



Tech Logic Corp.
 1818 Buerkle Rd.
 White Bear Lake, MN 55110
 Phone: 651-747-0492
 Fax: 651-747-0493
 www.tech-logic.com

Invoice

Date	Page
7/29/2008	1
Invoice Number	
15002839PP	

Remit to:
EB 105
PO BOX 1691
MINNEAPOLIS, MN 55480-1691

Sold To: Tom Green County Library
 113 West Beauregard
 San Angelo, TX 76903
 USA

 Attn: Larry Justiss

Ship To: 113 West Beauregard
 San Angelo, TX 76903
 USA

 Attn: Larry Justiss

Reference - P.O. No.	Customer No.	Order No.	Ship Via	Terms Code
CONTRACT#15002839	TOM001C	15002839		PREPAY

Description/Comments	Amount								
Pre-payment 50% Prepay for order total of \$142,549.40	71,274.70								
<table border="0"> <tr> <td><u>Due Date</u></td> <td><u>Amount Due</u></td> <td><u>Disc. Date</u></td> <td><u>Disc. Amount</u></td> </tr> <tr> <td>7/29/2008</td> <td>71,274.70</td> <td></td> <td>0.00</td> </tr> </table>	<u>Due Date</u>	<u>Amount Due</u>	<u>Disc. Date</u>	<u>Disc. Amount</u>	7/29/2008	71,274.70		0.00	
<u>Due Date</u>	<u>Amount Due</u>	<u>Disc. Date</u>	<u>Disc. Amount</u>						
7/29/2008	71,274.70		0.00						

Comments:
 Self Check, Gates, Tags

Subtotal before taxes	71,274.70
Total Sales Tax	0.00
Total amount	71,274.70
Payment received	0.00
Discount taken	0.00
Amount due	71,274.70



Tech Logic Corp.
 1818 Buerkle Rd.
 White Bear Lake, MN 55110
 Phone: 651-747-0492
 Fax: 651-747-0493

Order Confirmation

Date	Page
Jul 22, 2008	1
Order Number	
ORD15002839	

Sold To:

Tom Green County Library
 113 West Beauregard
 San Angelo TX 76903
 USA
 Phone: 325-655-7321

Ship To:

Tom Green County Library
 113 West Beauregard
 San Angelo TX 76903
 USA
 Attention: Larry Justiss

Order Information: Self Check, Gates, Tags

PO Number	Terms
CONTRACT#15002839	NET30

Qty. Ord.	Qty. Shp.	Qty. B/O	Stk. Loc.	Item Number	Description	Delivery Date	Unit Price	UOM	Extended Price
9	0	9		45005959	Antenna, Assembly, FEIG, w/Reader, ABS, Single		2,000.00	EACH	18,000.00
1	0	1		SALES	RENTAL: INTELLETO 101-R40 premium package containing USB ca		975.00	EACH	975.00
					Item #25013456				
					3 month rental for \$325/month				
1	0	1		SALES	RENTAL: Rental-Tagging Cart-DATAMAX H-4212		2,100.00	EACH	2,100.00
					HF Label Printer				
					Item #45006784				
					3 month rental for \$700/month				
1	0	1		25014405	inventory wand		7,500.00	EACH	7,500.00
1	0	1		45006065	Assembly, Gate, FEIG, 2-Aisle, W/People-Counter, Wood		19,000.00	EACH	19,000.00
					NEED GATE COLOR				
2	0	2		25012267	Cabinet, Wood, RFID-Check-Out		1,900.00	EACH	3,800.00
230,000	0	230,000		25013143	ISO 15693 Book Tag, White Paper Face, (50x50mm), Raflatac		0.39	TAGS	89,700.00
5,000	0	5,000		25013144	ISO 15693 CD/DVD, White Paper Face, (40mm), Raflatac		0.43	TAGS	2,150.00
9	0	9		28000002	Circuit-Cost per seat		2,000.00	SEAT	18,000.00
1	0	1		LABOR	Labor, Installation SCO		7,700.00	DAY	7,700.00
1	0	1		SHSCO	Shipping & Handling SCO		2,000.00	EACH	2,000.00

Comments:

Total Sales Tax	0.00
Order Discount	28,375.60
Total order	142,549.40

TECH LOGIC CORPORATION
TECH LOGIC SYSTEM

Contract Number: 15002839

Date: August 1, 2008

THIS CONTRACT FOR TECH LOGIC SYSTEM (hereinafter referred to as the "**Agreement**"). is made and entered into on the date of execution, by and between the **Tom Green County Library System** (hereinafter referred to as the "**Library**"), and **Tech Logic Corporation**, a corporation duly organized and existing under the laws of the State of Wisconsin (hereinafter referred to as "**Tech Logic**").

THE PARTIES RECITE AND DECLARE THE FOLLOWING:

- A. The Library desires and hereby requests Tech Logic to design, develop, implement, install, Tech Logic Systems in the Library, as set forth in the attached Exhibit C.
- B. Tech Logic represents that it possesses the skill, experience, knowledge and qualifications to design, develop, implement and install a Tech Logic System as required by this Agreement.

NOW, THEREFORE, in consideration of the hereinabove recitals, and the amounts to be paid, and of the mutual promises, representations, warranties, covenants and agreements hereinafter stated, and upon the terms and subject to the conditions hereinafter set forth, THE PARTIES AGREE AS FOLLOWS:

ARTICLE 1
DEFINITIONS

The following terms and phrases shall have, for the purposes of this Agreement, the meanings set forth below, unless a different meaning is clearly required by the context.

- 1.01 "**ACS**" means the Library's current automated system for tracking, recording and accounting for the location, lending and return of library materials, as the system is existing on the date of execution of this Agreement, and as the same may, from time to time, be modified or enhanced.
- 1.02 "**Agreement**" means this Contract for the Tech Logic System and all attachments, Exhibits and Addendums incorporated herein, including all modifications, amendments and Change Orders executed in accordance with the requirements set forth herein.

- 1.03 "**Change Order**" means a written order for any change in the goods or services to be provided under this Agreement which increases or decreases the total Contract Price to be paid by Library hereunder, which Change Order shall be in the form of the Change Order attached hereto as Exhibit E.
- 1.04 "**Effective Date**" means the date on which this Agreement is executed by all required signatories.
- 1.05 "**Library Automation Vendor**" or "**LAV**" means a supplier of computer software capable of processing and recording the Library's materials lending activities, including book check-out and check-in.
- 1.06 "**Notice of Completion**" means Tech Logic's written Notice of Completion to the Library that installation has been completed, which Notice of Completion shall be substantially in the form of the Notice of Completion attached hereto as Exhibit F.
- 1.07 "**Project Manager**" means the individual designated as such by Tech Logic, having substantial knowledge and experience with respect to all aspects of the Tech Logic System development, manufacture, installation and testing, including but not limited to the machinery, software, engineering, hardware and related theories utilized in the design, development, installation, testing and operation of the System.
- 1.08 "**RFID**" means Radio Frequency Identification, which is a method of identifying or detecting data stored on a microchip with an antenna, and which method is more fully defined in Exhibit B.
- 1.09 "**Tech Logic System**" or "**TLS**" means a material handling system, and encompasses the entire product line as offered by Tech Logic to its customers, including, but not limited to, RFID or Bar Code check-in or check-out systems, Personal Payment System ("PPS"), book drops and delivery systems, storage systems, sorting systems, branch distribution systems, patron reserve systems, and computer systems that are designed, manufactured or otherwise developed for the library industry.

The specific reference to the TLS under this Agreement means only such hardware, software, and material components purchased by the Library under this Agreement as set forth in Exhibit C, and as may be amended from time to time pursuant to a Change Order.

ARTICLE 2 STATEMENT OF WORK

- 2.01 **The TLS**. The TLS shall be designed by Tech Logic, after consultation and agreement with the Library, and shall be manufactured and installed in accordance with the delivery schedule as set forth in Exhibit H, and specifications contained in Exhibit B, "*Description of Functionality*."
- 2.02 **Pre-Shipment Factory Testing**. Tech Logic shall assemble and test the TLS at its corporate headquarters located in White Bear Lake, Minnesota, prior to shipment to the Library. The Library may elect to attend each system test at the Library's expense.
- 2.03 **Shipment**.
- A. **Shipment**. Shipment of the TLS and all of the components shall be FOB origin. It is understood by the parties that all shipping charges shall be paid for by the Library.

Delivery. Delivery of all components of the TLS shall be made to the Library located at 113 West Beauregard, San Angelo, TX 76903, unless another location is mutually agreed to by the parties in advance. Tech Logic shall coordinate delivery of all components with the Library.

2.05 **Installation.** The TLS shall be installed at the Library by Tech Logic. Installation of all components of the TLS purchased will be made with the reasonable assistance of Library and its agents as provided in **Article 3.** Tech Logic shall assist the Library in any technical conversations with the LAV regarding the interface of the TLS software with the ACS.

- A. Notice of Completion of Installation. Following the installation of the TLS, Tech Logic shall notify Library that the TLS is installed and running under permanent power by delivering to the Library Exhibit F, "Notice of Completion and Acknowledgment."
- B. Testing and Correction Following Installation. Acceptance of the TLS will be based on the following criteria and to the Library's satisfaction:
 - (1) Functions. Successful tests of all required and proposed functions;
 - (2) Demonstration. Successful demonstration that the TLS performance is as required and proposed;
 - (3) Training. Successful completion of all required training; and
 - (4) Documentation. Delivery of complete documentation to the Library.
- C. Library's Acknowledgment of Notice of Completion. The Library shall execute and deliver to Tech Logic an Acknowledgment thereof as contained within the aforementioned Exhibit F, acknowledging that all TLS components for that part of the system are installed at the Library, running under permanent power, and are fully operational when it determines that the TLS has been operational in accordance with specifications.

If a Notice of Corrections was issued, after completion of corrections by Tech Logic, the thirty (30) day trouble-free period shall restart and the Library shall execute the Acknowledgment of the Notice of Completion after it determines that the TLS has been operational in accordance with specifications for a thirty (30) day trouble-free period. Execution of the Acknowledgment by Library shall not be unreasonably withheld.

More than three (3) failures of the same type may be deemed a total failure, and may terminate the acceptance test and result in cancellation of this Agreement. Notwithstanding the preceding sentence, it is understood and agreed by the Library that the PPS is a new technology and that certain performance issues may arise with regards to the PPS, and the Library shall not cancel this Agreement solely as a result of failure of the PPS as long as Tech Logic continues to make a reasonable good faith effort to correct such failures.

2.06 **Training.** In addition to the onsite training described in this Section, Tech Logic shall train system managers and operators through its customer support service as provided herein and in **Section 8.02**.

A. Maintenance and Operating Manuals. Upon delivery of the Notice of Completion to the Library, Tech Logic shall provide the Library with all information and operation manuals. Operation manuals shall include mechanical, electrical and program design documentation for the Library to adequately test, troubleshoot and maintain the TLS. Both paper and electronic versions of all documentation must be included and delivered with the system following each subsequent release.

Tech Logic shall provide the following manuals:

- (1) System Administrator Manual. The manual will document the specific system administration functions available and will illustrate and provide instructions for all proposed solution functions, including all screen and report layouts.
- (2) Technical Support Manual. The manual will document all system functions, including all screen and report layouts. It will also fully document the development environment of the TLS, including a description of the databases and interfaces to other systems.
- (3) Training Manual. Training support materials will ensure the Library can effectively continue to train new public service and technical staff. The Library may excerpt and modify the training materials to reflect its internal environment and training requirements.

B. System Training. Tech Logic understands and agrees that training is an essential part of the implementation of the TLS and that implementation will not be complete until training has been provided to Library staff to the Library's satisfaction. Tech Logic shall provide personnel onsite at the Library to train Library staff to enable Library staff to manage, operate and support the TLS at the prices detailed in Exhibit C. Such training shall be appropriate for both public service staff and technical support staff with a wide range of prior knowledge, skill and experience.

Tech Logic shall perform the training services in a timely and professional manner by capable and qualified trainers.

Additional training will be provided at a rate of \$1,200.00 per day, including travel expenses, for each additional day, if requested by Library in a Change Order. It is understood and agreed by the Library that there will a minimum charge of eight (8) hours per day per Tech Logic personnel for training done on Library premises or at such other location designated by the Library, other than the corporate headquarters of Tech Logic in White Bear Lake, Minnesota.

2.07 **Application of Contract to Components Subsequently Purchased.** The TLS may or may not include all system components that Tech Logic offers or that the Library may need as a finished materials handling system. Tech Logic however represents that even without all available options, the TLS will meet the functionality standards contained in Exhibit B, and that it can adjust the TLS to add system components at any time in the future.

The Library shall have the right, but shall not be obligated, to purchase system components and RFID Tags and TLS at any time, or from time to time, within one (1 year) following Library's execution of this Agreement for the TLS at the prices set forth in Exhibit C.

ARTICLE 3 OBLIGATIONS OF LIBRARY

- 3.01 **Acceptance of Risk and Storage of TLS Components.** Library shall provide safe and enclosed storage of all TLS components until Tech Logic is on-site for installation in accordance with **Section 2.05**. Except for damage caused by Tech Logic or its agents, Library shall bear all risk of loss and damage of TLS components after delivery and acceptance at the location designated by Library.
- 3.02 **Responsibilities for Installation.** Tech Logic will perform the installation of the TLS at the Library.
- A. **Interface with ACS.** If the TLS requires an interface with the Library's ACS, the Library shall be responsible for purchasing and/or contracting with the Library's LAV for a connection that will allow the TLS software to interface with the ACS. All connections required by this **Section 3.02** will be made in accordance with Tech Logic's schedule for installation.
- B. **Electrical and Mechanical Work.** Library shall be responsible for wiring power to the TLS.
- C. **Availability of Facilities.** The Library shall provide adequate work space and storage space at the Library to facilitate the performance of services by Tech Logic during the installation of the TLS for up to four (4) of Tech Logic's personnel, subject to the following conditions:
- (1) **Telephone.** If available, the Library shall provide one telephone for the use of Tech Logic carrying out its obligations hereunder. Tech Logic shall use its own long distance provider to make any long distance calls.
- (2) **Obstructed Installations.** Tech Logic personnel shall have continuously free and unobstructed access to all areas in which components of the TLS are to be installed.

ARTICLE 4 WORK SCHEDULE

- 4.01 **Work Schedule.** Within thirty (30) days of the Effective Date, Library and Tech Logic shall complete Exhibit H, "*Project Schedule & Delivery Schedule*," to create a schedule for all work to be completed on the TLS under **Article 2**.
- 4.02 **Delay by Tech Logic.** Tech Logic shall not unreasonably delay delivery and installation of any part of the TLS without prior written consent of Library, which consent shall not be unreasonably withheld.

**ARTICLE 5
TECH LOGIC'S COVENANTS
CONCERNING STAFFING AND WORK CONDITIONS**

- 5.01 **Project Manager**. Tech Logic shall designate a Project Manager within ten (10) days of the Effective Date. The Project Manager shall be accountable and accessible to the Library at all times regarding performance, progress and completion of all phases of work during the development, manufacturing, installation and testing of the TLS.
- 5.02 **Cleanliness and Safety**. No rubbish, dirt, tools or other articles, items or things shall be put in the public areas of the Library by Tech Logic. Tech Logic shall at all times keep the Library free from accumulations of waste material or rubbish caused by its employees, agents or contractors or their work; and at completion of the work, Tech Logic shall remove all its tools, equipment and waste, leaving the work area broom clean.
- Tech Logic shall conduct the work in a safe and orderly manner and shall take every reasonable precaution so as not to allow injury to any person or damage to the Library.
- 5.03 **Compliance with Library's Rules**. Tech Logic shall observe and comply with any reasonable rules which the Library has made or may make and which are communicated in writing to Tech Logic, provided such rules are not inconsistent with the terms and conditions of this Agreement.
- 5.04 **Direction of Project Manager**. Tech Logic shall cause its employees to cooperate with all directions of the Library's project manager while at the Library.

**ARTICLE 6
CHANGE ORDERS AND ENHANCED FUNCTIONALITY**

- 6.01 **When Change Order Required**. No change in the work to be performed hereunder that will increase or decrease the total Contract Price, shall be made except by a Change Order. Upon receipt of a duly executed Change Order, Tech Logic shall proceed with the work involved. All work shall be accomplished under the applicable conditions of this Agreement.
- 6.02 **Requirements of Change Order**. The Library shall have the option to decrease the amount or quantity of goods or services to be provided hereunder.

No Change Order will be effective to change the Contract Price hereunder unless signed by both the Director of the Library and Tech Logic.

ARTICLE 7
LICENSES AND PROPRIETARY RIGHTS

- 7.01 **Manuals and Software.** Tech Logic's operating manuals and software licenses reflect designs and programs, as well as other components, which comprise the TLS as identified herein, and which have been developed by Tech Logic. The TLS and its related designs, programs, components, and operating systems contain proprietary and/or trade secret information owned by Tech Logic and third party vendors who have entered into licensing agreements with Tech Logic. Use of the software and the operating manuals in a manner not related to the Library's use of the TLS is prohibited.
- 7.02 **Licenses.** Tech Logic hereby grants the Library a perpetual, non exclusive license to use all software that Tech Logic has developed. Tech Logic shall also provide Library with all third-party software licenses, if any, necessary to grant the Library the right to own and operate the TLS as provided in this Agreement. Library shall, however, be subject to the "*Software License Agreement*" as set forth in Exhibit I.
- 7.03 **Use of TLS.** All items comprising the TLS are deemed to be for Library as a single user, and may not be resold by Library, or its successors in interest, without the express written consent of Tech Logic. Tech Logic does not by this Agreement transfer the right to use any of its proprietary technology, including software and mechanical devices, by Library, except for its use in the TLS.
- 7.04 **Tech Logic's Assurances.** Tech Logic represents and warrants that it has the right to enter into this Agreement and grant to the Library the right to own and use all software, hardware, machinery, systems and manuals hereunder provided. Tech Logic has not transferred to the Library, or its successors in interest, the right to use or otherwise sell or convey the proprietary technology that comprises the TLS and its operations to a third party; provided, however, the Library shall have the right to modify, enhance or relocate the TLS to other Library uses and facilities.

If the Library modifies, enhances or relocates the TLS to other Library uses and facilities, and such modifications, enhancements or relocations are not performed by Tech Logic personnel as provided in **Section 8**, all warranties by Tech Logic under this Agreement shall terminate, and Tech Logic shall have no further obligations to the Library with respect to any warranty claim by the Library with respect to such modification, enhancement or relocation.

- 7.05 **Intellectual Property Rights.** Tech Logic (or its licensors) retains ownership of all intellectual and industrial property rights (including, without limitation, patents, copyrights, trade secrets, trademarks and designs) in and relating to the TLS and all enhancements, modifications and updates thereof made by Tech Logic.

Except for the limited license rights expressly granted in this Agreement, nothing in this Agreement shall be construed as granting to the Library or implying the grant of any other rights, by license, assignment, transfer or otherwise, under any intellectual and/or industrial property rights in or relating to the TLS or information provided by Tech Logic. The Library shall not make any copies, reverse engineer, disassemble, or decompile any software or part thereof, except as may expressly be set forth in this Agreement.

- 7.06 **Modifications to Software Functionality Outside the Scope of the Bid Specifications.** The Library may modify any component of the software that it deems necessary to meet its needs without the approval or consent of Tech Logic, as set forth below. It is understood and agreed that the Library will not sell or divulge the software to any third parties.

It is understood by the parties that:

- A. Modify Patron Screens. The Library shall have the right and ability to modify Patron Screens and similar items at its sole discretion.
- B. Technical Support. The Library will seek Tech Logic's technical support for all software modifications and changes to the software, other than modifications to Patron Screens/Skins, and to pay a reasonable fee for those services. These fees are set forth in **Section 8.01** of this Agreement.
- C. No Modification. The Library will not modify any other programming in any manner beyond what is designed to be configured by the end user.

ARTICLE 8 WARRANTY AND CUSTOMER SUPPORT

8.01 Warranty During the 12 months following installation of the Tech Logic Self Check out system, Tech Logic warrants that the system will be free of material defects and perform substantially as described in Tech Logic's operating manuals.

Warranty coverage includes replacement of defective parts, software support and updates, labor, travel and expenses for on-site required service calls. Tech Logic reserves the right to determine when an on-site service call is required.

Condition to Warranty Library shall notify Tech Logic within five (5) business days of any defects or malfunctions in the system of which it learns from any source. Failure to do so will void the warranty against that defect.

Warranty Action Correction of defects of the system shall be accomplished by Tech Logic in a timely and expeditious manner, according to the following procedure:

- (1) Telephone Assistance. Tech Logic may attempt to address Library's warranty complaint by telephone assistance or by written or electronic messaging communication before taking further action.
- (2) Further Action. If Tech Logic determines that the problem with the system is not merely due to Library's incorrect operation, or if a system manager or team leader having qualifications is unable to correct the problem with telephonic or other assistance within two (2) Library open days, Tech Logic shall provide all further assistance required to correct the problem, including labor and materials. If the problem is not one covered by warranty, Tech Logic shall notify Library and gain approval for any corrections and Library shall pay for all approved costs of labor and materials at Tech Logic's standard rate for additional labor of \$200.00 per hour per Tech Logic personnel, or \$2,000.00 per day per Tech Logic personnel, plus any associated travel expenses incurred by Tech Logic. Such payments for additional labor shall be due and paid by Library within thirty (30) days of each occurrence of such further action.

Post Warranty Action. Unless a service contract has been entered into by the parties in a separately executed agreement, after all warranties have been exhausted or for service to be performed outside of warranty coverage, Tech Logic shall provide service at its standard rate for additional labor of

\$200.00 per hour per Tech Logic personnel, or \$2,000.00 per day per Tech Logic personnel, plus any associated travel expenses incurred by Tech Logic. Such payments for additional labor shall be due and paid by Library within thirty (30) days of each occurrence of such post-warranty action.

- (3) Further Limitation. All warranties given by Tech Logic are limited to replacement or repair of defective components including hardware and computer software. Tech Logic shall determine whether the components should be replaced or repaired.

8.02 Customer Support. Customer support shall be as stated with regards to warranties under **Section 8.01** Tech Logic's customer support is given with the understanding that Library will provide adequately trained personnel to run the TLS, including the following:

A. System Manager or Team Leader. A broad base of computer skills is required as well as a background and understanding of Microsoft Windows NT4.0, Microsoft Windows 2000 and/or Microsoft Access 2000 or XP software that runs the TLS. A knowledge of Library operations is equally important. In addition, this person should have good personnel skills and experience in supervision. This person will be required to schedule personnel and provide back-up and training for the people on this team. This person shall be the principal contact with Tech Logic for operation and maintenance of the TLS. Further, this person shall possess, in addition to computer and software literacy, mechanical troubleshooting skills.

B. System Operators. TLS operators shall be capable of running basic Microsoft Windows software applications such as Microsoft Windows NT4.0, Microsoft Windows 2000 and/or Microsoft Access 2000 or XP and have a general familiarity with personal computers. Additionally, the system operators shall be capable of taking readable notes and have the skills to train and pass on their knowledge to other system operators.

C. System Maintenance Personnel. Library's System Maintenance Personnel shall have experience in building and facilities maintenance which shall include heating and ventilating systems, power distribution systems and generalized personal computer operation. Further, Library's System Maintenance Personnel shall also particularly possess a working knowledge of pneumatics, control wiring, and 3-phase electronics. In general, such Personnel shall be willing and able to help trouble shoot system mechanical problems when other Library staff members need assistance.

Tech Logic strongly recommends that Library's System Manager, System Operator, and System Maintenance personnel attend a free-of-charge 2-day training course at Tech Logic's Minnesota plant. Travel expenses and the like associated with such attendance shall be borne exclusively by Library.

8.03 Software Upgrades: Tech Logic will provide software repairs through updates and patches to rectify flaws in the software within seven (7) days. Tech Logic agrees to provide all upgrades and changes in the software desired by the Library or issued by Tech Logic.

A. Operating System. Upgrades and changes in the Operating System that require updates to the application code shall be completed by Tech Logic.

B. RFID Back End Application Code. Tech Logic will provide the Library with all updates.

C. Skins/Front End Application. The Library may make changes as needed.

- D. File Transfer Protocol. Maintain version control from Tech Logic's File Transfer Protocol (FTP) site.
- E. Integration Standards. Tech Logic shall make necessary software upgrades to ensure that:
 - (1) The TLS is compliant with SIP1, SIP2 and all SIP enhancements; and
 - (2) The RFID Tags and TLS conform to open architecture to fully interface with all SIP compliant Integrated Library System (ILS) vendors.

Post warranty, it is understood and agreed that the Library must pay the annual maintenance fee (Full Service Agreement, Exhibit J), in order to receive the upgrades and telephone support. Costs for annual maintenance are described in Exhibit J.

ARTICLE 9

UNIT PRICING, DISCOUNTS, PAYMENT TERMS AND MAXIMUM CONTRACT AMOUNT

9.01 Contract Price. The total contract price is \$142,549.40 (herein referred to as the "Contract Price") unless a change order is executed by both parties.

Work to be performed by Tech Logic for Library under this Agreement comprises four phases:

- I. Systems engineering, manufacturing design professional services and procurement of raw materials (accounting for forty percent (40%) of the Contract Price); and
- II. Manufacturing (accounting for fifty percent (50%) of the Contract Price) ; and
- III. Manufacturing final testing and pre-shipment inspection at Tech Logic (accounting for five percent (5%) of the Contract Price) ; and
- IV. Installation (accounting for five percent (5%) of the Contract Price).

9.02 Payment Schedule -Tech Logic Products. Payment of the Contract Price for Tech Logic Products in Pricing Schedule Exhibit C, shall be made as follows:

- I. A first payment, in an amount of fifty percent (50%) of the Contract Price, shall be due within ten (10) days after the Effective Date of this Agreement. Work pursuant to this Agreement shall not begin until such payment is received and verified by Tech Logic.
- II. Final payment, plus all additional payments required under executed Change Orders, if any, shall be paid within thirty (30) days of Tech Logic's delivery to the Library of invoices for product shipped to the Library. Further, if a delay occurs under Section 4.02, supra, then the final payment hereunder shall be paid by Library within sixty (60) days of shipment from Tech Logic. In any event, the final payment hereunder shall be paid by Library within ninety (90) days from the date on which notification is made by Tech Logic to Library that the TLS is ready for shipment to Library.

9.03 Payment Schedule for Change Orders. The payment of any Change Order shall be made in installments, with the first installment being due ten (10) days after the execution of the Change Order. The amount and payment terms of the Change Order shall be as set forth in Sections 9.02 and 9.03.

In addition to provisions of section 2.04 herein, the parties understand and agree that Tech Logic may purchase commodities, such as but not limited to Stock Products, from foreign sources for use in the TLS. Consequently, upon execution of a Change Order, if applicable foreign currency exchange rates pertaining to such commodities have fluctuated by at least five percent (5%) versus U.S. currency from the Effective Date of this Agreement, then prices stated in Exhibit C shall be adjusted accordingly by Tech Logic for such Change Order.

9.04 Interest Charges. If any payments due from Library to Tech Logic are deemed to be overdue, then interest charges thereon shall be paid by Library to Tech Logic at a rate of one and one-half percent (1.5%) per month.

ARTICLE 10 TERMINATION

10.01 Termination by Tech Logic. This Agreement may be terminated by Tech Logic without penalty in the event that Library materially breaches its obligations hereunder, provided that, the Library shall first have been given a written notice that specifies the nature of the breach and Tech Logic offers Library not less than thirty (30) business days to correct the breach.

10.02 Termination by Library. This Agreement may be terminated by the Library without penalty if Tech Logic is in breach of its obligations hereunder, provided that Tech Logic shall have first been given a written notice that specifies the nature of the breach and the Library offers Tech Logic not less than thirty (30) business days to correct the breach.

10.03 Action Upon Termination. Upon termination of this Agreement, Tech Logic shall be entitled to payment for any satisfactory work performed prior to the date of termination.

10.04 No Limitation on Remedies. Except as expressly provided, nothing in this Article 10 shall be deemed to waive or limit any other action, proceeding or remedy to which either party would otherwise be entitled as a result of the breach of this Agreement by the other party.

ARTICLE 11 MISCELLANEOUS PROVISIONS

11.01 Complete Agreement. This Agreement and the attached Exhibits constitutes the entire agreement between the parties with regard to the subject matter hereof. No other representations, understandings or agreements have been made or relied upon in the making of this Agreement other than those specifically set forth herein. The parties herein acknowledge that they have read this Agreement, understand it and agree to be bound by its terms, and further agree that it is the complete and exclusive statement of the agreement between the parties.

11.02 Amendments. No modification of any portion of this Agreement shall be effective unless in writing and signed by the parties or their duly authorized representatives.

11.03 Governing Law. The validity, construction and performance of this Agreement shall be governed

and construed in accordance with the laws of the State of Minnesota.

- 11.04 Compliance with Laws, Codes, Licensing, and Other Standards.** Library shall timely advise Tech Logic of any statutes, rules, codes, licensing, regulations, and other standards which may affect this Agreement and work performed hereunder; and Library shall pay for, and solely bear, all costs of compliance associated therewith that have not been otherwise accounted for herein.

Each TLS is generally designed in conformity with the National Electrical Code (NEC) and other standards. However, due to unique designs and observance of various OSHA safety concerns for guards and the like, some deviations from the NEC and other standards may be necessary. Therefore, Library expressly agrees that it shall identify any such issues of compliance with statutes, rules, codes, regulations, or any other standards in consultation with its inspection authority, and so advise Tech Logic within thirty (30) days after the Effective Date.

- 11.05 Severability.** Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable under any applicable law or rule, such provision shall be ineffective only to the extent of such invalidity, illegality, or unenforceability, without invalidating the remainder of this Agreement.

- 11.06 Notices.** All notices, offers, acceptances, requests and other communications hereunder shall be in writing and shall be deemed to have been duly given (i) if by personal delivery or facsimile, notice shall be effective upon such delivery or transmission; or (ii) if mailed by certified or registered mail, with postage prepaid, return receipt requested, addressed to the parties at their last known address or such other address as they shall designate to the other party in writing, the notice shall be effective three (3) business days after the date of mailing; or (iii) if delivered by overnight courier or messenger service which provides receipts of delivery, the notice shall be effective upon delivery; to as follows:

If to Tech Logic: Gary W. Kirk
Tech Logic Corporation
1818 Buerkle Road
White Bear Lake, Minnesota 55110
FAX: 651-747-0493

If to Library: Mr. Larry Justiss
Tom Green County Library System
113 West Beauregard
San Angelo, TX 76903

- 11.07 Binding Effect.** This Agreement shall inure to the benefit of, and be binding upon the Library and Tech Logic and their respective successors and assigns.

- 11.08 Force Majeure.** Neither party shall be deemed to be in default of any provision of this Agreement for any delay, suspension or failure in performance resulting from acts or events beyond the reasonable control of such party. For purposes of this Agreement, such acts shall include, but are not limited to, acts of God, civil or military authority, civil disturbance, war, fires, other catastrophes, or other "force majeure" events beyond the parties' reasonable control.

If either party is unable to perform as the result of such an event, such party shall send the other party

written notice stating the delay and cause thereof, within at least fifteen (15) days from the date of the occurrence of the force majeure event.

11.09 Resolution of Questions and Disputes.

- A. Dispute Resolution. Tech Logic and Library will exercise their good faith and reasonable effort to negotiate and settle promptly any dispute that may arise with respect to this Agreement. The parties may obtain the services of a mediator or other "alternate dispute resolution" upon their mutual agreement prior to seeking redress through a Court of competent jurisdiction. The parties will share equally in the cost of alternate dispute resolution.
- B. Venue. Any formal dispute resolution proceeding, including, but not limited to, mediation, arbitration or litigation, shall be conducted within the County of Queens, State of New York.
- C. Arbitration. If the work to be performed under this Agreement will be a part of new construction or a renovation or remodeling project, or if installation of the TLS will require coordination with any other construction activities, then Tech Logic agrees to join in any arbitration proceeding involving a dispute to which Tech Logic is a necessary party.

For any other dispute, arbitration between the Library and Tech Logic will be voluntary, but once engaged, binding. If such arbitration is commenced under this Agreement, the arbitration shall be conducted under the rules of the American Arbitration Association, and any award rendered (including an award requiring specific performance) shall be final and binding upon the parties hereto, and the judgment on the award rendered by the Arbitrator or Arbitrators may be entered in any Court having jurisdiction thereof.

11.10 Attorneys' Fees. If a dispute arises between the parties as a result of which an action is commenced to interpret or enforce any of the terms of this Agreement, or if there is a breach of any of the terms of this Agreement, or the Exhibits attached hereto, the losing or defaulting party or parties shall pay to the prevailing party or parties reasonable attorneys' fees, costs and expenses incurred in connection with prosecution or defense of such action as such Court shall adjudge.

11.11 Indemnity. Tech Logic agrees to defend, indemnify and hold the Library, and its officers, employees and agents harmless from any liability, claims, damages, costs, judgments or expenses, including reasonable attorneys' fees, to the extent any of the foregoing results, directly or indirectly, from any error or omission and/or willful or negligent act of Tech Logic, its agents, employees or subcontractors in the performance of this Agreement and against all loss by reason of the failure of Tech Logic fully to perform, in any respect, all obligations under this Agreement. In no event will Tech Logic be liable for any damages caused by the Library's failure to perform its responsibility hereunder or for damages to property or persons caused by faulty installation by the Library, except to the extent any such failure is attributable to the action or inaction of Tech Logic.

11.12 Independent Manufacturer. Nothing herein creates or establishes the relationship of a joint venture or partnership between the parties, nor constitutes Tech Logic as the agent, representative or employee of the Library for any manner whatsoever. Tech Logic is and shall remain an independent manufacturer under this Agreement. Any and all personnel employed by Tech Logic or its subcontractors while engaged in the performance of any activity under this Agreement, shall have no implied contractual arrangement with the Library and shall not be considered employees of the Library; and any and all claims of said personnel while so engaged that may arise under the Workers Compensation Act, and any and all claims whatsoever of any personnel arising out of employment or

alleged employment by Tech Logic including, without limitation, claims of any discrimination against Tech Logic, its officers, agents, contractors or employees shall in no way be the responsibility of the Library; and Tech Logic shall defend, indemnify and hold the Library, its trustees, officers, agents and employees harmless from any and all such claims.

- 11.13 **Assignment.** Tech Logic shall not assign or sublet the whole or any part of this Agreement without the prior written consent of the Library.
- 11.14 **Captions.** The captions appearing at the commencement of the articles, sections and clauses hereof are inserted for convenience of reference only and shall not constitute a part of this Agreement.
- 11.15 **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.
- 11.16 **Incorporation of Exhibits.** The following Exhibits attached hereto are hereby incorporated into and form a part of this Agreement.

- Exhibit B: Description of Functionality
- Exhibit C: Description of TLS and Pricing
- Exhibit E: Change Order
- Exhibit F: Notice of Completion and Acknowledgment
- Exhibit G: Notice of Corrections
- Exhibit H: Project Schedule and Delivery Schedule
- Exhibit I: Software License
- Exhibit J: Full Service Agreement

There are no Exhibits A or D in this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, as of the dates set forth below.

TECH LOGIC CORPORATION

By: _____
Gary W. Kirk, Vice-President

Date: _____, 2008

TOM GREEN COUNTY
LIBRARY SYSTEM

By: *Richard Lamingwood*
Judge-Pro-Tem

Date: 02/29, 2008

EXHIBIT "B"

DESCRIPTION OF FUNCTIONALITY Tom Green County Library System

Contract No 15002839

Contract Date 08-01-08

The Description Of Functionality is commonly referred to as a "Sequence Of Operations" and describes how the system works from both a controls point of view and mechanical view. It further defines system specifications that provide the Library with a good understanding of anticipated performance objectives. Throughput rates, speeds of moving devices, and reaction times of the system are all best guesses based on previous system performances. This is so because many variables such as network speeds, automated circulation system response times, Library personnel variances in performance and Library collection variables may all have an impact on system throughput rates, speeds and reaction times.

Tech Logic's modular "suite" of software programs is used throughout its systems. Each system is unique and custom designed to fit the Library's specific environment, yet the basic underlying code is the same from system to system via the modular code. Tech Logic will pick and choose from these modules and link them together into the systems final program. This consistency in programming at the lower level program structure enables Tech Logic to easily upgrade changes to the Library's top level system program as time passes. It is important for the reader to understand that deviations from Tech Logic's standard module functions can produce additional programming costs to the Library.

EXHIBIT "B" ARTICLE 1 - Definition Of Terms

- 1.01 "ACS" means the Library's automated circulation system used for asset tracking, recording, accounting, lending and return software system of library materials.
- 1.02 "CircleT Application" is the TLC title for the Visual Basic .NET program that resides on the System PC or Library's PC and interfaces the Library's LAV or ACS Software.
- 1.03 "Book(s)" shall refer to all materials including but not limited to books, tapes, CD's, DVD's, magazines and all Library items that must generally be handled by the System within the Library environment.
- 1.04 "LAV" refers to the Library's Automation Vendor that has provided the Library with its asset tracking software .

- 1.05 “MS” refers to licensed Microsoft Corporation software that resides on the System PC or the Library’s PC. When a PC is purchased by the Library from TLC, the license is transferred to the Library and is considered third party pass through licensing.
- 1.06 “MS Software(s)” refers to software that is purchased by Tech Logic Corporation from Microsoft Corporation for use on the System PC. These software’s are considered “Third Party” and licenses are passed through to the Library at the time of System installation and acceptance.
- 1.07 “RFID” means Radio Frequency Identification that is the method of identifying or detecting data stored on a microchip with an antenna. RFID consists of three components; RFID Tag, RFID antenna, and RFID Coupler. The antenna is for amplifying transmission to and from a coupler via radio frequency technology. The coupler receives the data from the RFID Tag and sends a raw data stream via RS-232 connection to a PC and is interpreted by the TLC Software to identify the Library Item that the RFID tag is attached to.
- 1.08 “System Item(s)” refers to numerated system components as described in Exhibit “C”.
- 1.09 “System PC” refers to one or more personnel computer “PC(s)” that control all aspects of the System, including but not limited to all the machines within the System and all communication software’s that interface with the Library’s host computer.
- 1.10 “Tag Replication” is the process of converting industry standard bar-codes into RFID Tags.
- 1.11 “TLC Code” is programmed instructions written in various computer languages and run via compilation of various software’s that reside on the TLC’s System PC or the Library’s PC. TLC Code is proprietary property of Tech Logic Corporation and licensed for use to the Library, all as stated within the Software License Agreement.
- 1.12 “TLC Suite” refers to the underlying program modules that have been written and developed by TLC to quickly and expeditiously assemble whole system top level programs.

EXHIBIT “B” ARTICLE 2 - RFID CHECK-IN/CHECK-OUT SYSTEMS

- 2.01** TLC is a North American Partner Of Multiple RFID Vendors, all of which are world class suppliers of RFID tags and hardware that reads the RFID tags. TLC buys, uses in it's products and has otherwise developed many innovative RFID Check-in and Check-out Library material handling workstations using this technology. RFID's advantage over industry bar-code technology provides the Library with ergonomic, invisible and fast identification of Library items.
- 2.02** TLC Uses RFID Technology along with TLC Software, Check-in and Check-out workstations, Tag Replication workstations and Asset Management Software to increase the efficiencies within the Library realm. Key to the implementation of the RFID technology into the Library arena is TLC's Software Suite and its interfaces with most LAV's. Specifically, TLC uses standard 3M SIP 1.0, 2.0 or 2.0 w/ TLC extensions to interface with the CircIT software. The International Standards Organization (ISO) is very close to releasing the NISO standard which will replace the 3M SIP protocol. Tech Logic will adopt this standard as each LAV releases it's version of NISO.
- 2.03** The Sequence Of Operations for each Check-in and Check-out product is explained as follows:
- A. The Combo (Self or Assist) Check-Out Workstation is a unique Patent Pending concept that TLC has developed to eliminate the need for remote, common place “self check-out” workstations. Combo workstations incorporate dual, back to back, flat touch-screen monitors that are placed along circulation and check-out counters within the Library. Along the side of each dual touch screen is a “top of counter mounted” antenna that allows patrons the ability to “self or assist” check-out stacks of Books within seconds. This method of check-out, under ideal conditions, can be up to ten to fifteen times faster than conventional self or staff type check-out workstations depending on the speed of the interface with CircIT. The Combo workstation works as follows:
1. When the Patron walks up to the outside of the Combo workstation, he/she sets a stack of books along with their patron card on the antenna area. The flat-touch screen monitor on the Patron's side of the counter informs the Patron that their account is ok and to press the check-out button. When the patron presses the ok button, all books in the stack are checked out within seconds.
 2. At check-out each Book's RFID tag has its theft bit disabled. The RFID tag's theft bit must be turned off before a Patron may leave the Library. Each Library exit door is retrofitted with a set of security pedestals. The Pedestals look for theft bits that not turned off. If a tag's theft bit is still on, the security gate will sound an alarm informing the Library staff that an item is being stolen.
 3. The theft bit method of security is extremely fast due to the low overhead of reading only one bit within the whole tag's word. A typical set of pedestal security gates can read up to fifty books per second.
 4. If a Patron has a problem with their account when using the Combo station, a Library staff member behind the counter can disable the Patron's monitor, switch to the CircIT software package and fix the Patron's account using their normal CircIT Terminal Client software.

5. When the Patron's account has been fixed, the staff member merely presses a function key that re-enables the Patron's monitor.
 6. The entire Combo workstation is intuitive for both the Patron and the Library staff person. One staff person can monitor and manage up to 4, 5 or 6 Combo stations along a typical circulation desk. This savings in labor benefits the Library by allowing the staff to work with Patrons outside of the circulation desk.
- B. The RFID Self Check-Out Workstation is similar to the Combo workstation and is recommended for use in areas that are remotely located to the service or circulation work desk. Self check-out workstations are ideal for places where the Library feels that their Patrons can deal with self check-out conditions that arise, such as overdue books and other flags that may not permit a Patron to fully transact a self check-out. TLC believes that the Library is the best judge as to whether or not their Patrons are willing to except the possibilities of personal account problems. In such a case, the RFID Self Check-out Workstation Software will ask the Patron to seek help at the service or circulation desk..
- C. The RFID Staff Workstation consists of a desktop antenna and coupler that allows staff personnel the ability perform back room reading, writing and general collection management duties. TLC Software Suite empowers staff personnel with the following RFID tag and general collection maintenance features:
1. Writing and locking collection code ID's to the tag
 2. Reading collection code RFID tag ID's
 3. Checking-in or out Books using the TLC VB-LAV Interface Software
 4. All other functions that normal back-room staff may be required to perform.
- D. The RFID Label Workstation allows staff members to easily convert existing bar-coded Books to RFID tagged Books. RFID Tag generation is a four-step process. It entails scanning the bar code located on the book, grabbing the programmed tag from the printer, and applying the label to the book. The workstation consists of a PC running TLC EZ tag software, an RFID label printer, and bar code scanner. The following is the Tag Replication Sequence of Operation:
1. The PC on the EZ tag cart is started. The EZ tag software is started which allows the operator to specify what logo file they want to reference for the labeling. Once "Label Mode" is selected, scanning of the barcodes can begin.
 2. The operator find the barcode on the book and scans the code using the EZ Tag barcode scanner. The information scanned from the barcode label is displayed on the operator screen of the PC.
 3. The RFID tag is then printed and programmed simultaneously.

4. The operator can then pick the label from the printer and place the label onto the book. The tags should be placed on the inside back cover of the book, being careful to place the tag directly on the book and not on the book protector and within a 60mm square area position of eight possible positions alternately at the lower left-hand corner.

EXHIBIT "B" ARTICLE 3 - ASSET MANAGEMENT SYSTEMS

3.01

TLC Inventory Software & Inventory Wand/Pocket PC includes inventory management and comparison software that utilizes the hand held inventory scanner for quick reading of all Library RFID tags. The inventory wand and pocket PC may be used for the following key functions:

- A. **Inventory:** The typical scan rate of the inventory wand is 10 books per second and can help to organize books on shelves in groups of logical/un-logical Dewey or Author last name order. The pocket PC can hold up to 500,000 records.
- B. **Lost Items:** The inventory wand, when loaded with a list of Item Numbers, can quickly locate lost or misplaced books within the libraries collection. The pocket PC can hold up to 500,000 records.
- C. **Hold Items:** The inventory wand, when loaded with a list of Item Numbers, can quickly locate hold items within the libraries collection. The pocket PC can hold up to 500,000 records.
- D. **Transit Items:** The inventory wand, when loaded with a list of Item Numbers, can quickly locate transit items within the libraries collection. The pocket PC can hold up to 500,000 records.
- E. **Security:** The inventory wand can be used for theft protection detection and body searches at security doors. The unique features of RFID tags with theft bit technology allow the inventory wand and pocket PC to locate and detect items that have been stolen.
- F. **Wireless Connectivity:** The Inventory wand uses Bluetooth technology to communicate to the PC which runs the inventory management software. The wand also features a built in barcode reader. The pocket PC uses wireless communications using 802.11b to connect to the host local network.



EXHIBIT "C"

**DESCRIPTION OF TLS AND PRICING
Tom Green County Library System**

Contract No 15002839

Contract Date 08-01-08

QTY	PN	Tech Logic Products and Services	Individual Item Cost	1st Year Costs	2nd Year Costs
		Hardware:			
		Total Price of Hardware and Software		\$ 161,225.00	\$4,830.00
		Self Checkout/Staff Programming Stations			
9	45005959	Tech Logic ABS Single Antenna with Reader	\$ 2,000.00	\$ 18,000.00	
		Conversion Units			
3	R25013456	Intelletto Device, model R-40 (monthly rental)	\$ 325.00	\$ 975.00	
3	45006784	EZ Tag System Portable Tagging Station (Monthly Rental)	\$ 700.00	\$ 2,100.00	
		Inventory Device			
1	25014405	Inventory Wand with handheld computer	\$ 7,500.00	\$ 7,500.00	
		Security Gates			
1	45006065	Dual Walk Way Wooden Gate System With Sensusource People Counter	\$ 19,000.00	\$ 19,000.00	
		Self Checkout Desk			
2	25012267	Combo or Self Checkout Desk	\$ 1,900.00	\$ 3,800.00	
		#N/A	\$ -	\$ -	
		RFID Tags			
230000	R25013143	Book tag White Label	\$ 0.39	\$ 89,700.00	
5000	R25013143	Book tag White Label	\$ 0.43	\$ 2,150.00	
9	28000003	Software licenses, CircIT, New order (per seat)	\$ 2,000.00	\$ 18,000.00	
		#N/A			
	17.6	Discount		\$ 28,375.60	
		Licensing and Support:			
9		Software Support (2nd Year costs for support are required)			\$3,600.00
		Installation and Training:			
		RFID Installation and training (includes gate installation)		\$ 7,700.00	
		Shipping and Handling		\$ 2,000.00	
		Total 1st Year Costs		\$ 142,549.40	
		Total 2nd Year Costs (Hardware and Software)			\$8,430.00

EXHIBIT "F"

NOTICE OF COMPLETION and ACKNOWLEDGMENT

Tom Green County Library System

Contract No 15002839

Contract Date 08-01-08

Pursuant to Article 2, Section 2.02, Paragraph C of the Contract, Tech Logic Corporation herein notifies Library that all or part of the TLS is installed and completed at the Library and running under permanent power. The following Contract Amendments are given notice: Amendment No.

Date Completed _____.

Comments:

TECH LOGIC CORPORATION

Date: _____, 20____.

By: Gary W. Kirk,

Executive Director

ACKNOWLEDGMENT

Pursuant to Article 2, Section 2.02, Paragraph E of the Contract, Library hereby acknowledges that (I) the TLS is installed and completed at the Library, and running under permanent power.

Date: _____ 20____.

By: _____

(Printed Name and Title) _____

Library Name: _____

EXHIBIT "H"

**PROJECT SCHEDULE AND DELIVERY SCHEDULE
Tom Green County Library System**

Contract No 15002839

Contract Date 08-01-08

Pursuant to Article 2, Section 2.02, Paragraph B of the Contract, the Library and Tech Logic herein agree to the following manufacture, delivery and installation schedule:

PROJECT SCHEDULE (AMH/Self Check Out SYSTEM)

Finalized Contract:	■																		
Dwg Approval Finalized:		■																	
Site Survey:			■																
Begin Purchasing:			■																
Begin Manufacturing:			■																
Begin Assembly:			■																
Assembly Complete:				■															
Run, test, QA & QC:					■														
Crate System:						■													
Ship system:							■												
Installation								■											
Testing									■										
Training										■									
Aftercare begins											■								

TECH LOGIC CORPORATION
 ("Tech Logic")

LIBRARY

By: _____
 Gary W. Kirk
 Executive Director

By: _____

Date: _____ 20__

Date: _____ 20__

EXHIBIT "I"

SOFTWARE LICENSE AGREEMENT

Tom Green County Library System

Contract No 15002839

Contract Date 08-01-08

This Software License Agreement ("Agreement") is made this 1st day of August, 2008 by and between Tech Logic Corporation ("Licensor") and Tom Green County Library System ("Library").

1. License Grant.

- A. License. Subject to the terms and conditions of this Agreement, Licensor grants Library a perpetual, nontransferable, nonexclusive license to use the computer program and user documentation listed in Exhibit B (the 'Software') at the Installation Address set forth in the Agreement. Library may install and use the Software's computer program only on one machine at one time at the Installation Address. If Library desires additional copies of the Software's computer program or user documentation, Licensor will provide such copies at the rates set forth in Exhibit C.
- B. Restrictions. Library shall not (i) use the Software to provide services under any name other than that of Library; (ii) use the Software to process the data of third parties without Licensor's prior written consent; (iii) use the Software in the operation of a service bureau; (iv) modify or change the Software; or (v) decompile, disassemble or otherwise reverse engineer the Software.

2. Deliverables.

- A. Software. Licensor shall provide Library one executable copy of the Software's computer program and one copy of the Software's user documentation. Library shall not copy the Software (except for one archival copy for back up purposes only) or the user documentation.
- B. Hardware. Library shall arrange for the purchase or lease, installation, testing and maintenance of adequate hardware. Library shall be solely responsible for hardware maintenance, including periodic inspections, adjustments, and repair.

3. Installation, Maintenance and Training.

Licensor shall install and maintain the Software and provide training to Library's employees pursuant to the terms of the Maintenance Agreement. Library shall install a modem and dial-up telephone line to allow Licensor to access, review and modify the Software remotely.

4. **Payments.**

Library shall pay Licensor the Software license fees, in the amounts and under the terms set forth in Exhibit C. All fees shall be payable upon presentation of invoices. Licensor may change its license fees for additional copies of the Software upon thirty (30) days prior written notice.

5. **Confidentiality.**

Library agrees that neither Library, its agents, nor, its employees shall in any manner use, disclose or otherwise communicate any information with respect to the Software which might enable copying of all or any portion of the Software. Library agrees to take all necessary action to protect the confidential and proprietary information included in the Software, including appropriate instructions and agreement with its employees.

6. **Title .**

Library agrees that Licensor owns all copyright, trade secret, patent, trademark and other proprietary rights in and to the Software, including all modifications thereto.

7. **Warranties.**

Licensor warrants that it has clear title to the Software. Licensor further warrants that for a period of ninety (90) days after installation, the Software, if used by Library in accordance with the Software's user documentation, will substantially perform the functions set forth in Exhibit B. LICENSOR MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

8. **General Provisions.**

- A. **Assignability.** This Agreement and all rights and obligations thereunder shall not be assignable by Library except with the prior written consent of Licensor. A change in control shall be deemed an assignment subject to this subsection. This Agreement shall be binding upon each party's permitted successors and assigns.
- B. **Liability.** Licensor shall not be liable for special, indirect, incidental or consequential damages, whether arising from contract or negligence. In no event shall Licensor's liability exceed the initial license fee for the Software paid by Library. No action or claim relating to this Agreement or the Software may be instituted more than one (1) year after the event giving rise to such action or claim.
- C. **Indemnification.** Licensor shall indemnify and hold Library harmless from and against any claim of infringement of a United States patent or copyright based

upon the Software, provided Library gives Licensor prompt notice of and the opportunity to defend any such claim. Licensor shall have the right to settle such claim or, at Licensor's option, provide Library (i) a paid-up license; (ii) substitute, functionally equivalent software; or (iii) a refund of a pro rata portion of the license fee paid for the Software based on a deemed license term of five (5) years.

- D. Entire Agreement; Amendment. This Agreement with its exhibits is the complete and exclusive agreement of the parties and supersedes all other communications, oral or written, between the parties relating to the Agreement's subject matter. Any change to this Agreement shall not be valid unless it is in writing and signed by both parties.
- E. Choice of Law/Arbitration. This Agreement shall be governed by the laws of the State of Minnesota. All unresolved disputes arising under this Agreement shall be submitted to arbitration under the rules of the American Arbitration Association. The award of the arbitrator shall be binding and may be entered as a judgment in any court of competent jurisdiction.
- F. Default. In the event of any default of any obligation under this Agreement which remains uncured fifteen (15) days after receipt of written notice of such default, the non-defaulting party may terminate this Agreement. If this Agreement is terminated, all outstanding fees will immediately become due and payable and Library shall return all copies of the Software to Licensor and erase any copies residing in any machine.
- G. Waiver. Neither the failure nor any delay to exercise a right, remedy or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of a right, remedy or privilege preclude any further exercise of the same.
- H. Severability. A determination that any provision of this Agreement is invalid, illegal or unenforceable shall not affect the enforceability of any other provision.
- I. Notices. All notices and other communications required under this Agreement shall be in writing and shall be deemed to have been received when personally delivered or when deposited in the United States mail, sent registered mail by first class, postage prepaid, addressed as set forth at the end of this Agreement.

TECH LOGIC CORPORATION
("Tech Logic")

LIBRARY

By: _____
Gary W. Kirk
Executive Director

By: Richard Kingwood
Judge-Pro-Tem

Date: _____, 20__

Date: 07 / 29, 2008

Exhibit "J"
Full Service Agreement
Self Check Out Systems

ARTICLE 1 – NEW SYSTEM

Tech Logic offers an annual (12 month) Service Agreement for new Tech Logic Systems, which begins on the first day after expiration of warranty coverage on all Tech Logic System components and software.

- All mechanical labor and software support¹.
- Travel and lodging are not included in this agreement, and will be itemized and invoiced with payment due within thirty (30) calendar days of the invoice date.
- The price of this Service Agreement (\$8,430.00) is payable within 12 months of completion of installation.
- The price of this Service Agreement is subject to change for subsequent annual service periods.²

ARTICLE 2 – EXISTING SYSTEMS

Where a system warranty has expired and Library desires to enter into a Service Agreement, Tech Logic offers an annual (12 months) Service Agreement for existing Tech Logic Systems conditioned upon the following:

- Tech Logic shall conduct an inspection of the system and replace and/or repair all parts and/or components as necessary in the sole discretion of Tech Logic. Tech Logic shall then certify the system as being qualified for a Tech Logic annual Service Agreement.
- On-site labor for this procedure shall be billed at the rate of \$150.00 per hour.
- Travel and lodging are not included in this agreement, and will be itemized and invoiced along with parts and labor.
- All parts and components shall be discounted ten percent (10%) from the current Tech Logic price list.
- An invoice shall be transmitted along with an inspection and repair invoice pursuant to the aforesaid inspection of the system. Payment of each invoice shall be due and paid by Library within thirty (30) calendar days thereof. Failure to make such payment by the due date(s) shall void this Service Agreement.

ARTICLE 3 – TERMS AND CONDITIONS

The following terms and conditions shall be applicable to both Article 1 and Article 2 herein:

- Parts: OEM or reasonable alternative parts are guaranteed available during the service period.
- Telephone Support: Service includes unlimited telephone support with a response from the right expert in less than two hours.
- Service Support: Includes response within 24 hours. Library will notify Tech Logic of any Mechanical or Software issue via telephone. Tech Logic will attempt to correct the issue via telephone support and remote proxy. Should Library and Tech Logic agree that an onsite visit is required, Tech Logic shall provide the Library with an action plan including the anticipated travel and on-site time expected to correct the issue. Upon receiving authorization from the Library, Tech Logic will proceed with the site visit.
- Shipping: Shipping charges are included at no extra cost.
- Exclusions: Any damage to the System or its components caused by the misuse, neglect, or unauthorized repair and maintenance of the equipment, is specifically not covered under this Service Agreement.
- Routine Weekly Maintenance not included: Routine weekly maintenance as described in the original maintenance documentation provided at the time of sale shall continue to be the responsibility of Library.
- Finance Charge: Delinquent payments shall incur a finance charge of 1.5% per month, with service being suspended until the account is cleared.

- Compliance with Laws, Codes, Licensing, and Other Standards: Library shall timely advise Tech Logic of any State and/or Local statutes, rules, codes, licensing, regulations, and other standards which may affect this Service Agreement and work performed hereunder; and Library shall pay for, and solely bear, all costs of compliance associated therewith.
- Liability: Tech Logic shall not be liable for special, indirect, incidental or consequential damages, whether arising from contract or negligence.
- Assignment: This Service Agreement and all rights and obligations hereunder shall not be assignable by Library except with the prior written consent of Tech Logic. A change in control shall be deemed an assignment subject to this subsection. This Service Agreement shall be binding upon each party's permitted successors and assigns.
- Modification: Any modification or alteration of this Service Agreement shall be effective only upon written agreement of the parties thereupon.
- Complete Agreement: This Service Agreement constitutes the entire agreement between the parties with regard to the subject matter hereof. No other representations, understandings or agreements have been made or relied upon in the making of this Service Agreement other than those specifically set forth herein. The parties herein acknowledge that they have read this Service Agreement, understand it and agree to be bound by its terms, and further agree that it is the complete and exclusive statement of the agreement between the parties.

¹ All mechanical labor is included except for routine maintenance. All software updates, patches, routine trouble shooting is included.

² Price of the Service Agreement shall not exceed an increase of 10% on an annualized basis.

Full Service Agreement

Contract No. 15002839 **Contract Date:** August 1, 2008

This SERVICE AGREEMENT is made this 29 day of July 2008 by and between Tech Logic Corporation ("Tech Logic") and Tom Green County Library System ("Library").

WHEREAS Library desires to enter into a Service Agreement for its Tech Logic System;

And

WHEREAS Tech Logic represents and warrants that it possesses the skill, experience, knowledge, and qualifications to provide service hereunder;

NOW THEREFORE in consideration of the promises of each party to the other hereunder, and for other good and valuable consideration, the parties agree as stated in the aforementioned articles.

Tech Logic Corporation

By: _____

Date: _____

Library

By: Richard Loringwood
Judge-Pro-Tem

Date: 07/29/08