue Date:	1/16/14
Address:	320 Warner Milne Road Oregon City, OR 97045 (503)657-8154	Salesman:	L. Midkiff
Phone:	-	Tax Exempt:	Yes / No
Fax:	-		
Email:	rcoultas@ci.oregon-city.or.us		

Product, Service & Equipment	Milestone # 1	Milestone # 2	Milestone # 3	As Progress Occurs	Totals	Maintenance
Total Hardware & System Software		315.00			315.00	
Total Applications Software	9,396.25	22,551.00				7,517.00
License Fees - INCODE Court Case Management Suite			5,637.75		37,585.00	
Less Preferred Customer Discount	(2,425.00)	(5,820.00)	(1,455.00)		(9,700.00)	
Total Professional Services						
On-Site Services				11,440.00	11,440.00	
Final Implementation				2,200.00	2,200.00	
Project Management			2,000.00		2,000.00	
Data Conversion & Assistance			7,000.00	2,420.00	9,420.00	
Totals	6,971.25	17,046.00	13,182.75	16,060.00	53,260.00	7,517.00

Please Note: Travel expenses will be billed as incurred.

Software Licenses

Rena Coultas
Oregon City
January 16, 2014



Application Software	QTY	License Fee	Annual Fee
Incode Court Case Management Suite	1	34,800	6,960
Criminal Court Case Management			
Centralized Cash Collections			
Citation Issuing Device Interface			
System Software & Network Services		2,785	557
System Software			
System Software			
Incode Application Subtotal		34,800	6,960
System Software Subtotal		2,785	557
Existing Tyler Client Discount		(9,700)	
Application and System Software Total		27,885	7,517

Professional Services

Rena Coultas
Oregon City
January 16, 2014



Application Professional Services Summary	Estimated Hours	Estimated Services
Implementation Services		
Court Case Management Suite	104	11,440
Conversion Services		
Court Case Management Suite	22	9,420
INCODE Professional Services		
Project Management		2,000
Final Implementation Services	20	2,200
Professional Services Total	146	25,060

Implementation Services Breakdown	QTY	Estimated Hours	Estimated Services
Incode Court Case Management Suite			
Criminal Court Case Management	1	96	10,560
Centralized Cash Collections	1	8	880
Citation Issuing Device Interface	1		N/A
Court Case Management Suite Subtotal		104	11,440
Professional Services			
Professional Services			
Project Management			2,000
Final Implementation		20	2,200
Professional Services Subtotal		20	4,200

Professional Services

Rena Coultas
Oregon City
January 16, 2014



Conversion Services	QTY	Conversion Programming Fee	Estimated Hours	Estimated Services	Conversion Services
Financial Applications					
Court Applications					
Criminal Court Case Management					
Citation/Case Information		7,000	22	2,420	9,420
Violation (offense) Information		Included			
Fee/Fine/Cost Assessments		Included			
Fee/Fine/Cost Payments		Included			
Fee/Fine/Cost Non-Cash Credit		Included			
Bond Information		Included			
Warrant Information		Included			
Officers		Included			
Witnesses		Included			
Defendants		Included			
Offense Code Master		Included			
Vehicles		Included			
Attorneys		Included			
Citation History		Included			
Receipts		Included			
Conversion Services Subtotal		7,000	22	2,420	9,420
Conversion Services Total		7,000	22	2,420	9,420

Cash Collection Hardware

Rena Coultas
Oregon City
January 16, 2014



Misc. Hardware and Network Equipment	QTY	Price	Maintenance	Maintenance Source
Cash Collection				
Topaz Signature Pad T-L462 - USB <i>On-Premise Court Sites</i>	1	315		
City has existing Epson TM 6000 printer and cash drawer				
Hardware & System Software Subtotal		315		
Hardware and System Software Total		315		

Exhibit 2

Tyler Business Travel Policy

1. Air Travel

A. Reservations and Tickets

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

B. Baggage Fees

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

2. Ground Transportation

A. Private Automobile

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

B. Rental Car

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

C. Public Transportation

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

3. Lodging

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

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

4. Meals

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

The split for the per diem meals is:

15% Breakfast
25% Lunch
60% Dinner

A. Overnight Travel

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

Departure Day

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

Return Day

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

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

B. Same Day Travel

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

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

5. Internet Access – Hotels and Airports

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

Effective April 1, 2012

Exhibit 3

The Data Conversion Process

Purpose

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

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

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

Who should read this document?

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

1. The individual responsible for extracting and providing data from the old system to the Tyler system.
2. Any individuals responsible at a department level.
3. Any individual that would benefit from understanding the conversion process

The Conversion Process

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

1. Initial data extraction - The Client must perform the preliminary extraction and transmission of data.
2. Data Evaluation - Tyler will then be responsible for evaluating the information that has been transmitted. Upon a successful evaluation, the Client will be contacted for further scheduling.
3. Conversion scheduling - Once a schedule has been decided upon, Tyler will proceed in development of the conversion programs. During the development step, the Client will be responsible for providing knowledge and insight into the information from its current system.
4. On-Site Conversion - Upon Tyler's arrival at the Client's site for the conversion, the Client will be responsible for a final extraction of the data. In most situations the Client will not have to transmit the final extraction to Tyler. The Tyler trainer on site will assist the Client in preliminary Tyler application setup that is required for the conversion as well as execute the conversion programs and assist in the verification of the converted information's integrity.

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

Data Extraction and Transmission of Data

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

File Descriptions and layout

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

Media Type

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

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

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

Final Data Extraction

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

Data Extraction Assistance

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

Conversion Scheduling

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

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

Conversion Program Development

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

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

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

Conversion Assistance

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

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

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

Data Validation

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

Conclusion

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