

Andrew Alexandre

From: Angeline Cunningham
Sent: Wednesday, June 26, 2013 3:32 PM
To: Andrew Alexandre
Subject: FW: Konnech Updated Agreement

Andy,

I haven't finished reviewing the Konnech agreement. I asked Billie to review and provide her feedback which is below. I hope to have any additional comments that I may have to you before I leave today or by first thing tomorrow.

-Angeline

From: Billie Smith
Sent: Wednesday, June 26, 2013 2:59 PM
To: Angeline Cunningham
Subject: RE: Konnech Updated Agreement

Angeline,
This is my 2.5 cents worth.

On page 2 it looks like they are levying an annual license and use fee (I surely do not understand why we would pay annually for license and use)? The only annual thing we should be paying is the fee for Support and Maintenance. We have already paid for the license (I think? \$60+ grand?) Support and maintenance should include all upgrades.

Once you pay for a software license, it is yours. You can keep it and stop paying maintenance (getting upgrades or support services) but it is still yours. Of course, you cannot copy it or migrate it to a new platform unless you write the code in-house. It is not clear on Exhibit D what part of the \$50,627 is the "license & use fee" and what part is "support and maintenance". I would have thought the renewal license was because they were hosting it but under Terms and Conditions, it specifically says, "hosting fees" are not included.

On page 4, any reference to "the Supervisor of Elections" needs to be changed to "Customer".

Exhibit D: What are the hosting fees? What are the support and maintenance fees? Are we really paying \$99,500 (in addition to what we've already paid) for October 2013 to September 2014?

20. (a) Maintenance and Support: as you mentioned, there should be inclusion for the availability for after-hours support at a pre-determined hourly rate during ED and EV.

(b) Annual Fee and Annual Renewal ... this is a problem for me. I believe this should be Support and Maintenance. Typically when I was in the business, the maintenance and support is anywhere from 15-20% of the base price of the license fee. Which should make our annual maintenance somewhere around the \$15,000 - \$20,000 mark (based on the total for license of \$99,500). If we go with no more than 10% increase, that's okay, what's worrisome is this annual license fee of \$50,627, all in.

(d) Konnech should communicate their price changes 90 days in advance to Customer.

(f) "and the like" should be changed to "other standard per diem charges."

Final thought. If we decide to discontinue Support and Maintenance and keep Poll Chief in a frozen state (for operational purposes), we need Terms and Conditions to state that, upon notice, Customer is the owner of a software license and the software will be delivered to Customer with all Customer's data at no additional charge other than

packing and shipping and Customer will sever future support and maintenance from Poll Chief but can continue to operate at the Customer's location.

b

From: Angeline Cunningham
Sent: Wednesday, June 26, 2013 1:05 PM
To: Billie Smith
Subject: FW: Konnech Updated Agreement

Billie,

Please review the attached contract from Konnech and provide me your feedback.

-Angeline

From: Eugene Yu [<mailto:eyu@konnech.com>]
Sent: Tuesday, June 25, 2013 7:11 AM
To: Andrew Alexandre
Cc: Angeline Cunningham; Laura Potter
Subject: Konnech Updated Agreement

Good morning Andy.

We've prepared a draft for your consideration.

The following major changes were added to the sample agreement by us.

1. Change the Asset Tracking Module from our original agreement to a full Poll Asset Management System
2. Add Poll Location Management System, which was provided as trial base. Currently, we are testing a Location Survey as an iOS Smartphone version for you.
3. Waive all other costs for both upgrades except the license fee
4. Add hosting fee and adjust annual fee due to system upgrading for PAMS and add the PLMS.

Please let us talk as soon as possible if you have any question.

Thanks,

Eugene

Eugene Yu
President & CEO
Konnech' Inc.
4211 Okemos Road, Suite 3 & 4
Okemos, MI 48864
(517) 381-1830 Ext 203
(877) 301-0793 Fax
www.konnech.com

Please note: Florida has a very broad public records law. Written communications to or from the Supervisor of Elections regarding business constitute public records and are available to the public and media upon request unless the

information is subject to a specific statutory exemption. Therefore, your e-mail address and message may be subject to public disclosure.

PollChief License and Maintenance Agreement

6/21/2013

Between

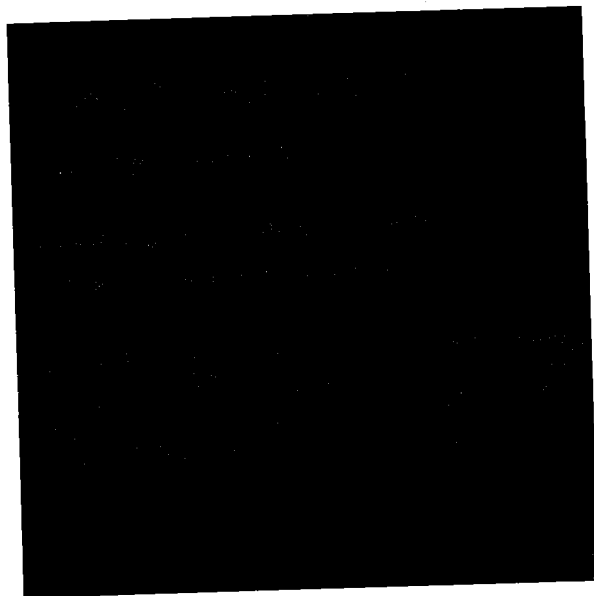


Konnech
Connecting people intelligently.

The Honorable Craig Latimer
Supervisor of Elections
for Hillsborough County
601 E Kennedy Blvd, 16th Floor
Tampa FL 33602-4932

and

Konnech Inc.
4211 Okemos Road, Suite 3 & 4
Okemos, MI 48864



PollChief License and Maintenance Agreement

Konnech PollChief License and Maintenance Agreement

Terms and Conditions

1. **System License.** Konnech Inc. ("Konnech") hereby grants to the Hillsborough County Supervisor of Elections Office (the "Customer"), and Customer hereby accepts from Konnech, subject to all the terms, covenants, conditions, and limitations set forth in this "System License and Maintenance and Support Agreement", its cover sheet and all Exhibits attached hereto (collectively the '*Agreement*'), a non-exclusive, nontransferable, indivisible, revocable-right and license (the "*License*") to use the computer-based PollChief[®] Election Asset Management software package developed and owned by Konnech, including all releases, enhancements, customizations, and other changes thereto, (the "System"), more fully described in "Exhibit A" attached hereto and the Documentation described in Paragraph 7. This License is granted upon the condition that Customer use only the designated computer hardware and peripherals compatible therewith that are recommended by Konnech in accordance with "Exhibit B."
2. **Term of License.** This License shall be in effect from the commencement date (Paragraph 10 below) of this Agreement and any renewals thereof, but only so long as; (a) Customer is not in breach of, or in default under, this Agreement; and (b) Customer is covered under Konnech's Maintenance and Support Program described in Paragraph 20.
3. **Exhibits.** Attached and made a part hereof for all purposes are the following Exhibits:
 - Exhibit A: Description of Modules
 - Exhibit B: Recommended Hardware and Software
 - Exhibit C: Hosting Service
 - Exhibit D: Fee Schedule

In the event of a conflict between the provisions of this Agreement and the provisions of any Exhibit, the provisions of this Agreement shall control.
4. **Location of the System.** The System shall be used at the location indicated on the cover page of this Agreement. Customer may use the System at other locations of Customer in addition to the specified initial location.
5. **Delivery and Installation of System.** The agreed System and all Documentation shall be delivered to Customer and installed by Konnech. Should Customer's hardware not be compatible for installation of and use with the System, Konnech shall not be obligated to install the System until Customer, at Customer's sole obligation and expense, purchases or

otherwise acquires all hardware and non- Konnech software recommended by Konnech (the 'Exhibit B' "Recommended Hardware/Software"). Konnech's judgment about compatibility of hardware and software is based on Konnech's knowledge of the design of the System and will be exercised in Customer's best interest in order to insure the effective performance of the System. Customer recognizes that it is purchasing all necessary recommended hardware/software directly from the manufacturer or its sales agents. Konnech shall have no obligation to repair, replace, maintain, modify, or otherwise perform any services to any hardware or other equipment on which the System is installed or used. Any and all warranties, if any, on the recommended hardware/software or hardware or software acquired independently by customer shall be provided solely by the manufacturer thereof. Konnech makes no express or implied warranties whatsoever with respect to the recommended hardware/software and shall have no liability or responsibility for the fitness, merchantability, performance, maintenance, or condition of same. Konnech is not responsible for maintaining Customer's hardware, maintenance and management of the network, Microsoft Domain security, and local data backup.

6. **License Fees.** Customer agrees to pay Konnech the annual License and Use Fee for the System as shown in "Exhibit D". This License Fee does not include:

(a) The annual Support and Maintenance (hereinafter "*Annual Use/Maintenance/Support Fee*") provided for in Paragraph 20(b) below and/or "Exhibit D"; nor

(b) any costs for the recommended hardware/software needed for the operation of the System; nor

(c) hosting fees.

7. **Documentation and Software.** System software will be accessible to Customer through web or other appropriate medium. Electronic documentation consists of the system administration manuals which are provided to Customer electronically and which will be revised and updated as needed in order to assist Customer in the operation of the System. System Administration Manuals and Help Functions may be printed in the hard copy by Customer. Addenda and corrections will be supplied as the software develops.

8. **Customization.** In the event Customer requests consulting support or customization of the System, which support or modifications are beyond the scope of Konnech's obligations under the System Warranty (Paragraph 11) or Konnech's Maintenance and Support provisions included but not limited to "Exhibit A" and "Exhibit D". Customer shall notify Konnech in writing of its needs for such support or customization. Should Konnech agree to perform such consulting, support, or customization, all such work requested by Customer will be provided by Konnech at Konnech's then current rates for these services. In addition, Customer shall reimburse Konnech for all reasonable travel and living expenses incurred by consultants and

PollChief License and Maintenance Agreement

employees of Konnech in implementing such services at rates statutorily allowed within Florida law for State employees.

9. **Confidentiality.** All information regarding Customer's business operations, business systems, and related confidential matters furnished or disclosed to Konnech in the course of the negotiation and implementation of this Agreement shall be held in confidence by Konnech, unless such information was previously known by Konnech free of any obligation to keep it confidential, or has been, or is subsequently, made public by Customer or a third party lawfully in possession of such information, or unless such information is in the public domain: Konnech agrees and understands that voter registration records personnel information are confidential and Konnech hereby agrees that these records will not be used for any other purpose than those specified in this Agreement and by the Supervisor of Elections. These records will not be copied nor will any person be allowed to extract any information from these records without the consent of the Supervisor of Elections. Customer agrees to similarly treat any information provided to it by Konnech and to instruct its employees who will work with the System about the restrictive covenants and conditions of this Agreement and about the safeguarding, security, and copying requirements hereinafter discussed. Notwithstanding any portion of this Agreement to the contrary, the provisions of State law, constitutional or statutory, pertaining to public records and open government ("government in the sunshine"), and any cases construing such law, shall prevail over the provisions of this Agreement.
10. **Term.** The Commencement Date shall be October 1, 2013.
11. **Warranty.** During the Initial Term, Konnech warrants that the System will perform reasonably in the manner described in the Documentation supplied by Konnech, provided Customer has not made any changes to the System. (NO WARRANTY IS MADE, HOWEVER, WHETHER EXPRESS OR IMPLIED, FOR ANY PART OF THE SYSTEM COPIED OR DUPLICATED BY CUSTOMER). Konnech is entitled to written notice of any failure of the System and granted the exclusive right to undertake and complete changes, corrections or repairs necessary under the warranty within a reasonable period of time. The customer shall use the testing facilities provided by the System to conduct trials, fully exercising all the essential functions of the System. Such System testing shall be done sufficiently in advance of, and at least ninety (90) days before, each Election cycle so as to allow time for the resolution of any defects of the System and a re-test to verify proper performance of the System. Any defects discovered during System testing or during normal operation of the System shall be promptly communicated to Konnech by fax or email. Whatever additional materials that Konnech shall request relating to the defects or problems (such as information described in Paragraph 20) shall be promptly provided by Customer on the appropriate medium. Upon such notification, Konnech will, within a reasonable period of time, rewrite, repair or replace, at its cost, any part of the System which is not functioning according to this warranty, and will bear all labor, travel and lodging expenses for its

PollChief License and Maintenance Agreement

personnel used in connection with warranty work. If Konnech is unable to repair or replace the System, it will, after the return of the System and Documentation intact and in proper condition, refund Customer the Annual Use/Maintenance/Support Fee on a pro-rata basis and this Agreement will automatically terminate without additional liability to Customer. The pro-rata refund will be based on the number of months remaining in the then-current Maintenance and Support services year. If it is determined by the parties that the defects are attributable to changes made to the System by Customer or others in Customer's employ or at Customer's direction, Customer will pay Konnech within fifteen (15) days of Konnech's invoice for: (a) the time spent by Konnech personnel in evaluating the stated defects, at Konnech's then current rates for such services; and (b) the travel expenses of its personnel in connection with such evaluation of non-warranty work at rates statutorily allowed under Florida law for State employees and such expenses shall be deemed pre-approved by Customer and shall include travel to and from Customer's site, lodging, meals, telephone, shipping, and the like. The foregoing warranty does not replace or eliminate in any way Customer's obligations under Konnech's Maintenance and Support program in Paragraph 20 below.

12. Exclusion of All Other Warranties. THE SOLE LIABILITY OF KONNECH TO CUSTOMER FOR PERFORMANCE OF THE SYSTEM IS LIMITED TO THE ABOVE WARRANTY OF REPAIR, REPLACEMENT, OR PRO-RATA REFUND. THIS WARRANTY IS THE SOLE AND EXCLUSIVE REMEDY OF CUSTOMER AND IS IN SUBSTITUTION OF ALL OTHER WARRANTIES, EXPRESS, OR IMPLIED, AND IS IN LIEU OF ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR ANY OTHER WRITTEN, ORAL, OR IMPLIED WARRANTIES (EXCEPT AS TO TITLE) ARISING OUT OF ANY COURSE OF DEALING, CUSTOM, OR USAGE OF TRADE.

13. Limitation of Actions and Liability. The parties agree that no action may be instituted hereunder more than one (1) year after the cause of action occurred or should have been discovered by reasonable due diligence of Customer. THE LIABILITY OF KONNECH TO CUSTOMER FOR PERFORMANCE OF THE SYSTEM IS LIMITED TO THE ABOVE WARRANTY ON THE SOFTWARE SYSTEM.

Maybe changed

14. Title to System/Protective Covenants. Customer acknowledges that the System and Documentation (including changes, enhancements, alterations, and additions provided under Maintenance and Support) are the sole and exclusive property of Konnech; that the System and Documentation and all parts and components thereof constitute valuable assets, trade secrets, and give proprietary rights to Konnech; that neither legal nor equitable title to the System or Documentation passes to Customer under the terms of this Agreement or under any other agreement or theory; and that any information with respect to the System and documentation, is strictly confidential and to be strictly protected by Customer per paragraph 9, whether or not all or any portion of the System or Documentation have been copyrighted or

PollChief License and Maintenance Agreement

patented. No part or portion of the System or Documentation may be altered, modified or enhanced by Customer, or its agents or employees. All programs, documentation, and materials in machine-readable form supplied under the License shall be kept in a secure place under access and use restrictions not less strict than those applied to Customer's most valuable and sensitive programs and data.

15. **Copying the System or Documentation.** Except for ordinary and necessary backup or archival purposes, Customer shall not copy, duplicate, print, or reproduce the System or Documentation or any part or portion thereof. Moreover, Customer shall not, without the prior written consent of Konnech, permit, either gratuitously or for consideration, allow any review, use, examination, or inspection of the System or any part thereof or any Documentation provided in connection therewith, for any person or entity whomsoever for any purpose, including training, other than the necessary employees of Customer for use by them in their regular services to Customer in operating the System. Customer further agrees not to disassemble, reverse compile or reverse engineer the System or any part thereof. Customer shall not reveal to any person or entity and shall require its employees not to reveal to any person or entity any information with respect to the System and Documentation, and Customer shall take appropriate action to insure that these obligations will be and are fulfilled.
16. **Use Restrictions.** Customer is restricted to using the System exclusively for Customer's own use and may not use the System to process the data of another county or any other governmental entity.
17. **Assignment; Binding Effect.** Neither party hereto may assign its right or obligations under this Agreement without the prior written consent of the other party except that Konnech may assign this Agreement to any entity which acquires all or substantially all of its business by merger, sale of assets, or otherwise. Without the prior written approval of Konnech neither the Agreement nor the License herein granted may be sub-licensed, transferred, given, assigned to, or leased or used by, any third party including but not limited to Customer's consultants or other counties or governmental entities. Any such transfer is of special concern as it involves any present or potential competitor of Konnech, or anyone who might develop systems similar to the System, or who might use Konnech's proprietary information in any manner whatsoever. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties' permitted assigns and successors.
18. **Installation Responsibility.** Customer shall be solely responsible for site preparation, including unpacking, uncrating, and installing the hardware and making the hardware ready for operational use. The installation of all necessary cable, power connections, utilities, network, and communications services shall be performed by Customer,
19. **Progress Reports/Meetings.** Konnech and Customer shall conduct meetings to review progress on a regular basis, with the schedule to be jointly determined.

20. Maintenance and Support.

- (a) Coverage. During the Initial Term of this Agreement, subject to renewal or termination as otherwise provided, Konnech agrees to:

Provide unlimited telephone support in the effective use of the System on weekdays during the hours of 9:00 am, to 5:00 p.m. (Eastern Standard Time).

Add
Electron
Data.

Provide Customer with the latest and most up to date version of Customer's System and Documentation, including any and all enhancements and improvements to them (but not including new products developed by Konnech for use in conjunction with the System and sold separately).

Correct or replace the System and/or provide services necessary to remedy any programming error that is both attributable to Konnech and that significantly affects the performance of the System. Such correction, replacement, or services will be promptly accomplished after Customer has identified and notified Konnech of any such error in writing via facsimile or email. At its expense, Customer agrees to provide Konnech with information including, but not limited to, sufficient access via Virtual Private Network VPN or modem to Customer's system, file dumps, screen dumps, error reports, as requested by Konnech, and with sufficient support and test time on Customer's computer system to duplicate the problem encountered in order to ascertain that the problem is with the System and to correct the problem. Corrections for difficulties or defects traceable to Customer errors or unauthorized System changes, however, will be billed at Konnech's standard time and material rates.

- (b) *Annual Fee and Annual Renewal.* The annual fee for Use/Maintenance/Support shall be due and payable prior to each forthcoming year. Each such fee will be due upon receipt of invoice and must be paid in full within 15 days of said receipt and in any event not later than thirty (30) days prior to the forthcoming "Anniversary Date" (the recurring annual date first occurring one year after the *Commencement Date*). Konnech shall have the option to increase said fee by not more than ten percent (10% of the prior year's annual fee). In order to give notice of the fee for budgeting purposes and also renew each year of this 5-year agreement, Konnech shall provide written notice to Customer, not later than March 1st of each calendar year, the amount of the annual Use/Maintenance/Support fee.

- (c) *Late Charges; Termination.* Interest on any overdue payments owed by Customer under this Paragraph or under any other Paragraph of the Agreement shall be charged and invoiced for as provided for in the Florida Prompt Payment Act, Sections 218.71-79, Florida Statutes as amended. Customer understands and agrees that each annual Use/Maintenance/Support fee is a use fee for the right to the next year's annual License and the right to the next year's annual Maintenance and Support, and that these shall be deemed provided and complete, and payment therefore due, upon receipt of invoice as

PollChief License and Maintenance Agreement

provided above. In the event Customer fails to timely pay any such annual fee, or any other fees or charges provided for in this Agreement, Customer's License to use the System and Documentation shall terminate on the earlier of thirty (30) days notice from Konnech, or as of the year-end of the then-current year's Maintenance and Support services for which payment is due.

(d) *Changes in Terms and Conditions.* Konnech may change the terms and conditions of this Agreement, and pricing may change from time to time for Konnech's services not covered by Maintenance and Support (e.g. additional days of training and the like.)

*very
vague
take from
act.*

(e) *Enhancements and Corrections.* Any enhancements, corrections, or alterations to, or new versions of, the System or Documentation delivered to Customer by Konnech under this Agreement shall be limited to one (1) copy of such enhanced, corrected, altered, or new System or Documentation. Program changes, including training in the use and implementation of such program changes in order to meet any new statutory requirements, will be provided under the Maintenance and Support portion of this Agreement.

(f) *Travel Expenses.* Customer shall reimburse Konnech for any travel expenses incurred by Konnech at rates statutorily allowed within Florida law for State employees in performing its Maintenance and Support obligations. Such expenses shall be pre-approved by Customer and may include travel to and from Customer's site, lodging, meals, telephone, shipping, and ~~the like~~. - *Other standard per diem charges.*

21. **Breach/Default Generally.** In the event Customer is in default in the payment of any Fee set forth above or fails to carry out any other requirement of this Agreement, Konnech may notify Customer in writing by certified mail. If Customer fails to remedy the default or breach within 10 days of receipt of such notification, Konnech shall have the right, at its option, to terminate this Agreement and take possession immediately of the System, the Documentation, and all accompanying materials and documents (excluding Customer's hardware and equipment). In the event of such default or breach, Customer agrees to immediately cease use of the System, remove the System from Customer's CPU(s), and deliver to Konnech the System and all System backups, Documentation, and other materials delivered by Konnech to Customer. Konnech shall have no duty to perform under this Agreement in the event Customer defaults under or breaches this Agreement.

22. **Breach/Default as to Certain Use/Disclosure Restrictions; Attorney's Fees.** Customer agrees that for any breach of the restrictions upon the use, sale, transfer, or disclosure of the System as provided for in this Agreement (Paragraphs 9, 14, 15, 16, and 17), monetary damages shall not be a sufficient remedy or protection for Konnech, and Konnech shall be entitled to seek injunctive or other equitable relief that it may deem proper or necessary in a court of competent jurisdiction without any requirement to post bond or surety thereon as a condition of such relief, in addition to being entitled to seek any other legal or equitable relief.

PollChief License and Maintenance Agreement

In any legal proceeding (including litigation, arbitration, mediation, or other legal proceedings) which may arise from any breach or default relating to said Paragraphs (and only said Paragraphs) the prevailing party shall be entitled to recover all attorneys' fees, which is defined to include all costs, fees, collection costs, and other expenses of said litigation.

- 23. Patent and Copyright Indemnification.** Konnech agrees to hold Customer harmless from any claim, suit, or action relating to a US patent or US copyright infringement arising out of Customer's use of the software developed by Konnech or tools employed in development of its software and shall pay all reasonable legal fees, costs, and expense of Customer incurred in the defense of any US patent or US copyright claim or suit, provided that: (a) Customer is not in default under any of the provisions of this Agreement; (b) the software against which the claim is made was manufactured, created, and developed by Konnech and not third parties; (c) Customer notifies Konnech promptly in writing of any patent or copyright claim; and (d) Konnech has an opportunity to fully participate in the defense and/or agrees to a settlement of any such claim. If a patent or copyright claim is made, or in Konnech's opinion is likely to be made, Konnech may at its sole option, either replace or revise the System or Documentation so that the System or Documentation will be non-infringing on claimant, obtain a right to use the System from the claimant, or refund to Customer the License Fee paid hereunder. Either of said options shall be the maximum exposure of Konnech for any such copyright or patent infringement claim.
- 24. Taxes and Duties.** Customer is currently a tax-exempt entity and is not liable for any sales, service, use, excise, lease, or similar taxes. However, should this status change, Customer agrees that it and not Konnech will be liable for and promptly pay any such taxes or duties that may become due as a consequence of this agreement.
- 25. Use of Customer's Name.** Customer agrees that Konnech may include Customer's name in any complete or partial listing of Konnech Customers, for Konnech's own marketing efforts, at Konnech's sole discretion.
- 26. Notices.** Except to the extent otherwise specifically provided herein, any and all notices, designations, consents, offers, acceptances, or any other communications provided for herein shall be in writing and addressed to the parties at their respective addresses set forth in this Agreement and deposited with the United States Postal Service for delivery by certified or registered mail, postage prepaid and return receipt requested. Any notice so sent shall be deemed to be both given and received three (3) business days after being so deposited. Either party may from time to time change the notice address set forth herein by delivering notice to the other party in accordance with this Paragraph, setting forth the new address and the date on which it will become effective.

27. **Waiver or Modification.** No waiver or modification of this Agreement of any covenant, condition, or limitation herein contained shall be valid unless in writing and duly executed by the party to be charged therewith. Furthermore, no evidence of any waiver or modification shall be offered or received in evidence in any proceeding, arbitration, or litigation between the parties arising out of or affecting this Agreement or the rights or obligations of any party hereunder, unless such waiver or modification is in writing and duly executed as aforesaid. The provisions of this Paragraph may not be waived except as herein set forth.
28. **Severability.** The provisions of this Agreement are severable, and in the event that any provision hereof is held by any court to be void, voidable or unenforceable, such provision shall be deemed stricken from this Agreement. All other terms and conditions shall remain in full force and effect, and the parties agree to remain bound by and perform in accordance with the terms hereof, as so amended.
29. **Entire Agreement.** This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes any and all previous written or oral agreements between the parties with respect to such subject matter of this Agreement. All prior proposals, bids, negotiations, discussions, conversations, representations, and statements of every nature whatsoever are integrated and merged into this instrument, and only Agreement shall have any force or effect hereafter. Customer acknowledges that it has not been induced to enter into this Agreement by any representations or statements, oral or written, not expressly contained herein.
30. **Applicable Law.** The laws of the State of Florida shall govern the interpretation of this Agreement.
31. **Arbitration/Mediation.** If a dispute arises out of or relates to this Agreement, or the breach thereof, and if said dispute cannot be settled through direct discussions, the parties agree to first endeavor to settle the dispute in an amicable manner by mediation administered by the American Arbitration Association under its Commercial Mediation Rules, before resorting to arbitration. Thereafter, any unresolved controversy or claim, arising out of or relating to this Agreement, or breach thereof, shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgment upon the Award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Mediation and arbitration shall be sought in Customer's County. In such cases the parties shall evenly split the cost of any mediator(s) or arbitrator(s) used in such proceedings. The decision of the arbitrator shall be binding. Any settlement entered into outside a court of competent jurisdiction shall be committed to writing and signed by both parties.
32. **Force Majeure.** Neither party shall be responsible to the other for nonperformance due to acts of God, fire, flood, epidemic, acts of government, wars, riots, civil unrest, strikes, accidents in transportation, or other causes beyond the control of the parties.

PollChief License and Maintenance Agreement

33. **Section and Paragraph Heading.** Section and paragraph headings used throughout this Agreement are for reference and convenience and in no way define, limit, or describe the scope or intent of this Agreement or affect its provisions.

34. **Multiple Copies or Counterparts of Agreement.** The original and one or more copies of the Agreement may be executed by one or more of the parties hereto. In such event, all of such executed copies shall have the same force and effect of a fully executed original.

35. **Non-appropriation of funds.** All funds for payment by Customer under this Agreement are subject to the availability of an annual appropriation for this purpose by Customer. In the event of non-appropriation of such funds by the Customer for the services provided under this Agreement, Customer shall terminate the Agreement, without termination charge or other liability, on the last day of the then-current fiscal year or when the appropriation made for the then-current year for the services covered by this Agreement is spent, whichever event occurs first. If at any time funds are not appropriated for the continuance of this Agreement, cancellation shall be accepted by Konnech with thirty (30) days prior written notice, but failure to give such notice shall be of no effect and Customer shall not be obligated under this Agreement beyond the date of termination.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in manner and form sufficient to bind them as of the date signed by the last party to sign this Agreement as indicated below.

Konnech, Inc., Okemos MI



By: Eugene, Yu, President

Date: 6/22/2013_____

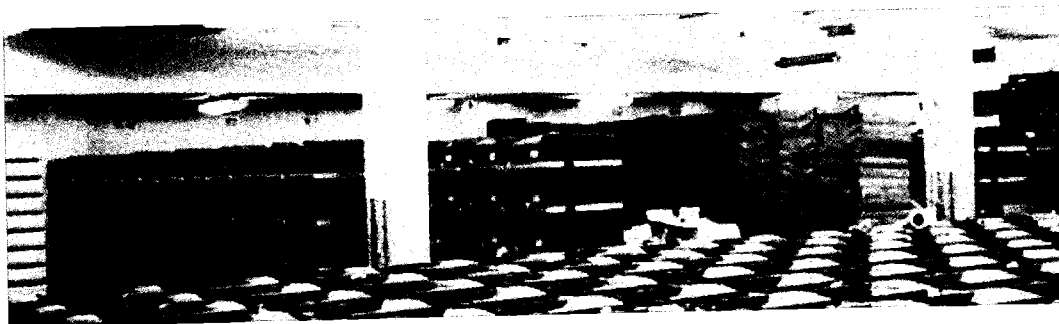
Hillsborough County Supervisor of Elections Office

By: Craig Latimer, Supervisor of Elections

Date: _____

Exhibit A: Description of Modules

1. Module 1-- PollChief® Poll Asset Management System (PAMS)



Election asset management is far more complex than other industries' asset management. The moveable assets for elections include not only minor supply items like pens, power cords, Post-Its and parking signs, not only major items such as handicap ramps and privacy booths, but also sensitive, serialized items such as voting machines, scanners, security seals, and computers.

Every election administrator is aware of the critical importance of election assets. PAMS provides the toolkit you've always needed to track every detail about all election materiel -- major and minor, serialized or generic, high security or standard issue.

PAMS accommodates the special needs of election asset management.

- HAVA Conformant Records
- Logic and Accuracy Assurance
- Critical Item Return Alerts
- Election Supply Packing, Unpacking, and Return Ratio
- Multiple Input Options -- PC, RFID, Bar Code Scanner, Smartphone
- Drayage Planning
- Ballot Tracking
- Voting Equipment and Sensitive Item Tracking
- Chain of Custody

PAMS includes two distinct sub-routines—Poll Equipment Management System (PEMS) for tracking sensitive controlled items by serial number, and Poll Inventory Management System (PIMS) for tracking general supplies that lack serial numbers.

Poll Equipment Management System (PEMS)

- Records the location, logic and accuracy testing, movement, problem, repair, and election history of the serialized voting equipment – voting machines, scanners, e-poll books, memory cards, security seals, etc. It keeps all documentation of your election

PollChief License and Maintenance Agreement

equipment movement and testing in a single, easily accessible location to aid management decisions. It becomes a single place to track each piece of equipment.

- Computerized logging of all transactions for each machine establishes a chain of custody, instills confidence in the voting public of the security of each machine, and eliminates the blizzard of paperwork that is required for manual tracking.
- The program lists not only each voting machine, but also the seals and memory cards applied to each machine prior to the election. It lists the technician who tested the machine. It even grades each machine—new, good, problem, or broken.
- Bar code scanning reduces errors, saves time, and protects against misinterpretation of handwritten annotations. A bar code scanner typically can record data five to seven times as fast as a skilled typist, and has *10,000 Times Better Accuracy*: Keyboard data entry creates an average of one error in 300 keystrokes. Bar code data entry has an error rate of about 1 in 3 million.
- A comprehensive synopsis displays your current state of readiness at a glance.
- Each item has an election history report, as well as a repair history report.
- PollChief®'s Poll Equipment Management System centralizes your acceptance testing, logic and accuracy testing, chain of custody, and machine history all in a single, online document warehouse.

Poll Inventory Management System (PIMS)

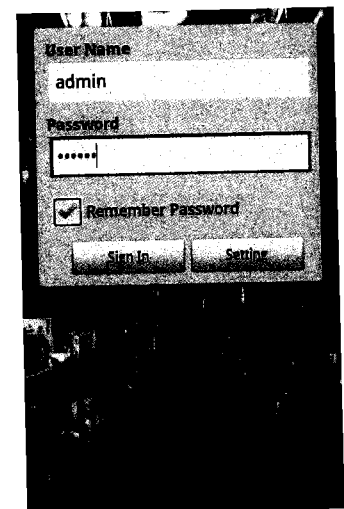
PollChief® Election Management Software also tracks the items which don't have serial numbers in its election inventory management platform, which will be adapted to your needs. The following features/functions will enable you to manage your inventory effectively and efficiently.

- Inventory Management
- Purchase Order Management
- Receiving and Adjustment Management
- Document Management
- Election Box Management

PollChief® Election Management Software is an enterprise solution for poll inventory management.

iPAMS Mobile App is available in Android OS Smart devices. It has the following features or functions.

- Barcode integration scanning
- Bluetooth devices integrated
- Inventory counting
- Election Check-in and Out
- Movement tracking



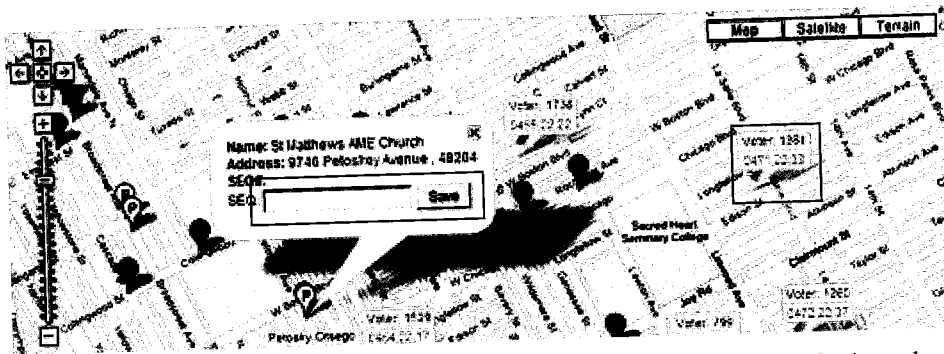
2. Partial Module 2-- PollChief® Poll Location Management System (PLMS)

Poll Location Management System is a web-based election management system that enables election authorities to select their polling locations confidently, arrange voting machines conveniently and logically, communicate with the location owners and other election departments swiftly and easily, and to manage the facility access effectively.

Benefits and Features of Poll Location Management System

- Intelligent selection of polling locations
- Better community coordination
- Less polling place confusion
- ADA (Americans with Disabilities Act) compliance
- listing.
 - Communication with building authorities
 - Improved payment to building authorities
 - Instant budgeting for polling locations
 - Time saver for election setup
 - Instant updating of reports.
 - Detailed mapping which allows the users to review all the necessary content needed to select the appropriate polling locations, such as,
 - Total registered voter count and turnout by party for a precinct
 - The potential poll buildings within or in the surrounding area of the precinct
 - The contact information for the buildings
 - Databases of active, alternative and deactivated locations which make it easy to find an appropriate backup building in case of emergency.
 - Templates for notifications to on-site and off-site facility authorities.
 - Mapping of poll locations and voter density
 - Facility Owner and on-site personnel Communication
 - Via telephone – send out one voice message and instantly get feedback, avoiding the time to call each facility or to compose letters and/or spend money on postage, labels, and envelopes
 - Via email – massive email communication to on-site and/or off-site persons. Again, save on time, postage, labels and envelopes
 - Via letter template – save costs using mail merge letters pre-designed for use with window envelopes.
 - Store notes for each individual building in the database. For example, handicap accessibility, parking, delivery constraints, layout diagram, unique supply needs
 - Reporting
 - Generate reports by saving specific templates within the system. All reports can be reviewed in screen, or exported to Microsoft Excel.
 - Reports instantly update with the changes made throughout the system.

PollChief License and Maintenance Agreement

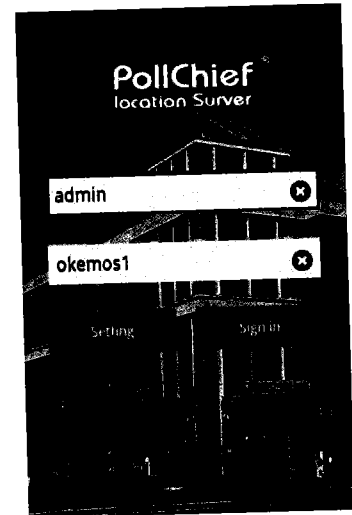


PLMS provides extensive mapping tools to find the available, investigated/visited, and used locations for the past elections, and the district/precinct voter density around the polling location. In addition, the streets are shown related to each district/precinct. The history set of locations can be selected and modified based on the current availability of public/private facilities and the change of the registered voter density.

Other departments or personnel are informed about the location and voting machine changes for the coming election in real time to avoid miscommunication.

- Optional mobile app is available for operating PLMS location survey from an iOS or Android smart phones/devices with the following functions or features.
 - Intelligent Location Based System (LBS) and GPS position
 - Google Map integration
 - Real time sync data between the app and PollChief Server
 - Location survey form step by step
 - Facility owner and local contact communications

PLMS is a complete tool to manage polling locations.



PollChief License and Maintenance Agreement

Exhibit B: Recommended Hardware and Software

Personal computers with internet access

Most current browsers, which are compatible with Microsoft .Net programming technologies

Bar code scanners

Plain paper printers for printing bar code labels

Exhibit C: Hosting Service

Konnech leases full server cabinets from a telecommunication company with data and T1 PRI service located at the Lansing Metro Datacenter (1800 N Grand River Ave, Lansing, MI 48906), and also backs up the data at the server farm at 2411 Okemos Road, Okemos, MI 48864, which is about a 30 minute driving distance between these two locations.

Currently, we have clients connecting from Edmonton, Canada and also from Leon and Alachua, Florida connecting to the servers hosted in the same cabinet. We timed an upgrade in bandwidth and server capacity after the 2012 primary election, averting any problems in connection speed. If any indication of slowness should arise, we are willing to find a hosting facility near your county immediately if it is a remote connection issue.

The Lansing Metro Datacenter offers us direct connection to multiple backbone connections and our traffic gets to its destination quickly and efficiently.

The datacenter is double hulled, essentially a building within a building complete with a redundant roof. A highly secure and controlled environment featuring on site 24 hour, 365 days a year operations and resilient power systems backed by APC UPS's, generator, air conditioning, and comprehensive physical security.

Currently, we have your web application on the Dell PowerEdge R510 and Microsoft SQL database on PowerEdge R910, and are confident these provide the processing capacity to meet your current needs.

PollChief License and Maintenance Agreement



PollChief®

Exhibit D: Fee Schedule

October 1, 2013 – September 30, 2014

Upgraded from the Trial Period for Poll Asset Tracking Features to Poll Asset Management System and Poll Location Management System

Installation of Completed Version of PLMS and PAMS	\$99,500
Implementation and Training	Waived
Data Conversion	Waived
License to use PollChief PLMS and PAMS systems, full software support, telephone support and all modifications required to be in compliance with Election Laws and server/Internet standard changes.	Waived
Total for License, Installation, Data Conversion, Implementation, and Training	Total One-time \$99,500

due Oct 13

Annual License & Use Fee Renewal, Support and Maintenance Renewal for budget year 2013/2014	\$50,627
Annual Hosting Renewal	Included
Total Annual Renewal Cost	Total Annual \$50,627

Andrew Alexandre

From: Eugene Yu <eyu@konnech.com>
Sent: Tuesday, June 25, 2013 10:31 AM
To: Andrew Alexandre
Subject: RE: Konnech Updated Agreement

Andy,

Please give me a call at 517 712-8416 once you have a minute.

Thanks,

Eugene

From: Eugene Yu
Sent: Tuesday, June 25, 2013 7:11 AM
To: Andrew Alexandre
Cc: Angeline Cunningham; Laura Potter
Subject: Konnech Updated Agreement

Good morning Andy.

We've prepared a draft for your consideration.

The following major changes were added to the sample agreement by us.

1. Change the Asset Tracking Module from our original agreement to a full Poll Asset Management System
2. Add Poll Location Management System, which was provided as trial base. Currently, we are testing a Location Survey as an iOS Smartphone version for you.
3. Waive all other costs for both upgrades except the license fee
4. Add hosting fee and adjust annual fee due to system upgrading for PAMS and add the PLMS.

Please let us talk as soon as possible if you have any question.

Thanks,

Eugene

Eugene Yu
President & CEO
Konnech' Inc.
4211 Okemos Road, Suite 3 & 4
Okemos, MI 48864
(517) 381-1830 Ext 203
(877) 301-0793 Fax
www.konnech.com