



COUNTY COMMISSION

BALDWIN COUNTY

312 COURTHOUSE SQUARE, SUITE 12

BAY MINETTE, ALABAMA 36507

(251) 937-0264

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MEMBERS

DIST. 1. FRANK BURT, JR.
2. ROBERT E. (BOB) JAMES
3. J. TUCKER DORSEY
4. CHARLES F. GRUBER

August 16, 2011

Mr. Richie K. Fox
Contracts Manager
Vertex, Inc.
1041 Old Cassatt Road
Berwyn, Pennsylvania 19312

RE: VERTEX Payroll Tax Q Series Software License Agreement

Dear Mr. Fox:

The Baldwin County Commission, during its regularly scheduled meeting held on August 16, 2011, approve a *Software License Agreement* between the Baldwin County Commission and Vertex, Inc. for Vertex Payroll Tax Q Series licensing at an initial cost of \$5,490.00. The initial term of the *Agreement* will be 12 months, and will be automatically renewed on an annual basis unless or until terminated in writing by either party.

Enclosed is a **fully executed original License Agreement**, for your files.

If you have any questions or need further assistance, please do not hesitate to contact me or David Wessler, CIS Business Manager, at (251) 580-2571.

Sincerely,



FRANK BURT, JR., Chairman
Baldwin County Commission

FB/met Item EDI

cc: David Wessler
Wischal Joshi
David Pimperl
Kim Creech
Eva Cutsinger
David Brewer

ENCLOSURE

VERTEX, INC. SOFTWARE LICENSE AGREEMENT

Any modifications or alterations to this Agreement shall be void unless contained in a written instrument duly executed by an authorized representative of both parties.

THIS VERTEX, INC. SOFTWARE LICENSE AGREEMENT, including all Schedules to this Agreement (collectively, this "Agreement"), is made between Vertex, Inc., a Pennsylvania corporation with offices at 1041 Old Cassatt Road, Berwyn, Pennsylvania 19312 (hereinafter "Vertex"), and the party whose name appears in the signature area for Licensee on the last page of this Agreement (hereinafter "Licensee") as of the date this Agreement is signed by Licensee ("Effective Date").

BACKGROUND

1. Vertex has developed and licenses various software programs and/or databases directly to users of such programs and/or databases.
2. Licensee wishes to license one or more Vertex software programs and/or databases for use in its business.
3. Since this Agreement is used by Vertex for multiple products and various business models, it contains terms and definitions that may only be applicable to some products and some licensees.

NOW, THEREFORE, in consideration of the mutual promises made in this Agreement, the parties agree as follows:

Section 1. Definitions

Certain terms which apply to all or most Vertex products are defined for the purpose of this Agreement in the partial list of defined terms set forth below and certain terms which apply to only some Vertex products are defined for the purpose of this Agreement on a Schedule or Schedules to this Agreement. Any such defined term, where used throughout this Agreement with the initial letter of each term in uppercase format, shall have the meaning assigned to that term below or on a Schedule to this Agreement, as appropriate.

- (a) "Affiliate" means an entity controlling Licensee, controlled by Licensee, or under common control with Licensee.
- (b) "Anniversary Date" means, (i) for each transaction tax Licensed Product concerned, the month and day the transaction tax Licensed Product concerned is shipped to Licensee or made available electronically to Licensee; and (ii) for each income tax Licensed Product concerned, the first day of Licensee's fiscal year. The Anniversary Date for the Licensed Product concerned shall be the date on which each Renewal Term hereunder, if any, shall begin.
- (c) "Databases" means, as applicable, databases compiled by Vertex for use with Transaction Tax Programs.
- (d) "Documentation" means the user documentation Vertex provides with a Licensed Product, including, without limitation, any instructions for installing patches or Updates.
- (e) "e-Filing Services" means optional services, which shall be expressly referenced on a Schedule to this Agreement if elected by Licensee, wherein Vertex shall serve as an electronic transmitter of IRS-mandated business returns supported by Vertex's Income Tax Programs, as further described on a Schedule to this Agreement if elected by Licensee.
- (f) "Enhanced Support" means the enhanced support option(s), if any, described on a Schedule to this Agreement.
- (g) "Enhanced Support Fee(s)" means the fee(s) for Enhanced Support, if any, on a Schedule to this Agreement.
- (h) "Hardware" means the computer hardware and operating system which is owned or leased by Licensee and on which a Licensed Product will be installed, provided that a Licensed Product is intended to be installed on such Hardware pursuant to its Documentation. If Licensee is accessing the Income Tax Programs via the Internet, this Subsection shall not apply to the Income Tax Programs.
- (i) "Hosting Services" means access to and use of the Income Tax Programs by Licensee as provided by Vertex via the Internet. If Licensee is not accessing the Income Tax Programs via the Internet, this Subsection shall not apply to the Income Tax Programs.
- (j) "Income Tax Programs" means Vertex income tax software programs and all related Updates.
- (k) "Initial License Fee" means, for each Licensed Product concerned, the license fee for the right to use the said Licensed Product, and for the right to receive Updates and Support for the said Licensed Product, during the Initial Term in accordance with this Agreement.
- (l) "Initial Term" means, for each Licensed Product concerned, the period beginning on the date such Licensed Product is shipped to Licensee or made available electronically to Licensee and ending on the day before the first Anniversary Date for each such Licensed Product.
- (m) "IRS" means U.S. Internal Revenue Service.
- (n) "Licensed Product" means any Income Tax Programs, Transaction Tax Programs, and Databases associated with any Vertex tax product identified on a Schedule to this Agreement, together with all related Documentation.
- (o) "Marks" means a party's name, logo(s), and trademarks/service marks.
- (p) "Location(s)" means, unless otherwise indicated, the Ship-To address shown on a Schedule to this Agreement where a Licensed Product will be installed on the Hardware. If Licensee is accessing the Income Tax Programs via the Internet, this Subsection shall not apply.
- (q) "Renewal Fee" means, for each Licensed Product concerned, the license fee, if any, for the right to use the said Licensed Product, and for the right to receive Updates and Support for the said Licensed Product, during a Renewal Term, in accordance with this Agreement.
- (r) "Renewal Term" means, for each Licensed Product concerned, a twelve (12)-month period beginning on the Anniversary Date for such Licensed Product.
- (s) "Support" means telephone support, e-mail support and/or Internet support of a Licensed Product provided by Vertex to Licensee pursuant to this Agreement and as more specifically set forth in Subsection 4(b) herein, together with standard enhancement releases and standard maintenance releases to a Licensed Product.
- (t) "Training" means instruction by Vertex to Licensee on the use of one or more of the Licensed Products.
- (u) "Training Fee(s)" means the fee(s) for Training, if any, on a Schedule to this Agreement.

- (v) "Transaction Tax Programs" means Vertex transaction tax software programs and all related Updates.
- (w) "Travel Fees" means, if applicable, travel expenses (transportation, lodging meals) incurred by Vertex in order for Vertex to provide Enhanced Support at Licensee's location.
- (x) "Updates" means the meaning assigned to that term in Subsection 4(c) herein.

Section 2. License

- (a) Vertex hereby grants Licensee and Affiliates, if any, authorized on a Schedule to this Agreement, a license to use each Licensed Product for their own data processing needs. The license granted in this Subsection 2(a) is subject to the additional limitations, if any, that are set forth on Schedules to this Agreement. Licensee and Affiliates shall not use or reproduce any Licensed Product except as permitted in this Agreement.
- (b) The licenses granted herein are in consideration of the payment of the fees set forth on a Schedule to this Agreement and are subject to the terms set forth in this Agreement.
- (c) The licenses granted herein are non-exclusive and non-transferable (except in accordance with Section 7 herein), and nothing contained herein shall be deemed to convey any title or ownership interest in a Licensed Product or in any intellectual property contained therein. Licensee shall not take, and shall not permit other authorized users of the Licensed Product identified on a Schedule to this Agreement to take, any action that adversely affects and/or infringes upon Vertex's proprietary rights in a Licensed Product, including, without limitation, Vertex's patent, copyright, trademark and trade secret rights. In the event that Licensee takes or permits other authorized users of the Licensed Product identified on a Schedule to this Agreement to take any action that adversely affects and/or infringes upon Vertex's proprietary rights in a Licensed Product, including, without limitation, Vertex's patent, copyright, trademark and trade secret rights, Vertex may, in addition to taking any other action permitted by applicable law, terminate this Agreement.
- (d) Licensee and other authorized users identified on a Schedule to this Agreement may copy and use a Licensed Product as needed for backup, testing and disaster-recovery purposes, provided that all copyright notices and other proprietary notices, regardless of form, contained in or affixed on a Licensed Product are reproduced. Licensee and other authorized users of the Licensed Product identified on a Schedule to this Agreement shall not reverse engineer, decompile or disassemble a Licensed Product or any part thereof, provided, however, that for customers in the European Union, this prohibition shall be subject to Council directive 91/250/EEC. If a non-Vertex product is bundled by Vertex with a Licensed Product, Licensee and, if applicable, other authorized users of the Licensed Product identified on a Schedule to this Agreement, shall not use such non-Vertex product other than in conjunction with such Licensed Product.
- (e) Licensee may allow its third-party consultants to access and use the Licensed Product solely for use in Licensee's internal business operations in accordance with this Agreement, provided that Licensee indemnifies Vertex for any breach by such third party of (i) Vertex's intellectual property rights in the Licensed Product; and (ii) Licensee's confidentiality obligations hereunder with regard to the Licensed Product.
- (f) Notwithstanding anything herein to the contrary, if the Hardware becomes inoperable, Licensee may temporarily install the Licensed Product on other similar hardware at the same or other location. If Licensee wishes to permanently relocate the Licensed Product to other hardware requiring a different version of the said Licensed Product or requiring different media or if Licensee wishes to permanently relocate the Licensed Product to a different location, Licensee may do so, but shall promptly notify Vertex in writing of such relocation. If such relocation requires Vertex to provide Licensee an additional copy of the Licensed Product, Vertex shall invoice Licensee for the related media, shipping and handling costs.
- (g) Vertex shall ship the Licensed Product or make the Licensed Product available electronically to Licensee after Vertex's receipt of this Agreement containing the original signature and title of a duly-authorized representative of Licensee. In addition, Vertex shall provide a replacement copy of the Licensed Product if Licensee loses or damages such and requests a replacement copy. Vertex shall invoice Licensee for the related media, shipping and handling costs.
- (h) If Training is shown on a Schedule to this Agreement, Vertex shall provide such Training to Licensee as consideration for payment by Licensee to Vertex of the corresponding Training Fee. Training must be taken within 12 (twelve) months of the invoice date for the Training Fee(s). Licensee shall be responsible for its own travel fees, if any, incurred to attend Training, including, but not limited to, airfare, lodging, car rental and meals.

Section 3. Fees

- (a) Vertex shall invoice Licensee at the Bill-To address on a Schedule to this Agreement for the Initial Term for the appropriate fees shown on a Schedule to this Agreement and, if applicable, for Travel Fees.
- (b) Subject to Section 9 hereof, Vertex shall invoice Licensee at the Bill-To address on a Schedule to this Agreement for an upcoming Renewal Term at the then-current Renewal Fee at least 40 (forty) days before the applicable Anniversary Date for each Licensed Product. If Licensee desires to renew its license for the applicable Licensed Product for an upcoming Renewal Term, Licensee shall pay such invoice. Each Renewal Term shall commence on an Anniversary Date, subject to Vertex's receipt of Licensee's timely payment of such invoice. If Licensee believes an invoice is incorrect, Licensee shall promptly notify Vertex of such belief and provide Vertex with any information that Vertex reasonably requests concerning the invoice.
- (c) Licensee shall advise Vertex promptly, in writing, of any increase above any maximum or other limit stated on a Schedule to this Agreement (or above any subsequent maximum or other limit) and/or changes in other information of Licensee on a Schedule to this Agreement, and of the effective date of any such increase or change. As applicable, Vertex shall invoice Licensee after receipt of such notification for the corresponding additional amount due for the portion of the Initial Term or Renewal Term remaining, as the case may be, for the Licensed Product concerned, and the Renewal Fee thereafter will also be adjusted accordingly. For O Series® products,

Vertex shall instead invoice Licensee for an additional fee equal to the difference between the then-current Initial License Fee for the old limit and the then-current Initial License Fee for the new limit. If the limit so increases, the Renewal Fee will be adjusted to the then-current Renewal Fee for the new limit.

- (d) Licensee shall keep records in sufficient detail and containing such information as is necessary to enable fees due Vertex hereunder to be calculated. On reasonable prior written notice, Vertex and/or an independent certified public accountant acting on Vertex's behalf shall have the right to audit such records no more than once in any 12 (twelve)-month period at Licensee's facilities at a time to be mutually agreed upon by the parties. Licensee shall have the right to require that an accountant acting on behalf of Vertex sign an appropriate confidentiality agreement. Vertex shall be solely liable for the cost of such audit, unless a shortfall of five percent (5%) or more of the fees due Vertex is found for any 12 (twelve)-month period, in which case Licensee shall pay for the actual and reasonable costs of the audit. In addition to the foregoing, for O Series products, if requested by Vertex, and no more than once in any 12 (twelve)-month period, Licensee shall provide Vertex, with Vertex's assistance, a report generated by a Licensed Product that shows the number of Connections or Transactions and/or the value of Transaction Amounts or other variable information related to the use of a Licensed Product for a given time period. Such information shall be used by Vertex solely for purposes of ensuring Licensee's compliance with the terms of this Agreement.
- (e) Each invoice hereunder shall be due within 30 (thirty) days after its invoice date, or, if Licensee is, in good faith, disputing a portion of an invoice, the undisputed portion shall be due within 30 (thirty) days after the invoice date. Vertex reserves the right to charge a late fee of one and one-half percent (1.5%) per month or the maximum amount allowed by law, whichever is less, on all amounts due hereunder that are not paid in full at the time provided above, and that are not, in good faith, being disputed. Vertex reserves the right to suspend any and all shipments of a Licensed Product and Updates, Support and, if applicable, Enhanced Support in the event amounts due Vertex from Licensee in accordance with this Agreement exceed 30 (thirty) days past due.

Section 4. Installation and Support of a Licensed Product; Updates to a Licensed Product

- (a) Unless otherwise agreed upon in writing between the parties, Licensee shall be responsible for the installation of a Licensed Product; however, Vertex shall, at no additional charge to Licensee, give Licensee or other authorized users of the Licensed Product identified on a Schedule to this Agreement, as applicable, assistance by telephone in the installation of a Licensed Product. Vertex shall not be responsible for the Incorrect implementation or the incorrect use of a Licensed Product by Licensee or other authorized users of the Licensed Product identified on a Schedule to this Agreement.
- (b) The Initial License Fee or Renewal Fee, as applicable, shall also entitle Licensee or other authorized users of the Licensed Product identified on a Schedule to this Agreement, as applicable, to receive, during the term for which such fee is paid, without additional charge, telephone and/or Internet support for the number of Authorized Contacts set forth on a Schedule to this Agreement to answer general questions on the use and operation of a Licensed Product. Such telephone and/or Internet support shall be available Monday through Friday, exclusive of Vertex holidays posted on Vertex's web site (www.vertexinc.com), during the hours posted on Vertex's web site via the support telephone number posted on Vertex's web site.
- (c) The Initial License Fee or Renewal Fee, as applicable, shall also entitle Licensee to receive, during the term for which such fee is paid, without additional charge, all monthly updates to the Databases, if applicable, and all enhancements, updates and upgrades to the Income Tax Programs and/or the Transaction Tax Programs, as applicable, that Vertex makes available to other licensees without additional charge ("Updates").
- (d) The obligation of Vertex hereunder to provide Updates and Support is conditioned upon (i) Licensee's payment of the applicable Initial License Fee or Renewal Fee, (ii) Licensee and other authorized users of the Licensed Product identified on a Schedule to this Agreement, as applicable, using the then-current version of a Licensed Product in accordance with its Documentation and as permitted herein and (iii) Licensee and other authorized users of the Licensed Product identified on a Schedule to this Agreement not making, or permitting a third party to make, any modification to a Licensed Product without the prior written approval of Vertex.
- (e) Any Updates and Support provided by Vertex to Licensee shall be accompanied by Documentation that describes the nature of the Updates and Support and instructions for Licensee on how to incorporate them into a Licensed Product. Licensee shall be responsible for incorporating such Updates and Support into a Licensed Product; however, Vertex shall, at no additional charge to Licensee, provide reasonable telephone and/or email assistance upon the request of Licensee or other authorized users of the Licensed Product identified on a Schedule to this Agreement, as applicable.
- (f) If Enhanced Support is shown on a Schedule to this Agreement, Vertex shall provide such Enhanced Support, subject to the following: (i) Licensee's payment of the Enhanced Support Fee(s), (ii) Licensee and other authorized users of the Licensed Product identified on a Schedule to this Agreement using the then-current version of a Licensed Product in accordance with its then-current Documentation, and (iii) Licensee and other authorized users of the Licensed Product identified on a Schedule to this Agreement not making, or permitting a third party to make, any modification to a Licensed Product without the prior written approval of Vertex.

Section 5. Taxes

Fees shown do not include any taxes. Where applicable, there shall be added to the fees shown any taxes on such fees, including, but not limited to, state and local sales, use, excise or value-added taxes. Applicable taxes will be invoiced by Vertex to Licensee unless Licensee provides Vertex with a valid and applicable tax exemption certificate or, for non-U.S. transactions, a value-added tax registration number, if applicable, before such invoice is generated.

Section 6. Indemnity; Limited Warranty; and Remedies

- (a) Vertex warrants that it has full title to and/or the right to license each Licensed Product and that, to Vertex's knowledge, each Licensed Product does not infringe upon the copyright, trade secret or other intellectual property rights of any third party. Licensee shall promptly make Vertex aware of any such infringement claim against Licensee or other authorized users of the Licensed Product

- identified on a Schedule to this Agreement by a third party. Vertex shall defend such claim and shall indemnify and hold Licensee harmless against any liability arising out of such claim, provided that (i) Licensee has promptly notified Vertex in writing of such claim, and (ii) Licensee has not made any admission or compromise pertaining to such claim. In no event shall Licensee or other authorized users of the Licensed Product identified on a Schedule to this Agreement attempt to settle such a claim without Vertex's prior written approval. Notwithstanding anything herein to the contrary, Vertex shall not defend any claim, and shall not indemnify and hold Licensee harmless, from liability arising out of a claim of infringement if the said claim of infringement arises from: (i) Licensee's use of a previous version of a Licensed Product where such claim of infringement would have been avoided by using the current version of the said Licensed Product; (ii) use of a Licensed Product in applications, business environments or processes for which the Licensed Product was not designed or contemplated; (iii) corrections, modifications, alterations or enhancements made by Licensee to a Licensed Product; or (iv) use of a Licensed Product by any party other than Licensee or other authorized users of the Licensed Product identified on a Schedule to this Agreement.
- (b) Vertex is not presently aware of any such infringement claim, but if such a claim is made and Vertex cannot reasonably either procure the right to have Licensee and other authorized users of the Licensed Product identified on a Schedule to this Agreement continue to use a Licensed Product or replace or modify a Licensed Product with a non-infringing Licensed Product of equivalent functionality, then either party may terminate the related licenses granted herein and Vertex shall refund to Licensee related fees paid by Licensee to Vertex for such Licensed Product under this Agreement during the then-current term. **THE REMEDIES SET FORTH IN THESE SUBSECTIONS 6(a) AND 6(b) SHALL BE LICENSEE'S EXCLUSIVE REMEDIES IN THE EVENT OF ANY CLAIM BY A THIRD PARTY THAT THE LICENSED PRODUCT, OR ANY PORTION THEREOF, INFRINGES THAT THIRD PARTY'S COPYRIGHT, TRADE SECRET OR OTHER INTELLECTUAL PROPERTY RIGHT.**
- (c) Vertex further warrants that, during the term of this Agreement, each Licensed Product will conform, in all material respects, to the then-current Documentation if properly used. Upon receipt by Vertex of notification of a failure of any Licensed Product to operate, in any material respect, in conformance with the then-current Documentation for the said Licensed Product, Vertex shall, at no additional charge to Licensee, correct such failure or provide a workaround to the problem as soon as reasonably possible in accordance with the support portion of Vertex's web site, unless such failure is reasonably deemed not to be material. Licensee shall provide written documentation of such failure if reasonably requested by Vertex. **THE REMEDIES SET FORTH IN THIS SUBSECTION 6(c) SHALL BE LICENSEE'S EXCLUSIVE REMEDIES IN THE EVENT OF ANY FAILURE OF THE LICENSED PRODUCT TO OPERATE IN CONFORMANCE WITH THE THEN-CURRENT DOCUMENTATION FOR THE SAID LICENSED PRODUCT.**
- (d) Vertex warrants that (i) each Licensed Product and each Update has been tested by Vertex for viruses using standard industry practices and that no viruses were found, and (ii) to Vertex's knowledge, each Licensed Product and each Update does not contain any unauthorized code. As used herein, the term "unauthorized code" means any virus, Trojan horse, worm, or other software routines embedded by Vertex designed to permit unauthorized access or to disable, erase, or otherwise harm software and/or hardware. Upon Licensee's receipt of each Licensed Product and each Update, Licensee shall test each such Licensed Product and each such Update for viruses using standard industry practices. If a virus is found, Licensee shall immediately report such finding to Vertex. Additionally, Licensee may, in its discretion, also test for unauthorized code other than viruses. If such unauthorized code is found, Licensee shall immediately report such finding to Vertex. Upon receipt by Vertex of notification of (i) a virus being found by Licensee in a Licensed Product or Update, or (ii) unauthorized code being found by Licensee in a Licensed Product or Update, Vertex shall, at no additional charge to Licensee, correct such virus or unauthorized code or provide a workaround as soon as reasonably possible in accordance with the support portion of Vertex's web site, unless such virus or unauthorized code is reasonably deemed not to be material. **THE REMEDIES SET FORTH IN THIS SUBSECTION 6(d) SHALL BE LICENSEE'S EXCLUSIVE REMEDIES IN THE EVENT ANY VIRUS OR UNAUTHORIZED CODE IS FOUND IN ANY LICENSED PRODUCT OR ANY UPDATE.**
- (e) Licensee acknowledges that each Licensed Product may contain information provided to Vertex by taxing authorities. Vertex warrants that it will have no undisclosed knowledge of any inaccuracies in such information. Upon receipt by Vertex of notification of an inaccuracy in such information, Vertex shall, at no additional charge to Licensee, correct such inaccuracy, unless such inaccuracy is reasonably deemed not to be material. Licensee shall provide written documentation of such inaccuracy if reasonably requested by Vertex. **THE REMEDIES SET FORTH IN THIS SUBSECTION 6(e) SHALL BE LICENSEE'S EXCLUSIVE REMEDIES IN THE EVENT OF ANY INACCURACY IN THE INFORMATION CONTAINED IN OR GENERATED BY THE LICENSED PRODUCTS.**
- (f) Vertex warrants that, if applicable, Training and/or Enhanced Support will be provided using generally accepted industry standards and practices.
- (g) **THE FOREGOING EXPRESS WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES AND CONDITIONS, EXPRESS OR IMPLIED (WHETHER IN RELATION TO A LICENSED PRODUCT OR THE PROVISION OF ANY SERVICES), INCLUDING, BUT NOT LIMITED TO, WARRANTIES CONCERNING MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**
- (h) Notwithstanding anything herein to the contrary, Licensee shall be responsible for determining its desired results from the use of the Licensed Product, evaluating the capabilities of the Licensed Product and successfully operating the Licensed Product. Licensee acknowledges that the Licensed Product may contain or produce tax or other calculations that may be based, in part, upon interpretations of federal, state and foreign tax laws and other regulations or statutes. Licensee shall review the effect of the interpretations contained in the Licensed Product, and other data generated by the Licensed Product, with appropriate professional advisors. Licensee shall be solely responsible for ensuring that any tax returns generated by the Licensed Product are prepared and filed in accordance with applicable laws and regulations.
- (i) In no event shall either party have any liability with respect to its obligations hereunder for consequential, exemplary, punitive or incidental damages or for any lost profits, lost data, wasted management time or lost opportunity, even if a party has been advised of

the possibility of such damages. Except for matters arising out of Subsection 6(a), Vertex's sole liability in tort or contract arising from or relating to any goods or services provided under this Agreement, including the Schedules hereto, shall not exceed the fees related to the Licensed Product concerned paid by Licensee to Vertex under this Agreement during the then-current term.

Section 7. Assignment

Licensee shall not directly or indirectly assign this Agreement or the rights to use a Licensed Product without Vertex's prior written consent. Such consent shall not be required if assignment is to an entity that is not a competitor of Vertex that acquires all, or substantially all, of Licensee's business or to an entity that is not a competitor of Vertex whose business Licensee acquires all, or substantially all, of, provided that (i) Licensee is not in breach of this Agreement, (ii) a Licensed Product is not moved to new Hardware, and (iii) Licensee promptly notifies Vertex in writing after such assignment. If Vertex assigns its rights in a Licensed Product or this Agreement, Vertex shall promptly notify Licensee in writing after such assignment. Any attempted or actual assignment of all or part of this Agreement and/or a Licensed Product not permitted hereunder shall be void. Except as provided above, this Agreement shall be binding on, and inure to the benefit of, the heirs, successors and permitted assigns of the parties to this Agreement.

Section 8. Confidentiality

Licensee shall take reasonable steps and security precautions to prevent the unauthorized disclosure of each Licensed Product and all components thereof, and to maintain the confidentiality of Vertex's intellectual property, including, but not limited to, each Licensed Product and all components thereof, but, in any event, shall do no less than it does to protect its own proprietary information and intellectual property. If either party provides information to the other party that is marked "Confidential" or "Proprietary" or that a reasonable person would treat as confidential, the receiving party shall take reasonable steps and security precautions to prevent the unauthorized disclosure of such information and to maintain the confidentiality of such information, but, in any event, shall do no less than it does to protect its own proprietary information. Confidential information shall not include information that: (a) is or becomes public knowledge through no act or omission of the recipient; (b) was in the recipient's possession before receipt from the party providing such confidential information; (c) is disclosed to recipient by a third party not known by recipient to be subject to a duty of confidentiality with respect to such confidential information; or (d) is independently developed by the recipient. It shall not be a breach of this Section 8 to disclose confidential information (including, but not limited to, the terms and conditions of this Agreement and the pricing of a Licensed Product) pursuant to (i) judicial order, (ii) requirement of a governmental agency, (iii) operation of law, or (iv) the prior written approval of the party providing such confidential information. Both parties understand that a release of confidential information could cause irreparable harm and therefore agree that a party may seek an injunction against the other party to prevent the release of any confidential information, in addition to any other relief provided by law.

Section 9. Term and Termination

- (a) This Agreement shall remain in effect during each Initial Term for any Licensed Product(s) and, subject to Subsection 3(b), any Renewal Term for any Licensed Product(s), unless terminated by either party as provided in this Section 9.
- (b) A party shall have the right to terminate this Agreement and/or a license granted herein if the other party fails to cure a material breach of this Agreement within 30 (thirty) days after receiving written notice of such breach from the non-breaching party. If Licensee terminates this Agreement or a license granted herein due to an uncured material breach by Vertex pursuant to the previous sentence, Vertex shall promptly refund to Licensee all fees related to the Licensed Product concerned paid by Licensee hereunder for the then-current term.
- (c) If Licensee acquires, is acquired by, merges with or otherwise becomes an Affiliate of a competitor of Vertex, Vertex shall have the right to terminate this Agreement and refund Licensee any pre-paid unused fees remaining.
- (d) Licensee may elect to not renew or to terminate (i) this Agreement and/or (ii) a license granted herein at any time by sending Vertex a written notice of its intention at any time, at which time, in either instance, Updates and Support for any Licensed Product concerned shall cease. Licensee shall not be entitled to the return of any fees in the event it elects to not renew or to terminate this Agreement and/or a license granted herein without an uncured material breach by Vertex. In the event that Licensee elects to not renew or to terminate this Agreement and/or a license granted herein pursuant to this Subsection 9(d), the written notice of Licensee's intention to terminate must be accompanied by payment in full of the balance of unpaid Initial License Fees for the Initial Term, if applicable, or unpaid Renewal Fees for all Renewal Terms shown on a Schedule to this Agreement, if applicable, or otherwise agreed to in writing for the terminated license(s).
- (e) Vertex may also elect not to renew this Agreement and/or a license granted herein under the following terms: If Vertex elects, in its sole discretion, not to renew this Agreement and/or a license granted herein at the end of any then-current term, Vertex shall provide Licensee with written notice of non-renewal at least ninety (90) days prior to the end of the then-current term. For Licensed Products not consisting of Income Tax Programs, upon receipt of such notice of non-renewal, Licensee shall have the option, exercisable by written notice to Vertex at least sixty (60) days prior to the end of the then-current term, to purchase a limited license to use the Licensed Product concerned, under the same terms and conditions set forth in this Agreement, together with the right to receive ongoing Support and Updates for the Licensed Product concerned, for a period not to exceed six (6) months from the end of the then-current term. The fee for such limited license shall be pro-rated for the additional period on a monthly basis based on the then-current Renewal Fee paid by Licensee for the then-current term, which fee shall be invoiced by Vertex and which shall be due in U.S. funds within thirty (30) days after the said invoice date.
- (f) Within 30 (thirty) days following the date of expiration or termination of this Agreement and/or a license granted herein in accordance with Subsections 9(a), 9(b) 9(c), 9(d) or 9(e) of this Agreement, Licensee shall erase from all physical media any image or copies of each Licensed Product for which the license has expired or been terminated or return all copies of each Licensed Product for which the license has expired or been terminated to Vertex.
- (g) Notwithstanding the expiration or termination of this Agreement for any reason, the terms of the following sections of this Agreement

shall survive such expiration/termination: (i) Section 1: Definitions; (ii) Section 6: Indemnity; Limited Warranty; and Remedies; (iii) Section 8: Confidentiality; (iv) this Section 9: Term and Termination; and (v) Section 10: General Provisions.

Section 10. General Provisions

- (a) Intentionally omitted.
- (b) Intentionally omitted.
- (c) The parties shall use reasonable efforts, including, without limitation, face-to-face negotiations, to resolve any differences arising between them as a result of this Agreement prior to exercising their respective rights at law or equity. If a trial results from this Agreement, the parties agree that such trial shall be a non-jury trial. No action, regardless of form, arising out of this Agreement shall be brought more than two (2) years after the cause of action accrued.
- (d) Products provided under this Agreement may be subject to U.S. and other government export-control regulations. If the Ship-To address is a U.S. address, Licensee assures that it will comply with all applicable export laws and regulations related to the use, disclosure, export, or re-export of each Licensed Product. If the Ship-To address is a non-U.S. address, Vertex assures that it will comply with all applicable United States export laws and regulations related to the export of the Licensed Product to the agreed-upon address. After delivery, Licensee agrees that it will comply with all applicable laws and regulations related to the use, disclosure or re-export of each Licensed Product.
- (e) The waiver or failure of a party to exercise any of its rights hereunder shall not be deemed a waiver of any future right in regard to the same matter or any other matter.
- (f) Neither party shall use the other party's Marks in connection with press releases, promotional materials, reports or case studies without the other party's prior written consent.
- (g) If any provision of this Agreement is found to be invalid, illegal or unenforceable under any applicable statute or law, it is to that extent deemed to be omitted, and the remaining provisions of this Agreement shall not be affected in any way.
- (h) All notices required or permitted to be given hereunder by one party to the other shall be deemed given upon the date sent, if said notice is sent by registered or certified mail, with proof of delivery, or by hand or courier, with proof of delivery. Notices shall be sent or delivered to the address set forth above for Vertex to the attention of "Contracts Administrator" and to the "Licensee" address indicated on a Schedule to this Agreement.
- (i) The headings of the Sections of this Agreement are for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement.
- (j) The parties have reviewed (and, if applicable, negotiated) this Agreement in its electronic form. They desire to be able to sign the hard-copy version, as well as any Schedule or addendum, without having to re-read such document to confirm that no unauthorized changes were made before the final printout. Toward that end, by signing and delivering this Agreement, any Schedule or addendum thereto, now or in the future, each party will be deemed to represent to the other that the signing party has not made any change to such document from the draft(s) originally provided to the other party by the signing party, or vice versa, unless the signing party has expressly called such changes to the other party's attention in writing and the other party has affirmed its approval of such change.
- (k) Each party acknowledges that it has read and understands this Agreement and shall be bound, with respect to the matters contained herein, only by its terms. The parties further agree that this Agreement (including all Schedules to this Agreement) contains the entire understanding and agreement of the parties with respect to the matters contained herein, and supersedes all prior proposals, understandings and agreements between the parties relating to the subject matter of this Agreement. There are no promises, covenants or undertakings contained in any other written or oral communication or convention, including, but not limited to, the United Nations Convention on Contracts for the International Sale of Goods (1980), that may otherwise apply.

AGREED BY: Baldwin County Commission
(Licensee's Full Company Name)

AGREED BY: Vertex, Inc.

Frank Buxton Jr.
SIGNATURE (By signing, signer agrees signer is duly authorized to sign this document on behalf of Licensee.)

David DeStefano
SIGNATURE (By signing, signer agrees signer is duly authorized to sign this document on behalf of Vertex.)

Name: Frank Buxton Jr.

Name: David DeStefano

Title: Chairman

Title: Chief Financial Officer

Date: 8/16/2011

Date: 8/15/2011 /20

Vertex, Inc. Software License Agreement

SCHEDULE A
TO VERTEX, INC. SOFTWARE LICENSE AGREEMENT DATED ___/___/20___

Licensed Product

Vertex® Payroll Tax Q Series®

In addition to the terms and conditions in the Agreement, the following terms and conditions shall also apply to the above product:

"Anniversary Date" means the month and day corresponding to the day after the last day of the Initial Term.

"Authorized Contact" means a named employee of Licensee who may contact Vertex for Support. Licensee may designate to Vertex up to four (4) named employees of Licensee for the above product who may contact Vertex for Support. The "Bill To" contact and the "Ship To" contact on Schedule B shall be the first two (2) Authorized Contacts, and Licensee may notify Vertex in writing of up to two (2) additional Authorized Contacts; however, Licensee may change any such Authorized Contact by notifying Vertex in writing.

"Corporate License" means that Licensee and Affiliates have the right to use the above product to process their own work for up to the number of Employees shown on Schedule A.

"Employee" means any person employed by Licensee or by an Affiliate whose pay is calculated by Licensee or by an Affiliate with the use of the above product.

Vertex hereby grants Licensee and Affiliates a Corporate License to use the above product on the Hardware in accordance with the terms of this Agreement.

Maximum Number of Employees: 2,500 (Tier #2)

In addition for the above product:

- (1) Licensee is currently licensing Vertex® Payroll Tax L Series® from Vertex under a separate software license agreement between the parties; and
- (2) Notwithstanding anything in the above Agreement to the contrary, if Licensee requests in writing to Vertex to terminate its software license for Vertex Payroll Tax L Series (licensed with JD Edwards Enterprise application) a pro-rated credit based on the number of months remaining in the then-current term for Vertex Payroll Tax L Series shall be applied toward the next Annual Renewal Fee for Payroll Tax Q Series. No credit shall be applied for any months prior to such written request being received by Vertex. In addition, upon such termination of the Vertex Payroll Tax L Series software license, Licensee's right to use Vertex Payroll Tax L Series shall automatically cease and Vertex's obligation to provide Updates and Support for Vertex Payroll Tax L Series shall automatically cease.

SCHEDULE B TO VERTEX, INC. SOFTWARE LICENSE AGREEMENT

LICENSEE:

Baldwin County Commission
 Suite 13
 312 Courthouse Square
 Bay Minette, Baldwin
 AL 36507
 United States
 251 580-1624

BILL TO:

Wischal Joshi
 Baldwin County Commission
 Suite 13
 312 Courthouse Square
 Bay Minette, Baldwin
 AL 36507
 United States
 251 580-1624
 wjoshi@co.baldwin.al.us

SHIP TO:

Wischal Joshi
 Baldwin County Commission
 Suite 13
 312 Courthouse Square
 Bay Minette, Baldwin
 AL 36507
 United States
 251 580-1624
 wjoshi@co.baldwin.al.us

Description	Initial License Fee	Current Annual Renewal Fee*
<p>Payroll Tax Q Series Solution License Type: Peoplesoft Migration Number of Employees: 2500</p> <p>Vendor: JD Edwards Vendor Application Version: EnterpriseOne 9.0 Vertex Version: Payroll Tax Q Series Version 2.9.8 Hardware: Intel PC Operating System: Windows 2000 Database: Not Applicable Delivery Method: FTP</p> <p>Payroll Tax Q Series Solution Service Agreement Duration: 1 Yr</p>	<p>5,530.00</p>	<p>5,490.00</p>

Initial License Fee	
Subtotal	5,530.00
Less Discount	-40.00
Total	5,490.00 USD

SCHEDULE B TO VERTEX, INC. SOFTWARE LICENSE AGREEMENT

* ANNUAL RENEWAL FEE TO BE INVOICED AT LEAST 40 DAYS BEFORE EACH ANNIVERSARY DATE

This offer is valid if the Vertex Inc. Software License Agreement and this Schedule B are both signed by Licensee on or before 30-SEP-11.

IN ORDER TO ALLOW AN ORIGINAL TO BE EASILY DISTINGUISHED FROM A COPY, PLEASE SIGN BELOW IN BLUE INK. PLEASE RETURN THE ORIGINAL-SIGNATURE VERSION OF THIS SCHEDULE B TO VERTEX.

AGREED BY: Baldwin County Commission



AUTHORIZED SIGNATURE

Name: Frank Buel Jr.
Title: Chairman
Date: 8/11/11



AGREED BY: Vertex Inc.



AUTHORIZED SIGNATURE

Name: David DeStefano
Title: Chief Financial Officer
Date: 8/15/2011

If you are exempt from sales tax charged by Vertex, please provide a valid and applicable exemption certificate/direct pay permit with the submission of the signed contract.