AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

Agenda Item: Sale and Purchase Agreement; Runbeck Election Serv

Action Requested: Board of County Commissioners' Signature

Parties to the Agreement: Runbeck and Gunnison County

Term Begins: **Term Ends:** **Grant Contract #:**

Summary:

Election Agilis Ballot Processing Equipment.

Fiscal Impact: $57,000 in 2020, remaining $24,000 in 2021, 2022 and 2023 for a total of $81,000.

Submitted by: Kathy Simillion **Submitter's Email Address:** ksimillion@gunnisoncounty.org

Finance Review: (●) Required ( ) Not Required

Comments:
This request was submitted during the 2020 budget process, the amount of $57,000 is included in the staff proposed budget currently being considered by the BOCC. ln

Reviewed by: GUNCOUNTY1\lNienhueser Discharge Date: 11/13/2019

County Attorney Review: (●) Required ( ) Not Required

Comments:
ok db 11/15/19

Reveiwed by: GUNCOUNTY1\dBaumgarten Discharge Date: 11/15/2019 Certificate of Insurance Required

Yes ( ) No (●)

County Manager Review:

Comments:

Reveiwed by: GUNCOUNTY1\khaase Discharge Date: 11/15/2019

(●) Consent Agenda ( ) Regular Agenda ( ) Worksession Time Allotted: 0

Agenda Date: 11/19/2019

Revised April 2015

SALE AND PURCHASE AGREEMENT

THIS SALE AND PURCHASE AGREEMENT ("Agreement") is made as of the date of full execution, by and between Gunnison County, a county within the State of CO ("Client"), and RUNBECK ELECTION SERVICES, INC., an Arizona corporation, whose address is 2800 S. 36th Street, Phoenix, AZ 85034 ("Runbeck") (collectively, the "Parties").

RECITALS

1. In connection with its elections responsibilities, Client desires to purchase from Runbeck election management equipment ("Equipment"); and to obtain from Runbeck a license to use accompanying software ("Software") to operate the Equipment.

2. Runbeck desires to sell the Equipment and grant a license to use the software to Client on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants contained herein and other good and valuable consideration, the Parties agree as follows:

AGREEMENTS

1. Sale of Equipment.

Runbeck hereby sells, and Client hereby purchases, the Equipment, including hardware components and accessories, as specifically set forth in the Equipment Description attached hereto as Exhibit "A".

2. Grant of Software License; Annual License Fees; Restrictions.

Subject to the Client's ongoing obligations under this Agreement, Client has been granted an irrevocable, non-exclusive right and license to install, display and use the software necessary for operation of the Equipment ("Software") for the term described in, and in accordance with the express terms of, the Software License attached hereto as Exhibit "B". Title to and ownership of the Software shall at all times remain with Runbeck and neither Client, nor its affiliates, agents or employees, will reverse engineer or reverse compile any part of the Software without Runbeck's prior written consent. Client shall pay Runbeck an annual Software License Fee for the Software, as specifically set forth in Exhibit "B". The Annual Software License Fee for the first year of this Agreement is included in the purchase price of the Equipment. All subsequent payments of this Fee shall be made on each successive yearly anniversary date of execution this Agreement, as specifically set forth in Exhibit "D".

3. **Equipment Maintenance and Support Services; Annual Equipment Maintenance and Support Services Fee.**

Runbeck shall provide those Equipment Maintenance Support Services that are specifically set forth in the Equipment Maintenance and Support Services Schedule attached hereto as Exhibit "C". Client shall pay Runbeck an annual Equipment Maintenance Fee for the Equipment, as specifically set forth in Exhibit "C". The Annual Equipment Maintenance and Support Service Fee for the first year of this Agreement is included in the purchase price of the Equipment. All subsequent payments of this Fee shall be made on each successive yearly anniversary date of execution of this Agreement, as specifically set forth in Exhibit "D".

4. **Availability and Retention of Records.**

All records relating to the products and services provided under this Agreement and supporting documentation for invoices submitted to Client by Runbeck shall be retained and made available by Runbeck for audit by Client, its duly authorized representatives, the State of CO. (including, but not limited to, the Auditor of the State of CO, Inspector General or duly appointed law enforcement officials) and agencies of the United States government. Such records shall be retained by Runbeck and made available for any time period required by state or federal law.

5. **Assignment.**

The Parties expressly agree that neither shall assign this Agreement without the prior written consent of the other. Runbeck may subcontract services agreed to in this Agreement, but only with the written consent of the Client. All subcontracts are subject to the same terms, conditions, and covenants contained within this Agreement.

6. **Governing Law.**

This Agreement shall be governed, construed, and enforced under the laws of CO, notwithstanding any conflicts of laws provisions. Any legal action brought pursuant to this Agreement shall be filed in the courts of CO.

7. **Integration and Modification.**

This Agreement, including exhibits (each of which is expressly incorporated herein), embodies the entire agreement of the Parties. There are no promises, terms, conditions or obligations other than those contained herein; and this Agreement shall supersede all previous communications, representations or contracts, either written or oral, between the Parties to this Agreement. This Agreement shall not be modified in any manner except by an instrument, in writing, executed by the Parties to this Agreement.

8. **Severability.**

If any term or provision of this Agreement shall be held to be invalid or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall not be

affected thereby, and each remaining term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

9. Appropriations.

Client represents and covenants that (i) it has, and will have, funds available to pay the purchase price for the Equipment, Annual Software License Fees, Annual Equipment Maintenance Fees and other financial obligations under this Agreement, including all exhibits hereto, through the end of Client's current fiscal period; and (ii) that it shall use its best efforts to obtain funds to pay any of the foregoing financial obligations for each subsequent fiscal year of the four (4) year term of the Agreement. In the event Client's appropriations request to its legislative body or funding authority for necessary funds hereunder is denied, this Agreement, and all exhibits, may be terminated by Runbeck. Client shall make payment of all charges and obligations incurred through the end of the fiscal period for which funds were appropriated. In any such event, Client shall thereupon return to Runbeck all Software and other Runbeck property in its possession.

10. Compliance.

Runbeck agrees to comply with all applicable federal, state, and local laws in the conduct of work hereunder. Runbeck accepts full responsibility for payment of all taxes including, without limitation, unemployment compensation, insurance premiums, income tax deductions, social security deductions, and all other taxes or payroll deductions required for all employees engaged by Runbeck in the performance of work under this Agreement.

11. Non-Discrimination.

Runbeck certifies it is an equal opportunity employer and shall remain in compliance with state and federal civil rights and nondiscrimination laws and regulations including, but not limited to, Title VI, and Title VII of the Civil Rights Act of 1964 as amended, the Rehabilitation Act of 1973, the Americans with Disabilities Act, the Age Discrimination Act of 1975 and the Age Discrimination in Employment Act, as amended.

During the performance of this Agreement, Runbeck will not discriminate against any employee, contract worker, or applicant for employment because of race, color, religion, sex, sexual orientation, national origin, ancestry, disability, Vietnam-era veteran status, age, political belief or place of birth. Runbeck will take affirmative action to ensure that during employment, all employees are treated without regard to race, color, religion, sex, national origin, ancestry, disability, Vietnam-era veteran status, age, political belief or place of birth. These provisions apply also to contract workers, such action shall include, but is not limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising, layoff, or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Runbeck agrees to post in conspicuous places, available to employees and applicants for employment, notices stating Runbeck complies with all applicable federal and state non-discrimination laws.

Runbeck, or any person claiming through Runbeck, agrees not to establish or knowingly permit any such practice or practices of discrimination or segregation in reference to anything relating to this Agreement, or in reference to any contractors or subcontractors of said Runbeck.

12. Independent Relationship.

Nothing in this Agreement is intended to, nor shall be deemed to, create a partnership, association or joint venture between Client and Runbeck in the conduct of the provisions of this Agreement. Runbeck shall at all times have the status of an independent contractor.

13. Waiver.

Any waiver by either party of any right, provision or condition under this Agreement shall not be construed or deemed to be a waiver of any other right, provision or condition of this Agreement, nor a waiver of a subsequent breach of the same right, provision or condition.

14. Confidential Information.

All information owned, possessed or used by Client which is communicated to, learned, or otherwise acquired by Runbeck or its employees, agents or contractors in the performance of the terms of this Agreement shall be deemed and remain Confidential Information. Runbeck shall not, beginning on the date of first association or communication between the Client and Runbeck and continuing through the term of this Agreement and thereafter, disclose, communicate or divulge to another, or use for Runbeck's own benefit or the benefit of another, any such Confidential Information without the prior written consent of the Client.

15. Risk of Loss.

Runbeck agrees to bear all risk of loss, injury, or destruction of goods and materials, including Equipment, ordered as a result of this Agreement which occurs prior to delivery to the Client. Upon delivery by Runbeck to the Client, and Client taking possession of such goods and materials, Client agrees to bear all risk of loss, injury, or destruction of such goods and materials. Runbeck's invoices will conform to the reasonable requirements of the Client.

16. Warranty.

Runbeck warrants and represents that services provided pursuant to this Agreement, and attached exhibits, shall be timely performed in a professional manner in accordance with applicable industry standards; and that Runbeck has the requisite ownership, authority and license rights to furnish Software provided to Client in connection with this Agreement.

Runbeck warrants and represents that Equipment shall be free from any defects in material or workmanship for a period of one (1) year after installation; and Software shall be free from any defects in material or workmanship for a period of one (1) year after installation (collectively, the "Warranty Periods"); provided, however, that if the manufacturer's warranty extends beyond one (1) year for any part, product, or service item, the longer warranty shall apply. This warranty extends to i) any defect reported during the Warranty Periods but not corrected; ii) any defect reported and thought to be corrected but that reoccurs outside of the Warranty Periods; iii) any defect misdiagnosed during the Warranty Periods and discovered to reoccur outside of the Warranty Periods; and iv) any defect discovered after the Warranty Periods but which can be documented to have started during the Warranty Periods. Runbeck agrees to a one-day grace period beyond the end of the Warranty Periods for notification purposes for defects discovered during the Warranty Periods. Runbeck shall, at its own election and expense, either repair or replace any component which Client discovers to be defective in material or workmanship, provided that Client has furnished timely written notice to Runbeck.

EXCEPT FOR THE WARRANTIES PROVIDED HEREIN, RUNBECK HEREBY EXPRESSLY DISCLAIMS ANY AND ALL OTHER WARRANTIES OF ANY KIND OR NATURE CONCERNING THE EQUIPMENT, WHETHER EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

17. Limitation of Runbeck Liability.

Runbeck shall not be responsible for the Equipment's or the Software's operation or failure to operate, to the extent such operation or failure results from, arises out of, or is related to Client's improper or negligent use or operation of the Equipment or the Software. IN NO EVENT SHALL RUNBECK BE LIABLE TO CLIENT OR TO ANY THIRD PARTY, FOR ANY DIRECT, INDIRECT, INCIDENTAL, PUNITIVE, OR OTHER CONSEQUENTIAL DAMAGES OF ANY KIND WHATSOEVER.

18. Indemnification.

Runbeck agrees to indemnify and hold harmless Client from and against any and all losses, damages, injuries, claims, demands and expenses, including legal expenses, caused by the sole negligence or intentional misconduct of Runbeck with respect to its obligations under this Agreement.

Runbeck further agrees to defend, indemnify and hold harmless Client from and against any claim, suit, demand, or action alleging the Equipment, or any component thereof, infringes any copyright, trade secret, U.S. patent or any other proprietary right of any third party, and Runbeck shall indemnify Client against any judgment, award or amount paid in settlement to which Runbeck has agreed. Client shall provide Runbeck prompt written notice of such claim, suit, demand, or action and shall cooperate with Runbeck in the defense and settlement thereof. Runbeck shall have control of the defense of such claim, suit, demand, or action and the settlement or compromise thereof.

If a temporary or a final injunction is obtained against Client's use of Equipment by reason of an infringement of a copyright, trade secret, or other proprietary right, Runbeck will, at its option and expense, either:

A. Procure for Client the right to continue using the Equipment; or

B. Replace or modify Equipment, or such infringing portion thereof, so that it no longer infringes such copyright, trade secret, or other proprietary right.

19. No Third-Party Beneficiary.

Enforcement of the terms of this Agreement and all rights of action relating to enforcement are strictly reserved to the Parties. Nothing contained in this Agreement allows any claim or right of action in any third person or entity. Any person or entity other than Client or Runbeck receiving services or benefits pursuant to this Agreement is an incidental beneficiary only.

20. Notices.

All written notices required under this Agreement must be hand delivered, sent by overnight courier service, mailed by certified mail, return receipt requested, or mailed via United States mail, postage prepaid as follows:

By Runbeck to:
Gunnison County
221 N. Wisconsin Suite #c
Gunnison, CO 81230
Attention: Kathy Simillion
Clerk and Recorder
Fax No.: 970-641-7927

To Runbeck:
Runbeck Election Services, Inc.
2800 S. 36th Street
Phoenix, Arizona 85034
Attention: James Suver
Fax No.: 602-437-1411

With a copy to:
Steven H. Williams, Esq.
2323 North Central Avenue, Unit 1905
Phoenix, Arizona 85004
Fax No.: 602-390-6719

Notices hand delivered or sent by overnight courier are effective upon delivery; notices sent by certified mail are effective upon receipt; and notices sent by U.S. mail are effective upon the expiration of five (5) mail delivery days from deposit (postmarked) with the U.S. Postal Service.

21. Runbeck's Confidential Information.

Runbeck represents that the Software and related documentation provided under this Agreement, including, but not limited to, the Source Code, the software design, structure and organization, the user interface and the engineering know-how implemented in the software (collectively "Runbeck Confidential Information") constitute the valuable properties and trade secrets of Runbeck, embodying substantial creative efforts which are secret, confidential, and not generally known by the public. Client agrees to hold Runbeck's Confidential Information, including any copies thereof and any documentation related thereto, in strict confidence and to not permit any unauthorized person or entity to obtain access to it to the extent permitted under applicable law. Within this context, Client agrees not to disseminate, transmit, license, sublicense, assign, lease, release, publish, post on the internet, transfer, sell, permit access to, distribute, allow interactive rights to, or otherwise make available Runbeck Confidential Information or any part thereof to any other party in any form of media for any purpose other than performing its obligations under this Agreement. Client further agrees not to disclose or distribute to any other party, in whole or in part, Runbeck Confidential Information without written consent from Runbeck.

22. No Construction Against Drafting Party.

The Parties and their respective counsel have had the opportunity to review this Agreement, and the Agreement will not be construed against any party merely because this Agreement was prepared by a particular party.

23. Successors and Assigns.

The rights and obligations of the Parties herein set forth shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns permitted under this Agreement.

24. Time is of the Essence.

The Parties agree that in the performance of the terms of this Agreement, time shall be of the essence, it being understood by the Parties that the Equipment and its components, and Runbeck's services related thereto, are essential to the Client's ability to conduct statewide and local elections.

25. Attorneys' Fees.

In the event of a litigation action to enforce, or arising from, the terms of this Agreement, the prevailing party in such action shall be entitled to recover from the non-prevailing party its reasonable attorneys' fees and costs incurred in the action.

26. Term and Renewal.

The Parties declare, acknowledge and agree that the term of this Agreement shall be four (4) years from the date the Agreement is last fully executed by the Parties, subject to Runbeck's right to terminate immediately due to lack of approved appropriations as set forth in Section 9 of the Agreement; fraud; breach of contract as set forth in Section 27; or disclosure of Runbeck Confidential Information. The Agreement will automatically renew unless Client provides Runbeck with written notice, at least ninety (90) days prior to the Agreement end date, of its intention to not renew.

27. Breach.

Subject to the terms of Section 26, in the event Client commits a material breach of its obligations under this Agreement and any exhibits hereto, including a failure to timely pay any license or maintenance fees, and Client fails to cure the breach within sixty (60) days after receiving notice thereof, Runbeck may terminate this Agreement effective upon delivery of written notice to Client. In any such event, Client shall thereupon return to Runbeck all Software and other Runbeck property in its possession.

IN WITNESS WHEREOF, the Parties have signed this Agreement to be effective as of the date of full execution by the Parties.

	Runbeck Election Services, Inc.	Gunnison County, CO
By:		
Title:	Vice President	
Date:	10/21/19	

EXHIBIT A

EQUIPMENT LIST AND PRICES

Primary location of the equipment:
Gunnison County
Kathy Simillion
221 N. Wisconsin Suite #c
Gunnison, CO 81230

AgilisDuo Vote-By-Mail Processing System

	Price
-AgilisDuo Vote-By-Mail Processing System	$50,000.00
-Installation	$1,500.00
-Training on site (6-8 hours)	$1,500.00

AgilisDuo Vote-By-Mail Processing System includes:

- AgilisDuo Sorting System
- Dual Output Trays
- Tray Tag Printer
- Scanning Signature Capture Software
- Signature Verification Client Software

MAINTENANCE SERVICES

Software Maintenance

- 7X24 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

- 7X24 technical support hotline during declared election cycles
- Hardware maintenance fees
- Client also agrees to allow Runbeck employees access to the equipment, when requested, during normal working hours.

Training

Additional training requires an on-site support fee, indicated below.

Materials management

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

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.

OTHER

Repair Services

During the term of the Agreement, as set forth in Section 26 thereof, should any component of the AgilisDuo Vote-By-Mail Processing System, to include hardware and software items listed above, become damaged and require repair as a result of Client's actions, Client agrees to pay Runbeck a Repair Fee of $150.00 per hour.

Taxes

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

Shipping Fees

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 Client.

End of Contract Options – Subject to Section 26 of the Agreement, Client May:

- Renew with existing system, for which new Usage, License, Maintenance and Service agreements shall apply.
- Renew with upgrade to existing system, for which new Usage, License, Maintenance and Service agreements shall apply.

EXHIBIT B

SOFTWARE LICENSE

1. Grant and Scope of License.

A. Grant of License. Subject to Client's discharge of its material duties under this Agreement, to include the timely payment of any fees due hereunder, Runbeck hereby grants to Client 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 Client materially breaches this Agreement and Client fails to cure within the proscribed cure period.

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

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

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

2. Annual Software License Fee.

A. Fees. Runbeck will invoice Client for the annual Software License Fee, set forth in Exhibit D to the Agreement. The annual Software License Fee for the first year of this Agreement is included in the purchase and installation price of the Equipment. All payments of this Fee shall be made annually on each successive anniversary term of the Service Agreement, for as long as Client continues to use referenced Software. The license for the Software entitles Client to the Warranties in Section 4 below but does not otherwise entitle Client 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. Runbeck's invoices will conform to the format requirements of the Client. Client will pay Runbeck's valid invoices within thirty (30) days after receipt.

3. Delivery, Installation and Acceptance.

A. Estimated Shipping. Runbeck agrees to ship the Software to the location, and on or about the Estimated Shipping date, set forth in Exhibit D.

B. Installation. Runbeck 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 the attached Sale and Purchase Agreement.

4. Training.

If Client's personnel require training in order to properly use the Software and System, Runbeck will provide such training for all users designated by Client, at a time agreed to by the Parties. All initial training by Runbeck 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 Client in accordance with the Agreement.

5. Maintenance of Software; Term and Termination.

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

B. Software Updates. Runbeck shall provide updates to the Software as they become available. Installation of Software updates will include testing and validation of the updated Software. Runbeck will provide the Client 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.

C. Term and Termination. This Agreement shall be effective as of the date of execution by the parties, and shall expire upon termination of the Agreement, unless mutually terminated earlier. The parties have the right to terminate this Agreement in accordance with Section 9, ("Appropriations") of the Service Agreement.

6. Warranties.

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

i. Non-Infringement. Runbeck warrants that Runbeck owns the Software, including all associated rights, and has the right to grant Client the licenses provided pursuant to this Agreement, free from all liens, claims, encumbrances, security interests and other restrictions. Runbeck 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, Client agrees to provide Runbeck with sufficient detail to allow Runbeck to verify and reproduce the error, and Runbeck shall use reasonable diligence to correct such defect. Runbeck shall use its reasonable efforts to promptly respond and thereafter to diagnose and correct the material defect. Runbeck is not responsible for any error in the Software that has been modified by Client without Runbeck's prior written consent. Client's sole remedy in the event of a breach of this warranty is to require that Runbeck correct any material defects.

iii. Performance of Services. Runbeck represents and warrants that all services provided by Runbeck to Client will be performed in a timely, competent and workmanlike manner. Runbeck 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 the Agreement, Runbeck makes no representations or warranties concerning the Software. THE FOREGOING WARRANTIES ARE IN LIEU OF, AND RUNBECK 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.

EXHIBIT C

EQUIPMENT MAINTENANCE AND SUPPORT SERVICES

Upon payment of the required fees by Client, Runbeck shall provide Equipment maintenance and support services as set forth in this Exhibit "C".

1. Annual Equipment Maintenance Fee.

Runbeck will invoice Client for the Annual Equipment Maintenance Fee, as set forth in Exhibit D to the Agreement. The Fee is subject to an annual adjustment not to exceed five percent (5%). The Annual Equipment Maintenance 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.

2. Equipment Maintenance Services.

For payment of the Fee, Runbeck 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. All systems will be properly shut down and power will be removed.

* The Client 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.

3. Consumables.

The Client 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. Client 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 Client is responsible for installation of the consumables.

4. **Additional Remote Support.**

Runbeck will provide the Client 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 D

Invoice Schedule

Invoice To: Gunnison County
Kathy Simillion
221 N. Wisconsin Suite #c
Gunnison, CO 81230

Contract Period **01-03/2020 – 01-02/2024**
Estimated Ship Date **January 15, 2020**
Actual Ship Date _____ ***(to be completed by accounting)***

For Invoicing Purposes:

System	Quantity	Unit Price	Total up-front payment
New AgilisDuo Purchased	1	$50,000	$50,000
Training (on-site 6-8 hours)			$1,500
Installation			$1,500
Set up & Integration			Included
Shipping			**$4,000**
Total			**$57,000**

***License Fees, Maintenance* and Support Type of Service**	**Year 1 (2020 - 2021) of this agreement on existing equipment**	**Year 2 (2021-2022) of this agreement on all equipment**	**Year 3 (2022-2023) of this agreement on all equipment**	**Year 4 (2023-2024) of this agreement on all equipment**
AgilisDuo License & Maintenance Fee*	Included	$8,000	$8,000	$8,000
Total	Included	$8,000	$8,000	$8,000

NOTES
Any applicable taxes are the sole responsibility of the Client
* Subject to an annual fee adjustment not to exceed five percent (5%), per Section 2 of Exhibit B.
** Subject to an annual adjustment not to exceed five percent (5%), per Section 1 of Exhibit C.