



Exhibit B Invoicing and Payment Policy

We will provide you with the software and services set forth in the Investment Summary and Statement of Work. Capitalized terms not otherwise defined will have the meaning assigned to such terms in the Agreement.

Invoicing: We will invoice you for the applicable license and services fees in the Investment Summary as set forth below. Your rights to dispute any invoice are set forth in the Agreement.

1. Tyler Munis Software.

1.1 *License Fees:* License fees for the Munis Software are invoiced as follows:

- (a) 20% on the Effective Date;
- (b) 45% on the date when the Client downloads the applicable Tyler Munis Software (“the Munis Download Date”), provided, however, that the payment due hereunder shall be invoiced by Tyler no later than June 30, 2018;
- (c) 20%, by phase*, on the earlier of (i) the actual initiation or commencement date for the applicable phase of the project or (ii) the initiation or commencement date for the applicable phase of the project as indicated in the Statement of Work as of the Effective Date; and
- (d) 15% on the earlier of thirty (30) days following (i) the live date for the final phase of the project or (ii) the live date for the final phase of the project as indicated in the Statement of Work as of the Effective Date*. The foregoing notwithstanding, if a live date is delayed due solely to Tyler’s failure to perform, the Client may delay the payment associated with such live date by an amount of time equal to the delay so caused.

*Phase designations indicated in the Statements of Work. Cross Phase applications are considered Phase 2 for the purposes of these payment terms.

1.2 *Maintenance and Support Fees:* Year 1 maintenance and support fees are waived for one (1) year from the Munis Download Date. Tyler agrees to limit increases to Annual Maintenance and Support Fees to three percent (3%) over the prior year’s fees for the first five (5) years following the



Munis Download Date.

Year 2 maintenance and support fees, at Tyler's then-current rates, are payable as follows:

1.2.1 Due at the 1st anniversary of the Munis Download Date: 100% of the Year 2 Maintenance and Support Fees for Phase 1 and 60% of the Year 2 Maintenance and Support Fees for Phases 2 and 3.

1.2.1.1 The remaining 40% of the Year 2 Maintenance and Support Fees for Phases 2 and 3 are due, by phase, upon the earlier of (i) the date the Tyler Software for the applicable phase is available for use in live production or (ii) such live date as indicated in the Statement of Work as of the Effective Date.*

1.2.2 Due at the 2nd anniversary of the Munis Download Date: 100% of the Year 3 Maintenance and Support Fees for all phases (but subject to the caps indicated above).

*A payment due under 1.2.1.1 above shall be prorated relative to the date of its occurrence during the annual maintenance term. In the event a live date is delayed due to Tyler's failure to perform, the 40% payment due under Section 1.2.1.1 above may be delayed an amount of time equal to the delay so caused.

2. Tyler Incode Software.

2.1 *License Fees:* License fees for the Incode Software are invoiced as follows:

- (a) 20% on the Effective Date;
- (b) 45% on the date when the Client downloads the applicable Tyler Incode Software ("the Incode Download Date"), provided, however, that the payment due hereunder shall be invoiced by Tyler no later than April 30, 2018;
- (c) 20% on the earlier of (i) the actual initiation or commencement date for the Incode project or (ii) the initiation or commencement date for the Incode project as indicated in the Statement of Work as of the Effective Date; and
- (d) 15% on the earlier of thirty (30) days following (i) the live date for the Incode project or (ii) the live date for the Incode project as indicated in the Statement of Work as of the Effective Date. The foregoing notwithstanding, if a live date is delayed due solely to Tyler's failure to perform, the Client may delay the payment associated with such live date by an amount of time equal to the delay so caused.

2.2 *Subscription Fees:* Your initial subscription fees for Incode Court Online Component are invoiced when we make the product available to you. Subsequent subscription fees are due annually in advance on the

anniversary of that date at our then-current rates.

2.3 *Maintenance and Support Fees:* Year 1 maintenance and support fees are waived through the one (1) year from the Incode Download Date. Year 2 maintenance and support fees, at Tyler’s then-current rates, are payable on the anniversary of the Incode Download Date, and subsequent maintenance and support fees are invoiced annually in advance of each anniversary thereof. Your fees for each subsequent year will be set at our then-current rates. The foregoing notwithstanding, Tyler agrees to limit increases to Annual Maintenance and Support Fees to three percent (3%) over the prior year’s fees for the first five (5) years following the Effective Date.

3. Professional Services.

3.1 *Implementation and Other Professional Services (including training)-Munis Only:* Implementation and other professional services (including training) for the Munis Software shall be invoiced in accordance with the following milestones, as defined in the Statement of Work:

Service Type	Days	Cost
Implementation Days	351	\$447,525.00
Additional Implementation Days	30	\$38,250.00
Total		\$485,775.00

Phase	Milestone ID	Description	Milestone Amount
1	1.1	Initiate and Plan Stage Acceptance	\$ 30,982.50
1	1.2	Chart of Accounts Design Acceptance	\$ 46,473.75
1	1.3	Assess & Define Stage Acceptance	\$ 46,473.75
1	1.4	Build and Validate Stage Acceptance	\$ 61,965.00
1	1.5	Final Training & Testing Stage Acceptance	\$ 38,728.13
1	1.6	Production Cutover Stage Acceptance	\$ 46,473.75
2	2.1	Initiate and Plan Stage Acceptance	\$ 10,965.00
2	2.2	Assess & Define Stage Acceptance	\$ 21,930.00
2	2.3	Build and Validate Stage Acceptance	\$ 24,671.25
2	2.4	Final Training & Testing Stage Acceptance	\$ 27,412.50
2	2.5	Production Cutover Stage Acceptance	\$ 10,965.00
3	3.1	Initiate and Plan Stage Acceptance	\$ 6,630.00
3	3.2	Assess & Define Stage Acceptance	\$ 13,260.00
3	3.3	Build and Validate Stage Acceptance	\$ 16,575.00
3	3.4	Final Training & Testing Stage	\$ 16,575.00



		Acceptance	
3	3.5	Production Cutover Stage Acceptance	\$ 6,630.00
3	3.6	Project Closure	\$ 59,064.37
Total			\$ 485,775.00

- 3.2 *Implementation and Other Professional Services (including training) – Incode Only:* Implementation and other professional services (including training) for the Incode Tyler Software shall be invoiced as delivered, at the rates set forth in the Incode Investment Summary, provided, however, that the Client will retain ten percent (10%) of the implementation service fees for the Incode project until the live date for such project, not to exceed the live date for the Incode project as indicated in the Statement of Work as of the Effective Date.
- 3.3 *Consulting Services:* If you have purchased any Business Process Consulting services, if they have been quoted as fixed-fee services, they will be invoiced 50% upon your acceptance of the Business System Design document, by module, and 50% upon your acceptance of custom desktop procedures, by module. If you have purchased any Business Process Consulting services and they are quoted as an estimate, then we will bill you the actual services delivered on a time and materials basis.
- 3.4 *Conversions:* Fixed-fee conversions are invoiced 50% upon initial delivery of the converted data, by conversion option, and 50% upon Client acceptance of the converted data into Live/Production environment, by conversion option. Where conversions are quoted as estimated, we will bill you the actual services delivered on a time and materials basis.
- 3.5 *Requested Modifications to the Tyler Software:* Requested modifications to the Tyler Software are invoiced 50% upon delivery and acceptance of specifications and 50% upon delivery and acceptance of the applicable modification. You must report any failure of the modification to conform to the specifications within thirty (30) days of delivery; otherwise, the modification will be deemed to be in compliance with the specifications after the 30-day window has passed. You may still report Defects to us as set forth in the Maintenance and Support Agreement.
- 3.6 *Other Fixed Price Services:* Except as otherwise provided, other fixed price services are invoiced upon complete delivery and acceptance of the service. For the avoidance of doubt, where “Project Planning Services” are provided, payment will be due upon delivery of the Implementation Planning document. Dedicated Project Management services, if any, will be billed monthly in arrears, beginning on the first day of the month immediately following the project kick-off meeting. The following services shall be invoiced as follows:

- AP Positive Pay Export Format
 - o billed as incurred, if new format is required
- AP/PR Check Recon Import
 - o billed as incurred, if new format is required
- PR Positive Pay Export Format
 - o billed as incurred, if new format is required
- Install Fee
 - o Upon installation completion
- 50% of Dedicated Project Manager (Monthly)
 - o monthly in arrears, triggered on the next full month after the first planning meeting.
- Tyler Forms Processing Configuration
 - o Sign-off on Installation of the Tyler Forms Server
- Tyler Forms Libraries
 - o Client sign-off to load the respective forms library in the Live environment.

4. Other Services and Fees.

4.1 *Systems Management:* Systems Management Services are invoiced on the Available Download Date and shall be provided under the terms of our Agreement for Tyler Systems Management (“TSM Agreement”). Our current TSM Agreement is attached hereto as Exhibit F. Systems Management Services will renew automatically for additional one (1) year terms at our then-current Systems Management Services fee, unless terminated in writing by either party at least thirty (30) days prior to the end of the then-current term.

4.2 *Disaster Recovery Services:* Disaster Recovery Services are invoiced annually in advance upon our receipt of your data. For the avoidance of doubt, Disaster Recovery Services for the Incode Tyler Software are referred to as “Application Availability Service on the Incode Investment Summary. Disaster Recovery services will renew automatically for additional one (1) year terms at our then-current Disaster Recovery fee, unless terminated in writing by either party at least thirty (30) days prior to the end of the then-current term. Our current Disaster Recovery Agreement is attached to this Agreement as Exhibit G.

5. Third Party Products.

5.1 *Third Party Software License Fees:* License fees for Third Party Software, if any, are invoiced when we make it available to you for downloading.

5.2 *Third Party Software Maintenance:* The first year maintenance for the Third Party Software is invoiced when we make it available to you for downloading.

- 5.3 *Third Party Hardware*: Third Party Hardware costs, if any, are invoiced upon delivery.
6. **Expenses.** The service rates in the Investment Summary do not include travel expenses. Expenses will be billed as incurred and only in accordance with our then-current Business Travel Policy, plus a 10% travel agency processing fee. The travel rates in the Investment Summary are not to exceed amounts. Our current Business Travel Policy is attached to this Exhibit B at Schedule 1. Copies of receipts will be provided upon request; we reserve the right to charge you an administrative fee depending on the extent of your requests. Receipts for miscellaneous items less than twenty-five dollars and mileage logs are not available.

Payment. Payment for undisputed invoices is due within forty-five (45) days of the invoice date. We prefer to receive payments electronically. Our electronic payment information is:

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



Exhibit B
Schedule 1
Business Travel Policy

1. Air Travel

A. Reservations & Tickets

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

Employees are encouraged to make advanced reservations to take full advantage of discount opportunities. Employees should use all reasonable efforts to make travel arrangements at least two (2) weeks in advance of commitments. A seven (7) day advance booking requirement is mandatory. When booking less than seven (7) days in advance, management approval will be required.

Except in the case of international travel where a segment of continuous air travel is six (6) or more consecutive hours in length, only economy or coach class seating is reimbursable. Employees shall not be reimbursed for "Basic Economy Fares" because these fares are non-refundable and have many restrictions that outweigh the cost-savings.

B. Baggage Fees

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

- Up to five (5) days = one (1) checked bag
- Six (6) or more days = two (2) checked bags

Baggage fees for sports equipment are not reimbursable.

2. Ground Transportation

A. Private Automobile



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

B. Rental Car

Employees are authorized to rent cars only in conjunction with air travel when cost, convenience, and the specific situation reasonably require their use. When renting a car for Tyler business, employees should select a “mid-size” or “intermediate” car. “Full” size cars may be rented when three or more employees are traveling together. Tyler carries leased vehicle coverage for business car rentals; except for employees traveling to Alaska and internationally (excluding Canada), additional insurance on the rental agreement should be declined.

C. Public Transportation

Taxi or airport limousine services may be considered when traveling in and around cities or to and from airports when less expensive means of transportation are unavailable or impractical. The actual fare plus a reasonable tip (15-18%) are reimbursable. In the case of a free hotel shuttle to the airport, tips are included in the per diem rates and will not be reimbursed separately.

D. Parking & Tolls

When parking at the airport, employees must use longer term parking areas that are measured in days as opposed to hours. Park and fly options located near some airports may also be used. For extended trips that would result in excessive parking charges, public transportation to/from the airport should be considered. Tolls will be reimbursed when receipts are presented.

3. Lodging

Tyler’s TMC will select hotel chains that are well established, reasonable in price, and conveniently located in relation to the traveler's work assignment. Typical hotel chains include Courtyard, Fairfield Inn, Hampton Inn, and Holiday Inn Express. If the employee has a discount rate with a local hotel, the hotel reservation should note that discount and the employee should confirm the lower rate with the hotel upon arrival. Employee memberships in travel clubs such as AAA should be noted in their travel profiles so that the employee can take advantage of any lower club rates.

“No shows” or cancellation fees are not reimbursable if the employee does not comply with the hotel’s cancellation policy.

Tips for maids and other hotel staff are included in the per diem rate and are not reimbursed separately.

Employees are not authorized to reserve non-traditional short-term lodging, such as Airbnb, VRBO, and HomeAway. Employees who elect to make such reservations shall not be reimbursed.

4. Meals and Incidental Expenses

Employee meals and incidental expenses while on travel status within the continental U.S. are in accordance with the federal per diem rates published by the General Services Administration. Incidental expenses include tips to maids, hotel staff, and shuttle drivers and other minor travel expenses. Per diem rates are available at www.gsa.gov/perdiem.

Per diem for Alaska, Hawaii, U.S. protectorates and international destinations are provided separately by the Department of Defense and will be determined as required.

A. Overnight Travel

For each full day of travel, all three meals are reimbursable. Per diems on the first and last day of a trip are governed as set forth below.

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 & 7:00 p.m.	Breakfast and lunch
Return after 7:00 p.m.*	Breakfast, lunch and dinner

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

The reimbursement rates for individual meals are calculated as a percentage of the full day per diem as follows:

Breakfast	15%
Lunch	25%
Dinner	60%

B. Same Day Travel

Employees traveling at least 100 miles to a site and returning in the same day are eligible to claim lunch on an expense report. Employees on same day travel status are eligible to claim dinner in the event they return home after 7:00 p.m.*

*7:00 p.m. 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 an employee's hotel charges for internet access it is reimbursable up to \$10.00 per day. Charges for internet access at airports are not reimbursable.

6. International Travel

All international flights with the exception of flights between the U.S. and Canada should be reserved through TMC using the "lowest practical coach fare" with the exception of flights that are six (6) or more consecutive hours in length. In such event, the next available seating class above coach shall be reimbursed.

When required to travel internationally for business, employees shall be reimbursed for photo fees, application fees, and execution fees when obtaining a new passport book, but fees related to passport renewals are not reimbursable. Visa application and legal fees, entry taxes and departure taxes are reimbursable.

The cost of vaccinations that are either required for travel to specific countries or suggested by the U.S. Department of Health & Human Services for travel to specific countries is reimbursable.

Section 4, Meals & Incidental Expenses, and Section 2.b., Rental Car, shall apply to this section.