SOFTWARE LICENSE AGREEMENT

STATE OF NEW MEXICO
SANTA FE COUNTY

CONTRACT TERMS AND CONDITIONS
CONTRACT NO 2013-0180-CORR/MS

THIS AGREEMENT is made and entered into on this 11th day of November 2012, between J-CORR Technologies, Inc., (hereinafter referred to as "J-CORR"), a Nevada corporation with its principle place of business located at 930 Tahoe Blvd., Suite 802-282, Incline Village, NV 89451, and Santa Fe County (hereinafter referred to as "SFC"), located at 102 Grant Ave., Santa Fe, New Mexico 87501-2161.

IT IS MUTUALLY AGREED BETWEEN THE PARTIES:

1. Content of Software: The materials that are the subject of this Agreement shall consist of electronic information published or otherwise made available by J-CORR (hereinafter referred to as the "Software").

   SFC acknowledges that the copyright and title to the Software and any trademarks or service marks relating thereto remain with J-CORR and/or its suppliers. Neither SFC nor its Authorized Users shall have right, title or interest in the Software except as expressly set forth in this Agreement.

   J-CORR hereby grants to SFC non-exclusive use of the Software, any upgrades issued over the course of this Agreement and the right to provide the Software to Authorized Users in accordance with this Agreement.

2. Overview: J-CORR will provide the J-CORR Software Version 6.5, or later, to SFC in the following manner:
   a) Software: The Software contains the server Software and all upgrades issued over the course of this Agreement.
   b) Provide, through the Software, the following modules for use by SFC:
      - Booking (Standard, Book and Release, Re-book)
      - Charges/Warrants/Holds
      - Inmate Release
      - Property Management
      - Commissary (Accounting and Inmate Trust Fund Management)
      - Imaging (Mug Shot and Lineup)
      - Classification
      - Housing
      - Canteen Orders and Tracking
      - Visitation
      - Reporting
      - Incident Reporting
      - Disciplinary Actions

- Inmate Keep Aways
- Scheduled Events
  Security Threat Group/ Gang Management
- Interfaces to Include Inmate Telephone and Livescan
- Administrative Tools
- Support for 802.11 x Wireless Connectivity
- JCMS Medical Module to Include Sick Call, Treatment and Examination Forms, Medication Administration and Medical Separation;

c) License: J-CORR hereby grants to SFC a non-exclusive, limited license to use the Software in the United States of America as set forth in this Agreement;

d) Delivery: Upon execution of this Agreement, J-CORR will deliver the Software via the current Virtual Private Network (VPN) provided by SFC for J-CORR system access in the case of software updates, system failure, or to provide assistance with system functionality;

e) Location of the Transaction: The sale of the product license will take place in the State of Nevada and it will be delivered via the public internet to the Detention Center Training/Test server in Santa Fe, New Mexico. The purchase of the software license will include all necessary set-up and transfer of data to the new system. This work will be performed remotely from the J-CORR Support Center located in the State of Nevada.

f) Perform the following task: On-site training and assistance to include continued on-site resources for the debugging, help-response to users, one-on-one training with critical users, and other recommended approaches to ensure smooth implementation of the Software. J-CORR shall provide all supporting technical user documentation, help files, data files, libraries, software customization and modifications. Any changes to the documentation or items listed above due to revisions or enhancements to the Software shall be provided to SFC by J-CORR at no additional charges.

g) Warranty: J-CORR agrees to provide a one (1) year warranty which shall be effective as of the date first written above and shall terminate one year later. The warranty shall include all necessary support services and additional upgrades during the warranty period. This service is included in the sale of the Software and is not a separate service agreement. The warranty shall extend to the entire J-CORR Inmate Management System.

h) Response time shall be no more than 24 hours for non-emergency issues and no more than one (1) hour for emergency issues.

i) Preventative maintenance shall be conducted continuously on software.

3. Fees:

a) SFC shall make a lump sum payment, upon delivery of the Software, demonstration of the Software's functionality and upon submission of an invoice to SFC by J- CORR for purchase of the Software in the amount of **Forty Four Thousand, Sixty Dollars and Eighty-One Cents ($44,060.81)**, inclusive of gross receipts tax.

b) J-CORR shall submit a written request for payment to SFC for payment when payment is due under this Agreement. Upon SFC's receipt of the written request, SFC shall issue a written certification of complete or partial acceptance or rejection of the contractual items or services for which payment is sought. SFC acknowledges and agrees that it may not make any payment hereunder unless and until it has issued a written certification accepting the contractual items or services. Within thirty (30) days of the issuance of a written certification accepting the contractual items or services, SFC shall tender payment for the accepted items or services. In the event SFC fails to tender payment within thirty (30) days of the written certification accepting the items or services, SFC shall pay late payment charges of one and one- half percent (1.5%) per month, until the amount due is paid in full.

4. Specific Restrictions on Use of Software:
   a) Unauthorized Use: Except as specifically provided elsewhere in this Agreement, SFC shall not knowingly permit anyone other than Santa Fe County employees and contractors to use the Software.
   b) Modification of Software: SFC shall not modify or create a derivative work of the Software without the prior written permission of J-CORR.
   c) Removal of Copyright Notice: SFC may not remove, obscure, or modify any copyright or other notices included in the Software.
   d) Commercial Purposes: Other than as specifically permitted in this Agreement, SFC may not use the Software for commercial purposes, including but not limited to the sale of the Software or bulk reproduction or distribution of the Software in any form.

5. Term: This Agreement shall, upon due execution by all parties, become effective as of the date first written above and shall terminate one (1) year later. The County has the option to extend this Agreement at the same prices, terms and conditions for a period of two (2) years in one (1) year increments upon approval of the Santa Fe County Manager. The County may exercise this option by submitting a written notice to the Contractor that the Agreement will be extended an additional year. The notice must be submitted to the Contractor at least sixty (60) days prior to expiration of the initial Agreement or any extension thereof.

6. Appropriations and Authorizations: This Agreement is contingent upon sufficient appropriations and authorizations being made for performance of this Agreement by the Board of County Commissioners of SFC and/or, if state funds are involved, the Legislature of the State of New Mexico. If sufficient appropriations and authorizations are not made in this or future fiscal years, this Agreement shall terminate upon written notice by SFC to J-CORR. Such termination shall be without penalty to SFC, and SFC shall have no duty to reimburse J-CORR for expenditures made in the performance of this Agreement. SFC is expressly not committed to expenditure of any funds until such time as they are programmed, budgeted, encumbered and approved for expenditure by SFC. SFC's decision as to whether sufficient appropriations and authorizations have been made for the fulfillment of this Agreement shall be final and not

subject to challenge by J-CORR in any way or forum, including a lawsuit.

7. Entire Agreement: This Agreement constitutes the entire agreement of the parties and supersedes all prior communications, understandings and agreements relating to the subject matter hereof, whether oral or written.

8. Amendment: No modification or claimed waiver of any provision of this Agreement shall be valid except by written amendment signed by authorized representatives of J- CORR and SFC.

9. No Assignment: Neither this Agreement nor any interest in this Agreement may be assigned by either party without the prior express written approval of the other party.

10. Confidentiality: J-CORR, and its employees, agents, or representatives will not at any time or in any manner, either directly or indirectly, use for the personal benefit of J- CORR, or divulge, disclose, or communicate in any manner any information that is proprietary to SFC. J-CORR and its employees, agents, and representatives will protect such information and treat it as strictly confidential. This provision will continue to be effective after the termination or expiration of this Agreement.

11. Termination:
    a) Termination for Cause: Either party may terminate the Agreement based upon any material breach of this Agreement by the other party. The non-breaching party shall give the breaching party written notice of termination specifying the grounds for the termination. The termination shall be effective thirty (30) days from the breaching party's receipt of the notice of termination, during which time the breaching party shall have the right to cure the breach. If, however, the breach cannot with due diligence be cured within thirty (30) days, the breaching party shall have a reasonable time to cure the breach, provided that, within thirty (30) days of its receipt of the written notice of termination, the breaching party began to cure the breach and advised the non-breaching party in writing that it intended to cure.
    b) Termination for Convenience of SFC: SFC may, in its discretion, terminate this Agreement at any time for any reason by giving J-CORR written notice of termination. The notice shall specify the effective date of termination, which shall not be less than fifteen (15) days from the Contractor's receipt of the notice. SFC shall pay J-CORR for acceptable work, determined in accordance with the specification and standards set forth in this Agreement, performed before the effective elate of termination but shall not be liable for any work performed after the effective date of termination.

12. Severability: If any provision of this Agreement will be held to be invalid or unenforceable for any reason, the remaining provisions will continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid

or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision will be deemed to be written, construed, and enforced as so limited.

13. Governing Law: This Agreement shall be construed in accordance with the laws of the State of New Mexico.

14. Notice of Penalties: The Procurement Code, NMSA 1978, Sections 13-1-28 through 13-1-199, imposes civil and criminal penalties for its violation. In addition, New Mexico criminal statutes impose felony penalties for bribes, gratuities, and kickbacks.

15. New Mexico Tort Claims Act: No provision of this Agreement modifies or waives any sovereign immunity or limitation of liability enjoyed by the County or its "public employees" at common law or under the New Mexico Tort Claims Act, NMSA I 978, Section 41-4-1, et seq.

16. Indemnity:
    a) J-CORR shall defend, indemnify, and hold harmless SFC and its elected officials, agents, and employees from any losses, liabilities, damages, demands, suits, causes of action, judgments, costs or expenses (including but not limited to court costs and attorneys' fees) resulting from or directly or indirectly arising out of J-CORR's performance or non-performance of its obligations under this Agreement, including but not limited to J-CORR 's breach of any representation or warranty made herein.
    b) J-CORR agrees that SFC shall have the right to control and participate in the defense of any such demand, suit, or cause of action concerning matters that relate to SFC and that such suit will not be settled without SFC's consent such consent not to be unreasonably withheld. If a conflict exists between the interests of SFC and J-CORR in such demand, suit, or cause of action, SFC may retain its own counsel to represent its interests.

17. Records and Inspections:
    a) To the extent its books and records relate to (i) its performance of this Agreement or any subcontract entered into pursuant to it or (ii) cost or pricing data (if any) set forth in this Agreement or that was required to be submitted to the County as part of the procurement process, J-CORR agrees to (i) maintain such books and records during the term of this Agreement and for a period of six (6) years from the date of final payment under this Agreement; (ii) allow SFC or its designee to audit such books and records at reasonable times and upon reasonable notice, and (iii) to keep such books and records in accordance with generally accepted accounting principles ("GAAP").
    b) To the extend its books and records relate to (i) its performance of this Agreement or any subcontract entered into pursuant to it or (ii) cost or pricing data (if any) set forth in this Agreement or that was required to be

submitted to SFC as part of the procurement process, J-CORR also agrees to require any subcontractor it may hire to perform its obligations under this Agreement to (i) maintain such books and records during the term of this Agreement and for a period of six (6) years from the date of final payment under the subcontract; (ii) allow SFC or its designee to audit such books and records at reasonable times and upon reasonable notice; and (iii) to keep such books and records in accordance with GAAP.

18. Compliance with Applicable Law; Choice of Law:
    a) In performing its obligations hereunder, the J -CORR shall comply with all applicable laws, ordinances and obligations.
    b) This Agreement shall be construed in accordance with the substantive laws of the State of New Mexico, without regard to its choice of law rules. J-CORR and SFC, agree that the exclusive forum for any litigation between them arising out of or related to this Agreement shall be the federal and state district courts of New Mexico, located in Santa Fe County.

19. Appointment of Agent for Service of Process: J-CORR hereby irrevocably appoints CT Corporation System, a New Mexico resident, located at 123 Marcy Street, Santa Fe, New Mexico, as the general agent for acceptance of services and as its agent upon whom process and writs in any action or proceeding arising out of or related to this Agreement may be served. J-CORR acknowledges and agrees that service upon its designated agent shall have the same effect as though J-CORR were actually and personally served within the State of New Mexico.

20. Notice: Any notice or communication required or permitted under this Agreement shall be sufficiently given if delivered in person or by certified mail, return receipt requested, to the address set forth in the opening paragraph or to such other address as one party may have furnished to the other in writing.

SANTA FE SFC:
Santa Fe County Attorney
102 Grant Avenue
P.O. Box 276
Santa Fe, New Mexico 87504-0276

J-CORR TECHNOLOGIES, INC.:
Attention: John D. Abbey
930 Tahoe Blvd., Suite 802
Incline Village, Nevada 89451
Telephone: 775-832-9106

IN WITNESS THEREOF, the parties here to have executed this Agreement as of the date of the last signatory.

SANTA FE COUNTY:

By _____ 11.1.12
Katherine Miller, County Manager Date

APPROVED AS TO FORM:

By _____ 10-19-12
Stephen C. Ross, County Attorney Date

FINANCE DEPARTMENT APPROVAL:

By _____ 10/24/12
Teresa Martinez, County Finance Director Date

J-CORR TECHNOLOGIES, INC.:

By _____ 10/26/2012
John D. Abbey Date

IN WITNESS THEREOF, the parties here to have executed this Agreement as of the date of the last signatory.

SANTA FE COUNTY:

By_____ _____
Katherine Miller, County Manager Date

APPROVED AS TO FORM:

By_____ 10-19-12
Stephen C. Ross, County Attorney Date

FINANCE DEPARTMENT APPROVAL:

By_____ 10/26/12
Teresa Martinez, County Finance Director Date

J-CORR TECHNOLOGIES, INC.:

By_____ _____
John D. Abbey Date