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CITY OF PORTSMOUTH, VIRGINIA AND PORTSMOUTH PUBLIC SCHOOLS PURCHASE MUNIS SOFTWARE AND SERVICES FROM TYLER TECHNOLOGIES

Dallas, October 10, 2006 -- Tyler Technologies, Inc. (NYSE: TYL) announced today that the City of Portsmouth, Virginia and the Portsmouth Public Schools have joined to purchase a multi-faceted solution of MUNIS® integrated Enterprise Resource Planning software and related professional services from Tyler Technologies. The contract is valued at more than $2 million.

As part of the project, the City and the Schools will implement MUNIS financial software applications including general ledger; budgeting; requisitions and purchase orders; inventory; fixed assets; general billing and accounts receivable / cash receipts; and GASB 34 reporter. In addition, the City and the Schools have both purchased payroll and human resource management applications, along with Content Manager for MUNIS. Tyler's Web-enabled self-service applications for both employees and vendors, together with the MUNIS portal, round out the package.

"Portsmouth is pleased to partner with Tyler Technologies in the implementation of MUNIS," stated Mark Gardner, Director of Information Technology for the City of Portsmouth. "A collaborative project between the City and the Schools to replace existing systems with a modern comprehensive financial and human resource system has been a major goal for both organizations. After extensive system evaluations we determined that the MUNIS system will support the automation requirements to improve business processes in education and municipal government."

Rich in history, Portsmouth is a major east coast port located in the heart of Virginia's Hampton Roads region. With a population of approximately 100,000, Portsmouth is the state's ninth-largest city. Founded in 1752 and currently ranked one of "America's Top Business Opportunity Metros" by *Expansion Management*, the City is home to the Norfolk Naval Shipyard, five business parks, a busy working waterfront and progressive economic programs. The Portsmouth Public Schools serve 16,500 students with three high schools, three middle schools, 14 elementary schools, and several other centers providing pre-K, adult learning, career and technology, and alternative and special education needs.

According to Dick Peterson, President of Tyler's MUNIS division, "Working together with a municipality's government and public school systems is something that Tyler does very well. Our comprehensive software and services offering spans all aspects of both entities, and our powerful solutions completely fit the needs of each type of organization. To take that one step further, the applications and services that we provide can be fully integrated to help separate operating entities – like a city and its school district – better assimilate and share resources. This represents a cost savings opportunity that positively affects the bottom line for both the City and the Schools."

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Based in Dallas, Tyler Technologies is a leading provider of end-to-end information management solutions and services for local governments. Tyler partners with clients to make local government more accessible to the public, more responsive to needs of citizens, and more efficient. Tyler's client base includes more than 6,000 local government offices throughout all 50 states, Canada, Puerto Rico and the United Kingdom. *Forbes* Magazine named Tyler one of the "200 Best Small Companies" in America in 2004. More information about Tyler Technologies can be found at www.tylertech.com.

Tyler Technologies, Inc. has included in this press release "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 concerning its business and operations. Tyler Technologies expressly disclaims any obligation to release publicly any updates or revisions to these forward-looking statements to reflect any change in its expectations. These expectations and the related statements are inherently subject to risks and uncertainties that could cause actual results to differ materially from those set forth in, contemplated by, or underlying the forward-looking statements. The risks and uncertainties which forward-looking statements are subject to include, but are not limited to, changes in competition, changes in general economic conditions, changes in the budgets and regulatory environments of the Company's customers, risks associated with the development of new products and the enhancement of existing products, the ability to attract and retain qualified personnel, and other risks detailed from time to time in the Company's filings with the Securities and Exchange Commission.

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