

AGREEMENT BETWEEN THE COUNTY OF SAN MATEO AND RUNBECK ELECTION SERVICES, INC.

This Agreement is entered into this _____ day of _____, 2018, by and between the County of San Mateo, a political subdivision of the state of California, hereinafter called "County," and Runbeck Election Services, Inc., hereinafter called "Contractor."

* * *

Whereas, pursuant to Section 31000 of the California Government Code, County may contract with independent contractors for the furnishing of such services to or for County or any Department thereof; and

Whereas, it is necessary and desirable that Contractor be retained for the purpose of supplying the products and services set forth in Exhibit A attached hereto.

Now, therefore, it is agreed by the parties to this Agreement as follows:

1. Exhibits and Attachments

The following exhibits and attachments are attached to this Agreement and incorporated into this Agreement by this reference:

Exhibit A—Services

Exhibit B—Payments and Rates

2. Services to be performed by Contractor

In consideration of the payments set forth in this Agreement and in Exhibit B, Contractor shall perform services for County in accordance with the terms, conditions, and specifications set forth in this Agreement and in Exhibit A.

3. Payments

In consideration of the services provided by Contractor in accordance with all terms, conditions, and specifications set forth in this Agreement and in Exhibit A, County shall make payment to Contractor based on the rates and in the manner specified in Exhibit B. County reserves the right to withhold payment if County determines that the quantity or quality of the work performed is unacceptable. In no event shall County's total fiscal obligation under this Agreement exceed SIX HUNDRED FORTY THOUSAND AND SIX HUNDRED NINETY DOLLARS (\$640,690). In the event that the County makes any advance payments, Contractor agrees to refund any amounts in excess of the amount owed by the County at the time of contract termination or expiration. Contractor is not entitled to payment for work not performed as required by this agreement.

4. Term

Subject to compliance with all terms and conditions, the term of this Agreement shall be from March 1, 2018, through January 1, 2023.

5. Termination

This Agreement may be terminated by Contractor or by the Chief Elections Officer & Assessor-County Clerk-Recorder or his/her designee at any time without a requirement of good cause upon thirty (30) days' advance written notice to the other party. Subject to availability of funding, Contractor shall be entitled to receive payment for work/services provided prior to termination of the Agreement. Such payment shall be that prorated portion of the full payment determined by comparing the work/services actually completed to the work/services required by the Agreement.

County may terminate this Agreement or a portion of the services referenced in the Attachments and Exhibits based upon the unavailability of Federal, State, or County funds by providing written notice to Contractor as soon as is reasonably possible after County learns of said unavailability of outside funding.

County may terminate this Agreement for cause. In order to terminate for cause, County must first give Contractor notice of the alleged breach. Contractor shall have five business days after receipt of such notice to respond and a total of ten calendar days after receipt of such notice to cure the alleged breach. If Contractor fails to cure the breach within this period, County may immediately terminate this Agreement without further action. The option available in this paragraph is separate from the ability to terminate without cause with appropriate notice described above.

6. Contract Materials

At the end of this Agreement, or in the event of termination, all finished or unfinished documents, data, studies, maps, photographs, reports, and other written materials (collectively referred to as "contract materials") prepared by Contractor under this Agreement shall become the property of County and shall be promptly delivered to County. Upon termination, Contractor may make and retain a copy of such contract materials if permitted by law.

7. Relationship of Parties

Contractor agrees and understands that the work/services performed under this Agreement are performed as an independent contractor and not as an employee of County and that neither Contractor nor its employees acquire any of the rights, privileges, powers, or advantages of County employees.

8. Hold Harmless

a. General Hold Harmless

Contractor shall indemnify and save harmless County and its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind, and description resulting from this Agreement, the performance of any work or services required of Contractor under this Agreement, or payments made pursuant to this Agreement brought for, or on account of, any of the following:

(A) injuries to or death of any person, including Contractor or its employees/officers/agents;

(B) damage to any property of any kind whatsoever and to whomsoever belonging;

(C) any sanctions, penalties, or claims of damages resulting from Contractor's failure to comply, if applicable, with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended; or

(D) Contractor's duty to indemnify and save harmless under this Section shall not apply to injuries or damage for which County has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Contractor to indemnify and save harmless as set forth by this Section shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

b. Intellectual Property Indemnification

Contractor hereby certifies that it owns, controls, and/or licenses and retains all right, title, and/or interest in and to any intellectual property it uses in relation to this Agreement, including the design, look, feel, features, source code, content, and/or other technology relating to any part of the services it provides under this Agreement and including all related patents, inventions, trademarks, and copyrights, all applications therefor, and all trade names, service marks, know how, and trade secrets (collectively referred to as "IP Rights") except as otherwise noted by this Agreement.

Contractor warrants that the services it provides under this Agreement do not infringe, violate, trespass, or constitute the unauthorized use or misappropriation of any IP Rights of any third party. Contractor shall defend, indemnify, and hold harmless County from and against all liabilities, costs, damages, losses, and expenses (including reasonable attorney fees) arising out of or related to any claim by a third party that the services provided under this Agreement infringe or violate any third-party's IP Rights provided any such right is enforceable in the United States. Contractor's duty to defend, indemnify, and hold harmless under this Section applies only provided that: (a) County notifies Contractor promptly in writing of any notice of any such third-party claim; (b) County cooperates with Contractor, at Contractor's expense, in all reasonable respects in connection with the investigation and defense of any such third-party claim; (c) Contractor retains sole control of the defense of any action on any such claim and all negotiations for its settlement or compromise (provided Contractor shall not have the right to settle any criminal action, suit, or proceeding without County's prior written consent, not to be unreasonably withheld, and provided further that any settlement permitted under this Section shall not impose any financial or other obligation on County, impair any right of County, or contain any stipulation, admission, or acknowledgement of wrongdoing on the part of County without County's prior written consent, not to be unreasonably withheld); and (d) should services under this Agreement become, or in Contractor's opinion be likely to become, the subject of such a claim, or in the event such a third party claim or threatened claim causes County's reasonable use of the services under this Agreement to be seriously endangered or disrupted, Contractor shall, at Contractor's option and expense, either: (i) procure for County the right to continue using the services without infringement or (ii) replace or modify the services so that they become non-infringing but remain functionally equivalent.

Notwithstanding anything in this Section to the contrary, Contractor will have no obligation or liability to County under this Section to the extent any otherwise covered claim is based upon: (a) any aspects of the services under this Agreement which have been modified by or for County (other than modification performed by, or at the direction of, Contractor) in such a way as to cause the alleged infringement at issue; and/or (b) any aspects of the services under this Agreement which have been used by County in a manner prohibited by this Agreement.

The duty of Contractor to indemnify and save harmless as set forth by this Section shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

9. Assignability and Subcontracting

Contractor shall not assign this Agreement or any portion of it to a third party or subcontract with a third party to provide services required by Contractor under this Agreement without the prior written consent of County. Any such assignment or subcontract without County's prior written consent shall give County the right to automatically and immediately terminate this Agreement without penalty or advance notice.

10. Insurance

a. General Requirements

Contractor shall not commence work or be required to commence work under this Agreement unless and until all insurance required under this Section has been obtained and such insurance has been approved by County's Risk Management, and Contractor shall use diligence to obtain such insurance and to obtain such approval. Contractor shall furnish County with certificates of insurance evidencing the required coverage, and there shall be a specific contractual liability endorsement extending Contractor's coverage to include the contractual liability assumed by Contractor pursuant to this Agreement. These certificates shall specify or be endorsed to provide that thirty (30) days' notice must be given, in writing, to County of any pending change in the limits of liability or of any cancellation or modification of the policy.

b. Workers' Compensation and Employer's Liability Insurance

Contractor shall have in effect during the entire term of this Agreement workers' compensation and employer's liability insurance providing full statutory coverage. In signing this Agreement, Contractor certifies, as required by Section 1861 of the California Labor Code, that (a) it is aware of the provisions of Section 3700 of the California Labor Code, which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code, and (b) it will comply with such provisions before commencing the performance of work under this Agreement.

c. Liability Insurance

Contractor shall take out and maintain during the term of this Agreement such bodily injury liability and property damage liability insurance as shall protect Contractor and all of its employees/officers/agents while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from Contractor's operations under this Agreement, whether such operations be by Contractor, any subcontractor, anyone directly or indirectly employed by either of them, or an agent of either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall not be less than the amounts specified below:

(a) Comprehensive General Liability... \$1,000,000

County and its officers, agents, employees, and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that (a) the insurance afforded thereby to County and its officers, agents, employees, and servants shall be primary insurance to the full limits of liability of the policy and (b) if the County or its officers, agents, employees, and servants have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only.

In the event of the breach of any provision of this Section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, County, at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work and payment pursuant to this Agreement.

11. Compliance With Laws

All services to be performed by Contractor pursuant to this Agreement shall be performed in accordance with all applicable Federal, State, County, and municipal laws, ordinances, and regulations, including but not limited to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Federal Regulations promulgated thereunder, as amended (if applicable), the Business Associate requirements set forth in Attachment H (if attached), the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination on the basis of disability in programs and activities receiving any Federal or County financial assistance. Such services shall also be performed in accordance with all applicable ordinances and regulations, including but not limited to appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations. In the event of a conflict between the terms of this Agreement and any applicable State, Federal, County, or municipal law or regulation, the requirements of the applicable law or regulation will take precedence over the requirements set forth in this Agreement.

Contractor will timely and accurately complete, sign, and submit all necessary documentation of compliance.

12. Non-Discrimination and Other Requirements

a. General Non-discrimination

No person shall be denied any services provided pursuant to this Agreement (except as limited by the scope of services) on the grounds of race, color, national origin, ancestry, age, disability (physical or mental), sex, sexual orientation, gender identity, marital or domestic partner status, religion, political beliefs or affiliation, familial or parental status (including pregnancy), medical condition (cancer-related), military service, or genetic information.

b. Equal Employment Opportunity

Contractor shall ensure equal employment opportunity based on objective standards of recruitment, classification, selection, promotion, compensation, performance evaluation, and management relations for all employees under this Agreement. Contractor's equal employment policies shall be made available to County upon request.

c. Section 504 of the Rehabilitation Act of 1973

Contractor shall comply with Section 504 of the Rehabilitation Act of 1973, as amended, which provides that no otherwise qualified individual with a disability shall, solely by reason of a disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination in the performance of any services this Agreement. This Section applies only to contractors who are providing services to members of the public under this Agreement.

d. Compliance with County's Equal Benefits Ordinance

Contractor shall comply with all laws relating to the provision of benefits to its employees and their spouses or domestic partners, including, but not limited to, such laws prohibiting discrimination in the provision of such benefits on the basis that the spouse or domestic partner of the Contractor's employee is of the same or opposite sex as the employee.

e. Discrimination Against Individuals with Disabilities

The nondiscrimination requirements of 41 C.F.R. 60-741.5(a) are incorporated into this Agreement as if fully set forth here, and Contractor and any subcontractor shall abide by the requirements of 41 C.F.R. 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

f. History of Discrimination

Contractor certifies that no finding of discrimination has been issued in the past 365 days against Contractor by the Equal Employment Opportunity Commission, the California Department of Fair Employment and Housing, or any other investigative entity. If any finding(s) of discrimination have been issued against Contractor within the past 365 days by the Equal Employment Opportunity Commission, the California Department of Fair Employment and Housing, or other investigative entity, Contractor shall provide County with a written explanation of the outcome(s) or remedy for the discrimination prior to execution of this Agreement. Failure to comply with this Section shall constitute a material breach of this Agreement and subjects the Agreement to immediate termination at the sole option of the County.

g. Reporting; Violation of Non-discrimination Provisions

Contractor shall report to the County Manager the filing in any court or with any administrative agency of any complaint or allegation of discrimination on any of the bases prohibited by this Section of the Agreement or the Section titled "Compliance with Laws". Such duty shall include reporting of the filing of any and all charges with the Equal Employment Opportunity Commission, the California Department of Fair Employment and Housing, or any other entity charged with the investigation or adjudication of allegations covered by this subsection within 30 days of such filing, provided that within such 30 days such entity has not notified Contractor that such charges are dismissed or otherwise unfounded. Such notification shall include a general description of the circumstances involved and a general description of the kind of discrimination alleged (for example, gender-, sexual orientation-, religion-, or race-based discrimination).

Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject the Contractor to penalties, to be determined by the County Manager, including but not limited to the following:

- i. termination of this Agreement;
- ii. disqualification of the Contractor from being considered for or being awarded a County contract for a period of up to 3 years;
- iii. liquidated damages of \$2,500 per violation; and/or
- iv. imposition of other appropriate contractual and civil remedies and sanctions, as determined by the County Manager.

To effectuate the provisions of this Section, the County Manager shall have the authority to offset all or any portion of the amount described in this Section against amounts due to Contractor under this Agreement or any other agreement between Contractor and County.

13. Compliance with County Employee Jury Service Ordinance

Contractor shall comply with Chapter 2.85 of the County's Ordinance Code, which states that Contractor shall have and adhere to a written policy providing that its employees, to the extent they are full-time employees and live in San Mateo County, shall receive from the Contractor, on an annual basis, no fewer than five days of regular pay for jury service in San Mateo County, with jury pay being provided only for each day of actual jury service. The policy may provide that such employees deposit any fees received for such jury service with Contractor or that the Contractor may deduct from an employee's regular pay the fees received for jury service in San Mateo County. By signing this Agreement, Contractor certifies that it has and adheres to a policy consistent with Chapter 2.85. For purposes of this Section, if Contractor has no employees in San Mateo County, it is sufficient for Contractor to provide the following written statement to County: "For purposes of San Mateo County's jury service ordinance, Contractor certifies that it has no full-time employees who live in San Mateo County. To the extent that it hires any such employees during the term of its Agreement with San Mateo County, Contractor shall adopt a policy that complies with Chapter 2.85 of the County's Ordinance Code." The requirements of Chapter 2.85 do not apply if this Agreement's total value listed in the Section titled "Payments", is less than one-hundred thousand dollars (\$100,000), but Contractor acknowledges that Chapter 2.85's requirements will apply if this Agreement is amended such that its total value meets or exceeds that threshold amount.

14. Retention of Records; Right to Monitor and Audit

(a) Contractor shall maintain all required records relating to services provided under this Agreement for three (3) years after County makes final payment and all other pending matters are closed, and Contractor shall be subject to the examination and/or audit by County, a Federal grantor agency, and the State of California.

(b) Contractor shall comply with all program and fiscal reporting requirements set forth by applicable Federal, State, and local agencies and as required by County.

(c) Contractor agrees upon reasonable notice to provide to County, to any Federal or State department having monitoring or review authority, to County's authorized representative, and/or to any of their respective audit agencies access to and the right to examine all records and documents necessary to determine compliance with relevant Federal, State, and local statutes, rules, and regulations, to determine compliance with this Agreement, and to evaluate the quality, appropriateness, and timeliness of services performed.

15. Merger Clause; Amendments

This Agreement, including the Exhibits and Attachments attached to this Agreement and incorporated by reference, constitutes the sole Agreement of the parties to this Agreement and correctly states the rights, duties, and obligations of each party as of this document's date. In the event that any term, condition, provision, requirement, or specification set forth in the body of this Agreement conflicts with or is inconsistent with any term, condition, provision, requirement, or specification in any Exhibit and/or Attachment to this Agreement, the provisions of the body of the Agreement shall prevail. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications or amendments shall be in writing and signed by the parties.

16. Controlling Law; Venue

The validity of this Agreement and of its terms, the rights and duties of the parties under this Agreement, the interpretation of this Agreement, the performance of this Agreement, and any other dispute of any nature arising out of this Agreement shall be governed by the laws of the State of California without regard to its choice of law or conflict of law rules. Any dispute arising out of this Agreement shall be venued either in the San Mateo County Superior Court or in the United States District Court for the Northern District of California.

17. Notices

Any notice, request, demand, or other communication required or permitted under this Agreement shall be deemed to be properly given when both: (1) transmitted via facsimile to the telephone number listed below or transmitted via email to the email address listed below; and (2) sent to the physical address listed below by either being deposited in the United States mail, postage prepaid, or deposited for overnight delivery, charges prepaid, with an established overnight courier that provides a tracking number showing confirmation of receipt.

In the case of County, to:

Name/Title: Mark Church, Chief Elections Officer & Assessor-County Clerk-Recorder
Address: 555 County Center, Redwood City, CA 94063
Telephone: 650-363-4988
Facsimile: 650-363-1903
Email: mchurch@smcgov.org

In the case of Contractor, to:

Name/Title: Runbeck Election Services, Inc., Attn. James Suver
Address: 2404 West 14th Street, Suite 110
Telephone: (602) 230-0510
Facsimile: 602-437-1411

With copy to:

Name/Title: Steven H. Williams, Esq.
Address: 7101 North First Street
Facsimile: 602-390-6719
Email: swill52856@cox.net

18. Electronic Signature

Both County and Contractor wish to permit this Agreement and future documents relating to this Agreement to be digitally signed in accordance with California law and County's Electronic Signature Administrative Memo. Any party to this Agreement may revoke such agreement to permit electronic signatures at any time in relation to all future documents by providing notice pursuant to this Agreement.

* * *

In witness of and in agreement with this Agreement's terms, the parties, by their duly authorized representatives, affix their respective signatures:

For Contractor: Runbeck Election Services, Inc.



Contractor Signature

March 8, 2018
Date

James R. Suver
Contractor Name (please print)

COUNTY OF SAN MATEO

By: _____
President, Board of Supervisors, San Mateo County

Date: _____

ATTEST:

By: _____
Clerk of Said Board

Exhibit A

In consideration of the payments set forth in Exhibit B, Contractor shall provide the following services:

<u>Sentio Ballot on Demand (BOD) Printing Systems</u>	<u>Number of Units</u>
Sentio Ballot Printing On-Demand System – Oki C532dn Installation of Sentio equipment	45

Each Sentio system(s) includes:

- C532dnPrinter
- Alignment Feeder
- Heavy Duty Catch Tray
- Heavy Duty Cart
- Early Voting Software (EVS)
- Absentee/Vote-by-Mail Software (SPS)
- Laptop

MAINTENANCE SERVICES

Software Maintenance

- 24x7 technical software support hotline during declared election cycles
- Installation of all software updates
- Testing and validation of all software updates
- Software License Fees

Hardware Maintenance

- 24x7 technical support hotline during declared election cycles
- Hardware maintenance fees
- County also agrees to allow Contractor employees access to the equipment, when requested, during normal working hours.

Election Data

At the conclusion of the election, Contractor will provide phone assistance with the export of all election data from the Sentio Printing System. This data will be retained by the County. Media (DVDs, jump drives, etc.) for this data will be provided by the County. County is responsible for the retention of this media and data.

Materials management

- County is responsible for any pre-election inventory of Sentio Printing System consumables.
- County is responsible for purchasing consumables, the shipping and taxes associated with such consumables.
- County is responsible for providing storage area that provides adequate space and maintains proper environmental conditions for stocking of supplies. County must provide Contractor notice of election at least 75 days in advance of 1st day that services will be required. County is responsible for installation of consumables while operating the Sentio Printing System during an election cycle.

End of contract options:

- Upgrade existing system, for which new Usage, License, Maintenance and Service agreements shall apply.

Upon payment of the required fees by County, Contractor shall provide Equipment maintenance and support services as set forth below:

1. Equipment Maintenance Services.

For payment of the Fee, Contractor shall perform preventative maintenance on Equipment once each year. The maintenance will be performed on a date and time that is mutually acceptable to the Parties. The maintenance performed shall be Pre-election or Post-election Maintenance as described below:

A. Pre-election Preventative Maintenance.

- i. Cleaning and inspection of the Equipment
- ii. Replacement of any worn parts that need to be replaced*
- iii. Correct any hardware or software issues
- iv. Post maintenance testing

B. Post-election Preventative Maintenance.

- i. Cleaning and inspection of the Equipment
- ii. Replacement of any worn parts that need to be replaced*
- iii. Assisting the County with the extracting of election data and archiving such data. Archive media will be provided by the County.
- iv. All systems will be properly shut down and power will be removed.

* The County is solely responsible for paying the cost (including the shipping costs and any applicable taxes) of any replacement parts and consumables that are needed for the Equipment.

2. Consumables.

The County acknowledges that the Equipment includes consumable items that require replacement. The consumables include, but are not limited to, such things as belts, rollers and tray tags. County shall be solely responsible for the cost (including the shipping costs and any applicable taxes) to purchase all consumables that are needed for the Equipment. The County is responsible for installation of the consumables.

3. Additional Remote Support.

Contractor will provide the County will a toll-free telephone number that it may use for assistance in addressing any Equipment issues that may arise or for general questions related to the use of the Equipment.

EXHIBIT B

In consideration of the services provided by Contractor described in Exhibit A and subject to the terms of the Agreement, County shall pay Contractor based on the following fee schedule and terms:

Training

Training requires an on-site support fee, indicated below.

ON-SITE SUPPORT FEES

Optional dedicated on-site support, and/or training (does not include election set-up or routine maintenance) will be billed at a rate of \$1,750.00 for the first day (an eight-hour work day) and \$1,500 for each additional 8-hour work day. The amount billed shall be due and payable within thirty (30) days of the invoice date. This service is subject to availability.

Paper Fees

Up to 17" including scoring or 1 perforation	\$.13 per sheet
Longer than 17" including scoring or 1 perforation	\$.15 per sheet

The prices shown for ballot stock and other paper products are based on current market prices for paper. Contractor reserves the right to adjust prices (not to exceed 5% per year) based on increases in the price of paper on the open market.

Sentio Ballot Set Up Fee (per election)

Even year price: \$1,000 set up fee, + \$1 per unique PDF (style or precinct), odd year price: \$500 set up fee, +\$1 per unique PDF (style or precinct), as deposited in the final repository. Set-up fee will be waived provided the County is under contract with Contractor as a ballot print and mail partner.

OTHER

Taxes

If taxes apply, they will be the sole responsibility of the County.

Shipping Fees

Initial shipping fees for the Sentio unit are at no additional charge. Future shipping fees will apply as other goods may be purchased and need to be shipped to the jurisdiction and are the sole responsibility of the County.

Annual Equipment Maintenance Fee.

County shall pay to Contractor an Annual Hardware Licensing Fee ("Fee") of FOUR HUNDRED AND FIFTY DOLLARS (\$450) for each Sentio Printing System. The Fee is subject to an annual adjustment not to exceed five percent (5%). The Annual Hardware Licensing Fee for the first year of this Agreement is included in the purchase price and installation price of the Equipment. All subsequent payments of this Fee shall be made on each successive anniversary term of this Agreement.

Sentio Ballot Printing On-Demand - Oki C532dn	Year 1	Year 2	Year 3	Year 4	Year 5
	2018	2019	2020	2021	2022
Forty-Five (45) Printer, firmware, laptop, windows embedded, Runbeck's SPS/EVS software, included cords, pelican case	\$ 405,000 Special County Discount (\$ 40,500) Net \$ 364,500	-	-	-	-
Shipping: Laptop, Printer and Case for 45 units	\$ 3,690	-	-	-	-
Training Onsite (5 day)	\$ 7,500	-	-	-	-
*Programing set-up for each single election	<u>\$ 1,000</u>	<u>\$ 500</u>	<u>\$ 1,000</u>	<u>\$ 500</u>	<u>\$ 1,000</u>
Annual Hardware Licensing (45 units)	Included	\$ 20,250	\$ 20,250	\$ 20,250	\$ 20,250
Annual Software Licensing (45 units)	Included	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000
TOTAL	\$376,690	\$ 65,750	\$ 66,250	\$ 65,750	\$ 66,250

EXHIBIT C

SOFTWARE LICENSE

1. Grant and Scope of License.

A. Grant of License. Subject to County's discharge of its material duties under this Agreement, to include the timely payment of any fees due hereunder, Contractor hereby grants to County an irrevocable, non-exclusive right and license to install, display and use the Software pursuant to the terms of the Agreement. For the avoidance of doubt, the license granted under this clause shall become revocable in the event that County materially breaches this Agreement and County fails to cure within the proscribed cure period.

B. Title. Contractor shall at all times retain title to the Software provided by it hereunder and Contractor does not convey any proprietary interest therein to County.

C. Updates. For payment of the required fees by the County as set forth herein and in this Agreement, Contractor shall provide to County updates of any Software licensed hereunder at no additional charge and continue to maintain the Software in accordance with the requirements of the attached Agreement as long as County continues to pay annual license and support services fees with respect to such Software.

D. Breach. In the event County commits a material breach of its obligations under this Agreement, to expressly include failure to timely pay any fees due hereunder, and County fails to cure the breach within sixty (60) days after receiving notice thereof, Contractor may terminate this Agreement, and the license hereunder, immediately upon delivery of written notice to County.

2. Annual Software License Fee.

A. Fees. Contractor will invoice County for the annual Software License Fee, which is ONE THOUSAND DOLLARS (\$1,000) per year for each copy of the Sentio Printing System software in accordance with this Agreement. All payments of this Fee shall be made annually on each successive anniversary term of this Agreement, for as long as County continues to use referenced Software. The license for the Software entitles County to the Warranties in Section 4 below but does not otherwise entitle County to receive maintenance and support or updates to the Software. The annual Software License Fee is subject to an annual adjustment not to exceed five percent (5%).

B. Invoices. Contractor's invoices will conform to the format requirements of the County. County will pay Contractor's valid invoices within thirty (30) days after receipt.

3. Delivery, Installation and Acceptance.

A. Delivery. Contractor agrees to deliver the Software to the location, and on or about the delivery date, set forth in the main agreement.

B. Installation. Contractor agrees to install the Software ready for use and in good working order and render said Software Functional as a part of the fully Functional System at the applicable location as soon as practicable after delivery, but in no event more than ten (10) days after delivery.

C. Acceptance. Acceptance Testing and Acceptance of the Software as a part of the System shall be in accordance with the provisions of this Agreement.

4. Training.

If County's personnel require training in order to properly use the Software and System, Contractor will provide such training for all users designated by County, at a time agreed to by the Parties. All initial training by Contractor in the proper use of the Software and System shall be at no additional charge, unless a fee for such training is otherwise agreed upon and funds appropriated and certified as available for such purposes by the County in accordance with this Agreement.

5. Maintenance of Software.

A. Maintenance Services. During the term of this Agreement and subject to payment of any required fees by the County, Contractor agrees to provide maintenance and support services for the Software ("Maintenance Services").

B. Software Updates. Contractor shall provide updates to the Software as they become available. Installation of Software updates will include testing and validation of the updated Software. Contractor will provide the County with a toll-free support hotline number that may be used to obtain assistance with the Software during the term of this Agreement, subject to payment of any required fees.

6. Warranties.

A. In addition to any warranties which may be contained in this Agreement, Contractor provides the following warranties:

i. Non-Infringement. Contractor warrants that Contractor owns the Software, including all associated rights, and has the right to grant County the licenses provided pursuant to this Agreement, free from all liens, claims, encumbrances, security interests and other restrictions. Contractor warrants that the Software does not, and use of the Software will not, infringe any valid patents, copyrights, trademarks, trade secrets, or other proprietary rights of any third parties.

ii. Correction of Defects. In the event of discovery of any material defect in the Software, County agrees to provide Contractor with sufficient detail to allow Contractor to verify and reproduce the error, and Contractor shall use reasonable diligence to correct such defect. Contractor shall use its reasonable efforts to promptly respond and thereafter to diagnose and correct the material defect. Contractor is not responsible for any error in the Software that has been modified by County without Contractor's prior written consent. County's sole remedy in the event of a breach of this warranty is to require that Contractor correct any material defects.

iii. Performance of Services. Contractor represents and warrants that all services provided by Contractor to County will be performed in a timely, competent and workmanlike manner. Contractor further represents and warrants that it has a sufficient number of competent, qualified employees to provide the Services to support the Software.

iv. Runbeck Disclaimer of All Other Warranties. Except as otherwise expressly stated in this Agreement, Contractor makes no representations or warranties concerning the Software. THE FOREGOING WARRANTIES ARE IN LIEU OF, AND CONTRACTOR HEREBY EXPRESSLY DISCLAIMS, ALL OTHER WARRANTIES, BOTH EXPRESS AND IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND OF FITNESS FOR A PARTICULAR PURPOSE.