VILLAGE OF PALATINE

VILLAGE HALL - COUNCIL CHAMBERS
200 E. WOOD STREET
PALATINE, IL 60067-5339 – (847) 359-9050
http://www.palatine.il.us

VILLAGE COUNCIL & COMMITTEE OF THE WHOLE

AGENDA

SEPTEMBER 12, 2022

Regular Meeting **7:00 PM**

I. ROLL CALL

II. PLEDGE TO THE FLAG

III. APPROVAL OF MINUTES

1. Village Council & Committee of the Whole - Regular Meeting - September 6, 2022

IV. MAYOR'S REPORT

1. As Submitted

V. RECESS TO THE COMMITTEE OF THE WHOLE

VI. COMMITTEE OF THE WHOLE

A. POLICE POLICY & CODE SERVICES COMMITTEE

BRAD HELMS, CHAIRMAN

1. 1565 N. Quentin Rd. (Council District: One)

   A. Consider an Ordinance Granting a Special Use for a Package Liquor Store at 1565 N. Quentin Road

   B. Consider an Ordinance Increasing the Number of Class B (Package Liquor Store) Licenses by One for Inverness Wine & Spirits at 1565 N. Quentin Road

2. Consider an Ordinance Granting a Special Use Amendment to Permit an Expanded Floor Plan for an Existing Restaurant at 375 W. Northwest Highway (Council District: Six)

3. Consider an Ordinance Decreasing the Number of Class C (Club) Liquor Licenses and Increasing the Number of Class D (Restaurant) Liquor Licenses by One for Palatine Post #690 American Legion (Council District: Six)

4. Consider an Ordinance Increasing Class VG Liquor Licenses by Two for Palatine Post #690 American Legion and One Taco Dos Tequilas

5. Consider an Ordinance Amending Chapter 10, Existing Structures Maintenance and Occupancy, of the Village of Palatine Code of Ordinances

6. Consider a Motion Granting Approval of a Waiver of the Village's Sound Amplification Ordinance for a Dedication of Bricks Ceremony at the American Legion Post 690, 122 W. Palatine Road, on Saturday, September 24, 2022 (Council District: Six)

7. As Submitted

B. COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE

KOLLIN KOZLOWSKI, CHAIRMAN

1. Consider an Ordinance Authorizing the Mayor to Execute a Redevelopment Agreement for Facade Improvements to the Park Place Shopping Center (Generally Located at 1365 N. Rand Road) (Council District: Four)

2. As Submitted

C. ADMINISTRATION, TECHNOLOGY & COMMUNITY HEALTH COMMITTEE

GREG SOLBERG, CHAIRMAN

1. Consider a Motion Authorizing the Village Manager to Enter into a Contract with Axon Enterprise, Inc. for Police Department Equipment

2. As Submitted

D. BUSINESS FINANCE & BUDGET COMMITTEE

TIM MILLAR, CHAIRMAN

1. Consider a Motion Authorizing the Village Manager to Negotiate an Agreement with the Claims Administrator Selected in the Recent Request for Proposal

2. Consider a Resolution Authorizing the Redemption of Outstanding General Obligation Refunding Bonds, Series 2014A of the Village of Palatine, Illinois

3. As Submitted

E. INFRASTRUCTURE & ENVIRONMENT COMMITTEE

SCOTT LAMERAND, CHAIRMAN

1. As Submitted

F. FIRE POLICY & COMMUNITY INFORMATION COMMITTEE

DOUG MYSLINSKI, CHAIRMAN

1. As Submitted

VII. RECONVENE THE VILLAGE COUNCIL MEETING

VIII.CONSENT AGENDA

All items are considered to be routine by the Village Council and will be enacted by one motion, with waiver of first reading. There will be no separate discussion of these items unless a Council Member so requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

1. Consider an Ordinance Granting a Special Use for a Package Liquor Store at 1565 N. Quentin Road (Council District: One)

2. Consider an Ordinance Increasing the Number of Class B (Package Liquor Store) Licenses by One for Inverness Wine & Spirits at 1565 N. Quentin Road (Council District: One)

3. Consider an Ordinance Granting a Special Use Amendment to Permit an Expanded Floor Plan for an Existing Restaurant at 375 W. Northwest Highway (Council District: Six)

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6. Consider an Ordinance Amending Chapter 10, Existing Structures Maintenance and Occupancy, of the Village of Palatine Code of Ordinances

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8. Consider an Ordinance Authorizing the Mayor to Execute a Redevelopment Agreement for Facade Improvements to the Park Place Shopping Center (Generally Located at 1365 N. Rand Road) (Council District: Four)

9. Consider a Motion Authorizing the Village Manager to Enter Into a Contract with Axon Enterprise, Inc. for Police Department Equipment

10. Consider a Motion Authorizing the Village Manager to Negotiate an Agreement with the Claims Administrator Selected in the Recent Request for Proposal

11. Consider a Resolution Authorizing the Redemption of Outstanding General Obligation Refunding Bonds, Series 2014A of the Village of Palatine, Illinois

12. Consider a Motion Approving a Grant Agreement with the State of Illinois to Extend Village Fiber Optics to the Community Resource Center

IX. REPORTS OF STANDING COMMITTEE

A. ADMINISTRATION, TECHNOLOGY & COMMUNITY HEALTH COMMITTEE

GREG SOLBERG, CHAIRMAN

1. As Submitted

B. BUSINESS FINANCE & BUDGET COMMITTEE

TIM MILLAR, CHAIRMAN

1. As Submitted

C. COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE

KOLLIN KOZLOWSKI, CHAIRMAN

1. As Submitted

D. FIRE POLICY & COMMUNITY INFORMATION COMMITTEE

DOUG MYSLINSKI, CHAIRMAN

1. As Submitted

E. INFRASTRUCTURE & ENVIRONMENT COMMITTEE

SCOTT LAMERAND, CHAIRMAN

1. As Submitted

F. POLICE POLICY & CODE SERVICES COMMITTEE

BRAD HELMS, CHAIRMAN

1. As Submitted

X. REPORTS OF THE VILLAGE OFFICERS

A. VILLAGE MANAGER

1. As Submitted

B. VILLAGE CLERK

1. As Submitted

C. VILLAGE ATTORNEY

1. As Submitted

XI. CLOSED SESSION AS REQUIRED

XII. RECOGNITION OF AUDIENCE

XIII. ADJOURNMENT

VILLAGE OF PALATINE

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VILLAGE COUNCIL & COMMITTEE OF THE WHOLE

MINUTES

SEPTEMBER 6, 2022

Regular Meeting **7:00 PM**

Minutes Acceptance: Minutes of Sep 6, 2022 7:00 PM (APPROVAL OF MINUTES)

I. ROLL CALL – Time: 7:00 PM

Attendee Name	Title	Status	Arrived
Jim Schwantz	Mayor	Present	
Tim Millar	District 1 Councilman	Present	
Scott Lamerand	District 2 Councilman	Present	
Doug Myslinski	District 3 Councilman	Present	
Greg Solberg	District 4 Councilman	Present	
Kollin Kozlowski	District 5 Councilman	Present	
Brad Helms	District 6 Councilman	Present	

Also Present:
Village Clerk Marg Duer, Village Manager Reid Ottesen, Deputy Village Manager Hadley Skeffington-Vos, Village Attorney Nicholas Standiford, Director of Community Development Mike Jacobs, Director of Planning & Zoning Ben Vyverberg, Director of Public Works Matt Barry, Police Chief Dave Daigle, IT Director Larry Schroth, and Director of Human Resources Pam Jackson

II. PLEDGE TO THE FLAG – Time: 7:00 PM

Mayor Schwantz invited everyone to stand and join him in the Pledge to the Flag.

III. APPROVAL OF MINUTES – Time: 7:00 PM

RESULT:	**ADOPTED BY VOICE VOTE [UNANIMOUS]**
MOVER:	Doug Myslinski, District 3 Councilman
SECONDER:	Scott Lamerand, District 2 Councilman
AYES:	Millar, Lamerand, Myslinski, Solberg, Kozlowski, Helms

1. Village Council & Committee of the Whole - Regular Meeting - August 8, 2022 **- Accepted**
2. Village Council & Committee of the Whole - Regular Meeting - August 15, 2022 **- Accepted**

IV. MAYOR'S REPORT – Time: 7:01 PM

1. Consider a Resolution Recommending Halloween Trick or Treat Hours **- Approved by Voice Vote**

   Mayor Schwantz presented the Police Department's recommendation that Halloween festivities occur between 3 PM and 7 PM on Monday, October 31, 2022.

   Councilman Lamerand recommended High Schools alert students to be particularly careful while children are trick-or-treating.

RESULT:	**APPROVED BY VOICE VOTE [UNANIMOUS]**
MOVER:	Tim Millar, District 1 Councilman
SECONDER:	Scott Lamerand, District 2 Councilman
AYES:	Schwantz, Millar, Lamerand, Myslinski, Solberg, Kozlowski, Helms

2. As Submitted **-**

   Mayor Schwantz announced upcoming events:

   Saturday September 10 9AM-12PM
   Kiwanis Club of Palatine - Annual Family Kite Fly
   Margreth Riemer Reservoir Park

   Sunday September 11: 9AM
   Patriot Day Remembrance
   Palatine Firefighters Memorial at the corner of N. Brockway and W. Slade St.

V. RECESS TO THE COMMITTEE OF THE WHOLE – Time: 7:02 PM

Recess to Committee of the Whole **- Motion Carried by Voice Vote**

RESULT:	**MOTION CARRIED BY VOICE VOTE [UNANIMOUS]**
MOVER:	Brad Helms, District 6 Councilman
SECONDER:	Tim Millar, District 1 Councilman
AYES:	Millar, Lamerand, Myslinski, Solberg, Kozlowski, Helms

Minutes Acceptance: Minutes of Sep 6, 2022 7:00 PM (APPROVAL OF MINUTES)

VI. COMMITTEE OF THE WHOLE

A. ADMINISTRATION, TECHNOLOGY & COMMUNITY HEALTH COMMITTEE – Time: 7:02 PM

GREG SOLBERG, CHAIRMAN

1. Consider a Motion Approving the Halloween Hustle 5K & Kids Dash, Including a Waiver of the Village's Sound Amplification Ordinance and Temporary Closure of a Portion of Eric Drive, on Saturday, October 29, 2022 **- Approved by Voice Vote** (Council District: Six)

   Village Manager Reid Ottesen presented Adrenaline Sports Management's request for a waiver of the Sound Amplification Ordinance for announcements and music. Staff recommends a waiver from 8:00 AM to 10:30 AM for the Halloween Hustle, 5K in downtown Palatine on Saturday, October 29.

   Aaron Del Mar, 1165 N. Lakeside Drive, organizer, stated proceeds will benefit Father's Helping Fathers, and the potential 800 participants will have a positive impact on local businesses.

RESULT:	**APPROVED BY VOICE VOTE [UNANIMOUS]**
MOVER:	Kollin Kozlowski, District 5 Councilman
SECONDER:	Scott Lamerand, District 2 Councilman
AYES:	Schwantz, Millar, Lamerand, Myslinski, Solberg, Kozlowski, Helms

2. Consider a Resolution Approving a Collective Bargaining Agreement Between the Village of Palatine, Illinois and the International Union of Operating Engineers Local No. 150, Public Employees Division **- Adopted by Voice Vote**

   Village Manager Reid Ottesen recommended a resolution approving the proposed 3-year Collective Bargaining Agreement between the Village and the International Union of Operating Engineers Local 150, replacing the previous agreement which expired December 31, 2021. The agreed-upon wage increases are: 2.25% in 2022 retroactive to January 1, 2022; 2.5% in 2023; and 2.75% in 2024. The proposed contract offers a change in work schedule beginning next August from 7:00 AM to 3:30 PM to take advantage of daylight hours in winter and to respond to work requests later in the day.

RESULT:	**ADOPTED BY VOICE VOTE [UNANIMOUS]**
MOVER:	Kollin Kozlowski, District 5 Councilman
SECONDER:	Tim Millar, District 1 Councilman
AYES:	Schwantz, Millar, Lamerand, Myslinski, Solberg, Kozlowski, Helms

3. As Submitted **-**

   Nothing was submitted.

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B. POLICE POLICY & CODE SERVICES COMMITTEE – Time: 7:07 PM

BRAD HELMS, CHAIRMAN

1. Consider a Motion Granting Approval of a Waiver of the Village's Sound Amplification Ordinance for Patio Music at Chicago Culinary Kitchen, 2391 N. Hicks Road, on Saturday, September 24, 2022 **- Approved by Voice Vote** (Council District: Three)

   Village Manager Reid Ottesen recommended Chicago Culinary Kitchen's request for a waiver of the Sound Amplification Ordinance, for live music on their patio on Saturday, September 24 from 3PM to 7PM.

RESULT:	**APPROVED BY VOICE VOTE [UNANIMOUS]**
MOVER:	Doug Myslinski, District 3 Councilman
SECONDER:	Kollin Kozlowski, District 5 Councilman
AYES:	Schwantz, Millar, Lamerand, Myslinski, Solberg, Kozlowski, Helms

2. Consider an Ordinance Granting a Special Use for a Fence in a Front Yard at 433 N. Stark Drive **- Motion Failed by Roll Call** (Council District: Four)

   Planning & Zoning Director Ben Vyverberg presented the petitioner's resubmitted request to install a proposed fence:

- 4-foot front yard fence has 1’ x 3’ pickets, spaced 2.5” apart, which allows for 50% of the fence sections (6’ x 4’) to be see-thru and open;
- Including the Wilson Court parkway, the proposed fence is approximately 72 feet north of the intersection of Wilton Court and Stark Drive; and
- Staff reviewed the Village’s Codes and Ordinances for line of sight requirements

   Petitioner presented views of the street site lines, per Village request.

   Councilman Helms summarized the change to have more open fencing by 50% with maximum height of 4 feet in front that does not violate site lines.

   Mayor Schwantz, Councilmen Millar and Myzlinski, stated they cannot support the solid appearance from an angle, blocking view.

   Vyverberg restated the petitioner wants the fence on the property line, not relocating and angling the corners as suggested by Councilman Solberg.

   Councilman Kozlowski favors the fence.

   Jeremy Hall, 433 N Stark, does not favor going back 15 feet, he presented multiple examples of solid fences in front yards: Carpenter and Glenn & Anderson and Norman. He feels his offer to reduce to 4 feet should be

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accepted.

Angela Hall, 433 N. Stark, noted that putting in a live hedge would accomplish their goal with no approval.

In response to Councilman Helms, Hall rejected wrought iron. To angle the fence would forfeit half of their yard. Code allows 5 foot setback. Petitioners asked to call the question.

Village Manager Reid Ottesen noted this item comes before the Council in Standing Committee.

The Petitioners maintain their request to allow the 4-foot picket fence to be set back 5 feet from the front property line.

RESULT:	**MOTION FAILED BY ROLL CALL [1 TO 6]**
MOVER:	Greg Solberg, District 4 Councilman
SECONDER:	Scott Lamerand, District 2 Councilman
AYES:	Kozlowski
NAYS:	Schwantz, Millar, Lamerand, Myslinski, Solberg, Helms

3. Consider an Ordinance Imposing a Moratorium on the Issuance of Additional Video Gaming Licenses as Defined in Section 3-35 of the Palatine Code of Ordinances **- Motion Carried by Voice Vote**

Village Manager Reid Ottesen presented staff's response to the Council's request for a moratorium on Video Gaming. Due to the need to evaluate existing code provisions and impacts of gaming licenses Village-wide, staff will continue to process the remaining five applications on file with the Village Manager's office but supports the moratorium through March 31, 2023, on any additional applications, pending review, to determine the necessity of further modifications to our Code of Ordinances. Council may end or extend the moratorium. Staff will prepare a report for the Village Council in the first quarter of 2023. Staff recommends approval.

Councilman Helms noted the timing with Liquor License issuance.

Mayor Schwantz expressed respect for the enormous requirement of staff time and the careful, calculated method of approval.

Minutes Acceptance: Minutes of Sep 6, 2022 7:00 PM (APPROVAL OF MINUTES)

RESULT:	**MOTION CARRIED BY VOICE VOTE [UNANIMOUS]**
MOVER:	Doug Myslinski, District 3 Councilman
SECONDER:	Kollin Kozlowski, District 5 Councilman
AYES:	Schwantz, Millar, Lamerand, Myslinski, Solberg, Kozlowski, Helms

4. Consider an Ordinance Approving Various Text Amendments to Exhibit A (Zoning Ordinance) of the Village of Palatine Code of Ordinances Regarding Article 13 (13.07), Article 14 (14.03, 14.05, and 14.11) and Exhibit B (Subdivision Ordinance) of the Code of Ordinances, Articles 3 and 4 (3.01 and 4.01) **- Motion Carried by Voice Vote**

   Community Development Director Mike Jacobs presented the staff's recommended changes after review of the zoning petitions over the last 5 years. To eliminate confusion or ambiguity, Administrative Special Use/Variations would be processed solely at a staff level (provided the petitioner gets sign offs from the surrounding property owners). Otherwise, the standard Special Use/Variation process would be required. Notice to occupants is replaced with notice to tax payer of record in compliance with the State of Illinois.

   However, the Plan Commission recommended that notice to occupants be reduced to those within 125 feet (250 feet is the current requirement) of the Subject Property. If not supported by staff or neighbors, the standard Special Use/Variation process would be required. The Plan Commission voted unanimously to approve the requested text amendments, including a requirement to send notification to all occupants within 125 feet of a subject property.

   Staff concurs with the other proposed text amendment recommendations but maintains its recommendation to eliminate the notification to occupants.

   Councilman Millar is cautious of 10% setback reduction or less, and recommended 6 month follow up.

   Village Manager Reid Ottesen clarified neighbor notification saving weeks in the streamlined process.

   Any Variation or Special Use request requires written notice. In an Administrative Variation, the petitioner can get approval of neighbors. Legally, notifying the owner or taxpayer of record is required.

   Councilman Solberg favors the Village asking for neighbor approval, noting the possibility of personality conflict among neighbors. Jacobs stated the petitioner can select Administrative Approval or the traditional process.

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RESULT:	**MOTION CARRIED BY VOICE VOTE [UNANIMOUS]**
MOVER:	Scott Lamerand, District 2 Councilman
SECONDER:	Tim Millar, District 1 Councilman
AYES:	Schwantz, Millar, Lamerand, Myslinski, Solberg, Kozlowski, Helms

5. As Submitted **-**

   Nothing was submitted.

C. INFRASTRUCTURE & ENVIRONMENT COMMITTEE – Time: 7:55 PM

SCOTT LAMERAND, CHAIRMAN

1. Consider a Motion Authorizing the Village Manager to Pre-Purchase a Replacement Five-Ton Dump Truck **- Approved by Voice Vote**

   Public Works Director Matt Barry recommended waiving formal bid procedures and authorizing the Village Manager to pre-purchase one Freightliner 108SD single-axle chassis five-ton dump truck from Northwest Trucks and associated outfitting costs for a total cost not to exceed $217,330.

RESULT:	**APPROVED BY VOICE VOTE [UNANIMOUS]**
MOVER:	Kollin Kozlowski, District 5 Councilman
SECONDER:	Jim Schwantz, Mayor
AYES:	Schwantz, Millar, Lamerand, Myslinski, Solberg, Kozlowski, Helms

2. Consider a Motion to Affirm the Purchase of 2022 Budgeted Vehicles and Pre-Purchased 2023 Light Duty Vehicles **- Approved by Voice Vote**

   Public Works Director Matt Barry recommended affirming the vehicles purchased as planned for replacement in 2022 and pre-purchased from the 2023 replacement schedule in the total amount of $665,885. Of the $1,321,000 authorized at the June 20 Council meeting, there is a balance of $665,115 for completing the remaining purchases.

   Village Manager Reid Ottesen complimented Public Works for finding the best cost and saving taxpayers.

RESULT:	**APPROVED BY VOICE VOTE [UNANIMOUS]**
MOVER:	Brad Helms, District 6 Councilman
SECONDER:	Doug Myslinski, District 3 Councilman
AYES:	Schwantz, Millar, Lamerand, Myslinski, Solberg, Kozlowski, Helms

3. Consider a Motion Authorizing the Village Manager to Purchase a Replacement Stump Grinder **- Approved by Voice Vote**

   Public Works Director Matt Barry recommended authorizing the Village Manager to purchase one 2022 Vermeer SC802 tow-behind stump grinder with safety items through the Sourcewell contract from Vermeer Midwest in

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the amount of $66,301.74. Barry also recommended approval of trading in the existing Rayco stump grinder to Vermeer Midwest for a credit of $18,000, for a net purchase price of $48,301.74.

RESULT:	**APPROVED BY VOICE VOTE [UNANIMOUS]**
MOVER:	Tim Millar, District 1 Councilman
SECONDER:	Kollin Kozlowski, District 5 Councilman
AYES:	Schwantz, Millar, Lamerand, Myslinski, Solberg, Kozlowski, Helms

4. As Submitted **-**

   Nothing was submitted.

D. BUSINESS FINANCE & BUDGET COMMITTEE – Time: 8:00 PM

TIM MILLAR, CHAIRMAN

1. Consider an Ordinance Amending Chapter 18, Article 2 (Sect 18-41 to 18-60)- Vehicle Licenses of the Code of Ordinances of the Village of Palatine **- Motion Carried by Voice Vote**

   Village Manager Reid Ottesen cited the Council's recommendation to discontinue the Village vehicle sticker program and recommended approval of the Text Amendments to Chapter 18, Article 2 of the Village Code to delete reference to Vehicle Licenses. Ottesen noted that no new tax is being added. This is absolute savings for the taxpayer. Pet registration continues with no tags and no cost, just registration.

   Councilmen Kozlowski and Millar recommended publicizing this action--a direct savings to the residents.

RESULT:	**MOTION CARRIED BY VOICE VOTE [UNANIMOUS]**
MOVER:	Kollin Kozlowski, District 5 Councilman
SECONDER:	Greg Solberg, District 4 Councilman
AYES:	Schwantz, Millar, Lamerand, Myslinski, Solberg, Kozlowski, Helms

2. As Submitted **-**

   Nothing was submitted.

E. COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE – Time: 8:03 PM

KOLLIN KOZLOWSKI, CHAIRMAN

1. As Submitted **-**

   Nothing was submitted.

F. FIRE POLICY & COMMUNITY INFORMATION COMMITTEE – Time: 8:03 PM

DOUG MYSLINSKI, CHAIRMAN

Minutes Acceptance: Minutes of Sep 6, 2022 7:00 PM (APPROVAL OF MINUTES)

1. As Submitted **-**

   Nothing was submitted.

VII. RECONVENE THE VILLAGE COUNCIL MEETING – Time: 8:03 PM

Reconvene the Village Council Meeting **- Motion Carried by Voice Vote**

RESULT:	**MOTION CARRIED BY VOICE VOTE [UNANIMOUS]**
MOVER:	Brad Helms, District 6 Councilman
SECONDER:	Doug Myslinski, District 3 Councilman
AYES:	Millar, Lamerand, Myslinski, Solberg, Kozlowski, Helms

VIII.CONSENT AGENDA

All items are considered to be routine by the Village Council and will be enacted by one motion, with waiver of first reading. There will be no separate discussion of these items unless a Council Member so requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

RESULT:	**ADOPTED BY ROLL CALL [UNANIMOUS]**
MOVER:	Scott Lamerand, District 2 Councilman
SECONDER:	Doug Myslinski, District 3 Councilman
AYES:	Millar, Lamerand, Myslinski, Solberg, Kozlowski, Helms

1. Consider a Motion to Approve 2022 Warrant #17 **- Approved**

2. Consider a Motion Approving the Halloween Hustle 5K & Kids Dash, Including a Waiver of the Village's Sound Amplification Ordinance and Temporary Closure of a Portion of Eric Drive, on Saturday, October 29, 2022 **- Approved** (Council District: Six)

3. Consider a Resolution Approving a Collective Bargaining Agreement Between the Village of Palatine, Illinois and the International Union of Operating Engineers Local No. 150, Public Employees Division **- Adopted by Roll Call**

   Resolution #R-24-22

4. Consider a Motion Granting Approval of a Waiver of the Village's Sound Amplification Ordinance for Patio Music at Chicago Culinary Kitchen, 2391 N. Hicks Road, on Saturday, September 24, 2022 **- Approved** (Council District: Three)

5. Consider an Ordinance Imposing a Moratorium on the Issuance of Additional Video Gaming Licenses as Defined in Section 3-35 of the Palatine Code of Ordinances **- Approved**

   Ordinance #O-85-22

Minutes Acceptance: Minutes of Sep 6, 2022 7:00 PM (APPROVAL OF MINUTES)

6. Consider an Ordinance Approving Various Text Amendments to Exhibit A (Zoning Ordinance) of the Village of Palatine Code of Ordinances Regarding Article 13 (13.07), Article 14 (14.03, 14.05, and 14.11) and Exhibit B (Subdivision Ordinance) of the Code of Ordinances, Articles 3 and 4 (3.01 and 4.01) **- Approved**

   Ordinance #O-86-22

7. Consider a Motion Authorizing the Village Manager to Pre-Purchase a Replacement Five-Ton Dump Truck **- Approved**

8. Consider a Motion to Affirm the Purchase of 2022 Budgeted Vehicles and Pre-Purchased 2023 Light Duty Vehicles **- Approved**

9. Consider a Motion Authorizing the Village Manager to Purchase a Replacement Stump Grinder **- Approved**

10. Consider an Ordinance Amending Chapter 18, Article 2 (Sect 18-41 to 18-60)-Vehicle Licenses of the Code of Ordinances of the Village of Palatine **- Approved**

    Ordinance #O-87-22

11. Consider a Motion to Accept a Perpetual Sanitary Sewer Easement from Saint Michael the Archangel Cemetery **- Approved** (Council District: Two)

IX. REPORTS OF STANDING COMMITTEE

A. ADMINISTRATION, TECHNOLOGY & COMMUNITY HEALTH COMMITTEE

GREG SOLBERG, CHAIRMAN

1. As Submitted **-**

   No Report

B. BUSINESS FINANCE & BUDGET COMMITTEE – Time: 8:04 PM

TIM MILLAR, CHAIRMAN

1. As Submitted **-**

   No Report

C. COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE – Time: 8:04 PM

KOLLIN KOZLOWSKI, CHAIRMAN

1. As Submitted **-**

   No Report

Minutes Acceptance: Minutes of Sep 6, 2022 7:00 PM (APPROVAL OF MINUTES)

D. FIRE POLICY & COMMUNITY INFORMATION COMMITTEE – Time: 8:04 PM

DOUG MYSLINSKI, CHAIRMAN

1. As Submitted **-**

   No Report

E. INFRASTRUCTURE & ENVIRONMENT COMMITTEE – Time: 8:04 PM

SCOTT LAMERAND, CHAIRMAN

1. As Submitted **-**

   No Report

F. POLICE POLICY & CODE SERVICES COMMITTEE – Time: 8:04 PM

BRAD HELMS, CHAIRMAN

1. Consider an Ordinance Granting a Special Use for a Fence in a Front Yard at 433 N. Stark Drive **- Motion Carried by Roll Call** (Council District: Four)

   This item was denied at Committee Level.

   Jeremy Hall, 433 N. Stark, petitioner, proposed a compromise to go to 10 feet off the property line and cut the corners at 45 degrees at 15 feet.

   Mayor Schwantz noted the character of the neighborhood. There will be some landscaping as well.

   Mayor Schwantz thanked Mr. Hall for the compromise. Landscaping is not required, petitioner is offering 4 foot landscaping.

   Discussion ensued with Councilmen expressing various concerns and options.

   Substitute motion: to approve the 4 foot high wood fence with a 15 foot setback.

   Ordinance #O-88-22

RESULT:	**MOTION CARRIED BY ROLL CALL [5 TO 1]**
MOVER:	Brad Helms, District 6 Councilman
SECONDER:	Greg Solberg, District 4 Councilman
AYES:	Lamerand, Myslinski, Solberg, Kozlowski, Helms
NAYS:	Millar

2. As Submitted **-**

   No Report

Minutes Acceptance: Minutes of Sep 6, 2022 7:00 PM (APPROVAL OF MINUTES)

X. REPORTS OF THE VILLAGE OFFICERS

A. VILLAGE MANAGER – Time: 8:19 PM

1. As Submitted -

Village Manager Reid Ottesen thanked Council and staff, friends and family for over 1,000 volunteer hours for Street Fest.

Mayor Schwantz suggested the potential for accepting credit cards next year.

B. VILLAGE CLERK

1. As Submitted -

No Report

C. VILLAGE ATTORNEY

1. As Submitted -

No Report

XI. CLOSED SESSION AS REQUIRED

No Closed Session requested.

XII. RECOGNITION OF AUDIENCE

No one came forward.

XIII.ADJOURNMENT – Time: 8:21 AM

SUBMITTED BY:

Margaret R. Duer
Village Clerk

Adjourn the Village Council Meeting **- Motion Carried by Voice Vote**

RESULT:	**MOTION CARRIED BY VOICE VOTE [UNANIMOUS]**
MOVER:	Brad Helms, District 6 Councilman
SECONDER:	Kollin Kozlowski, District 5 Councilman
AYES:	Schwantz, Millar, Lamerand, Myslinski, Solberg, Kozlowski, Helms

Minutes Acceptance: Minutes of Sep 6, 2022 7:00 PM (APPROVAL OF MINUTES)

Consider an Ordinance Granting a Special Use for a Package Liquor Store at 1565 N. Quentin Road

BACKGROUND:
The Petitioner is proposing to open a new package liquor store, Inverness Wine & Spirits, in the Ellen Plaza shopping center at the northeast corner of Quentin & Dundee Roads. Therefore, the Petitioner is requesting approval of the following:

Special Use to permit a package liquor store.

KEY ISSUES:
- The Subject Tenant space was previously granted a Special Use to operate as a health club greater than 3,000 square feet. However, the health club has since closed and the tenant space has been vacant since 2017.
- In response to concerns raised by the residents, the shopping center owner/business owner submitted a business plan indicating that all deliveries will utilize the rear alley and be limited to 1-3 PM. In addition, all trash and recycling will be stored within the premises and will have nightly service for disposal of all cardboard/recycling materials, within the permitted hours. The proposed hours of operation are Monday - Thursday 11 AM - 9 PM; Friday - Saturday 11 AM - 10 PM; Sunday 12 PM - 8 PM.
- The shopping center owner and President of the Forest Glen HOA are working collectively on a fencing/screening plan to address the concerns raised about headlight glare.

ALTERNATIVES:
1. Approve of the Special Use to permit a package liquor store.
2. Do not approve the Special Use to permit a package liquor store.

RECOMMENDATION:

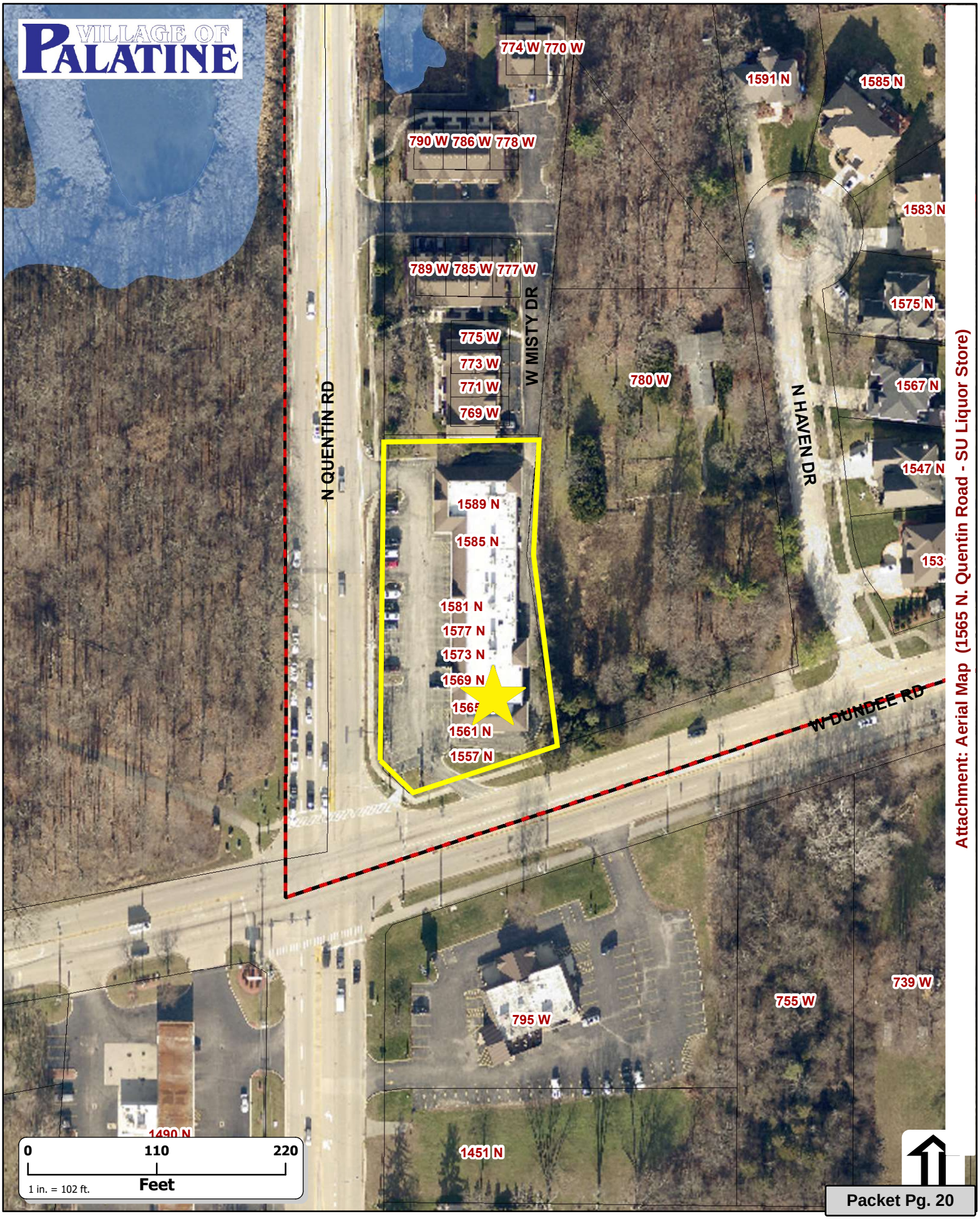
Public Hearing:	ZBA meeting on July 26, 2022
Residents testifying:	One resident (Quentin Court Townhomes) spoke in opposition at the public hearing. An objection letter was also submitted indicating traffic concerns and business hours. Following the Public Hearing, two existing Palatine liquor stores also submitted letters of objection.
Vote:	The ZBA voted unanimously to approve the Special Use to permit a package liquor store, and Staff concurs with this recommendation.

ACTION REQUIRED:
A motion to approve the ordinance granting a Special Use permit a package liquor store at 1565 N. Quentin Road.

ATTACHMENTS:
- Aerial Map
- ORD SU 1565 N Quentin Rd
- EXHIBIT - Floor Plan
- EXHIBIT - Business Plan

- Preliminary signage and elevation plan
- Letters of Objection Mr A's Liquor World and Papa's Liquor
- 1565 N Quentin Rd - Neighbor Objection Letter - re Propsed Liquor Store In Ellen Plaza 7.25.2022_Redacted
- ZBA materials
- ZBA Minutes July 26, 2022

1565 N. Quentin Road



Attachment: Aerial Map (1565 N. Quentin Road - SU Liquor Store)

ORDINANCE NO. _____

AN ORDINANCE GRANTING A SPECIAL USE
1565 N. QUENTIN ROAD

WHEREAS, pursuant to a petition and public hearing on July 26, 2022, of which public notice was given as required by law, the Zoning Board of Appeals of the Village of Palatine, in accordance with the Zoning Ordinance of the Village of Palatine, in such case made and provided, has held such public hearing and reported their findings relative to a request for a Special Use to permit a package liquor store pursuant to Section 11.03 (d) (40) of the Palatine Zoning Ordinance, legally described property:

Lot 1 in Quentin Court Subdivision, being a subdivision in the Northwest 1/4 of Section 10, Township 42 North, Range 10, East of the Third Principal Meridian, according to the plat thereof recorded October 28, 1999, as Document No. 09016248, in Cook County, Illinois.

Commonly known as 1565 N. Quentin Road (PIN# 02-10-100-029-0000).

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and Village Council of the Village of Palatine, Cook County, Illinois, acting in the exercise of their home rule power that:

SECTION 1: Special Use to permit a packaged liquor store pursuant to Section 11.03 (d) (40) of the Palatine Zoning Ordinance, subject to the following condition(s):

1. **The Special Use shall substantially conform to the Business Plan (including hours of operation) and Floor Plan submitted by the Petitioner, Munir Rafidia, except as such plans may be changed to conform to Village of Palatine Codes and Ordinances.**

Attachment: ORD SU 1565 N Quentin Rd (1565 N. Quentin Road - SU Liquor Store)

SECTION 2: **That a copy of the public notice is attached hereto and form a part of this ordinance.**

SECTION 3: **That this ordinance shall be in full force and effect from and after its passage and approval as provided by law.**

PASSED: This _____day of _____, 2022

AYES:_____ NAYS:_____ ABSENT:_____ PASS:_____

APPROVED by me this _____day of _____, 2022

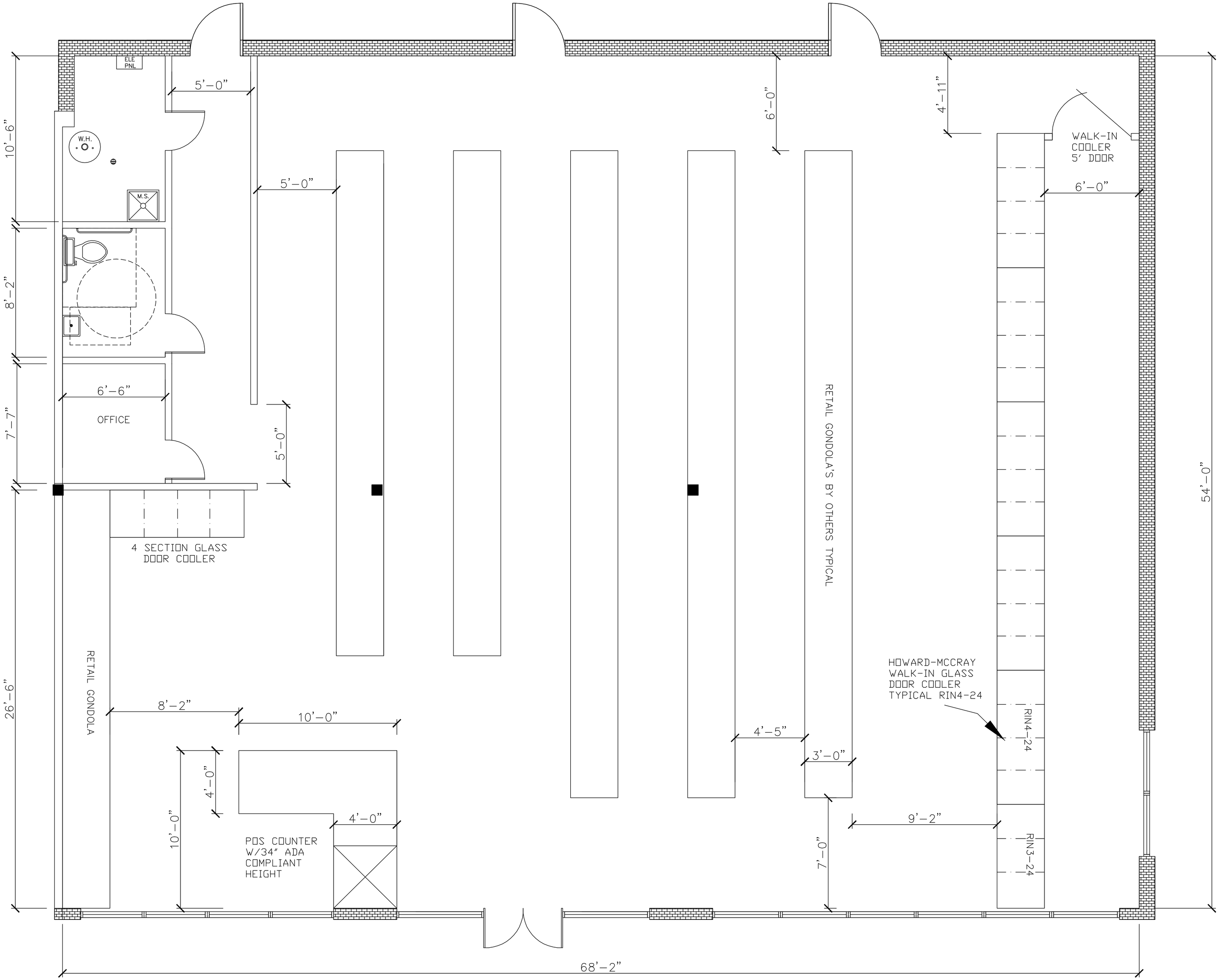
_____
Mayor of the Village of Palatine

ATTESTED and FILED in the office of the Village Clerk this

_____day of _____, 2022

_____
Village Clerk

Attachment: ORD SU 1565 N Quentin Rd (1565 N. Quentin Road - SU Liquor Store)



INVERNESS WINE & SPIRITS
1565 N. QUENTIN RD.
3,850/RSF

Ellen Plaza June 24, 2022

1557 – 1589 N. Quentin Rd, Palatine, IL 60074

Business Plan:

Inverness Wine & Spirits

Dear Mayor and Board of Trustees,

Please see attached business plan and layout of proposed wine and spirit facility at 1565 N. Quentin Rd, Palatine, IL 60074.

We are proposing to seek a full liquor license to sell high end wine, spirits, and craft beer. We believe we will attract business from Inverness, Barrington, and Palatine areas. Our hours of operation will be:

[redacted]

This establishment will employ four part-time employees and three full-time employees. All employees will have a basset certificate from the Village of Palatine in order to be hired for work. We will diligently check every person's I.D. regardless of their age and set high standards for the workplace environment. Also, this establishment will be ADA compliant.

Furthermore, we are installing a surveillance system throughout the place to cover the entrance and exits. The system will save surveillance footage for approximately 30 days. The deliveries will be limited between 1-3PM daily and will be delivered through the back door. Lastly, we will sell candy, snacks (e.g chips, peanuts, etc.), and soft drinks.

We hope that you will approve our above request.

Please do not hesitate to contact me at (847) 921-9200 or crmadison@gmail.com.

Kind regards,
Manny Rafidia

Attachment: EXHIBIT - Business Plan (1565 N. Quentin Road - SU Liquor Store)

Please find my responses below to address the concerns presented by the Residential Board for the townhomes to the north of the property.

We intend to dispose of the trash and recycling in the following manner. We will store all cardboard broken down boxes, etc., in the premises and have a nightly service for disposal of all discarded cardboard/recycling materials. The store will produce a minimum amount of trash, which will be disposed of in a regular 96-gallon container and picked up on the same weekly schedule as the other tenants at the property.

Images of the interior window signage is attached; one logo will be placed in every other window pane.

With regards to ownership experience. The owner, Manny Rafidia, has opened multiple wine & spirit stores, Armanetti Beverage Mart in Roselle along with the buildout of Armanetti's in Bartlett and the Wine Cellar in Palatine. Manny has several family members along with the younger generation as part of his real estate and retail business operations. Jeremy and Amir Rafidia, sons of Manny along with Henry and Mark Rafidia, Manny's nephews and Manny's brother Ed Rafidia, who is also a partner in all real estate owned, including Ellen Plaza. In addition, Manny has opened many restaurants, including One Taco Dos Tequilas located at 375 W. Northwest Hwy. in Palatine which is estimated to generate approximately two million dollars in sales this year. Also, the newly opened Hot Pockets Sports Bar located at 365 W. Northwest Hwy. with estimated annual sales to be approximately two million dollars.

Both Manny and his brother Ed have over 40 years of both real estate and retail business experience. The family members help operate all the business and Manny will assign one member to perform the day-to-day operations.

We are open to working with the neighboring townhome board members on our hours of operation. We propose our hours of operation Monday-Thursday 11:00 am-9:00 pm, Friday-Saturday 11:00 am-10:00 pm and Sunday from 12:00 pm-8:00 pm.

To address the issues of traffic from cars attempting to utilize the rear gated-drive that connect the two adjacent properties, there is a gate that is locked by the home owner's association. If it is required to have any additional security measures taken other than the currently locked gate, we are willing to work with the association. Manny has been in contact with Pamela Wilkinson, President of Forest Glen Association and a situation was discussed about an issue they have had from the Animal Hospital, as to where there were droppings from the pets on their property, it was suggested that we put up a fencing barrier between the properties to eliminate this issue.

In conclusion, we believe the Ellen Plaza had suffered from high vacancies throughout the years and an upscale fine wine and spirits store will help create a stable, long term and viable business in the neighborhood. Manny and his team have successfully purchased distressed shopping centers in Addison, Roselle, Bartlett and Montgomery and has performed a complete over hall, not only in beautifying the centers but also obtaining long term, reputable tenants in these centers. We hope this will address the concerns the association have and would like to reiterate that we are more than willing to work with the association to respond and resolve any further concerns.

Attachment: EXHIBIT - Business Plan (1565 N. Quentin Road - SU Liquor Store)

1565 N. Quentin Road – Preliminary Signage Plan

Attachment: Preliminary signage and elevation plan (1565 N. Quentin Road - SU Liquor Store)

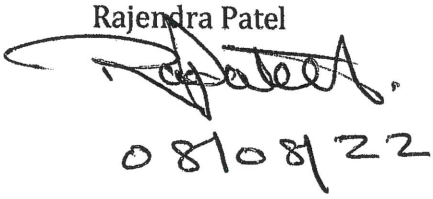
Rajendra Patel
425 W. Rosiland Dr.
Palatine, IL 60074

Dear Township,

I am the owner of Mr A's Liquor World in Palatine on Northwest Highway and Quentin road. Next year it will be 30 years i have lived and I have been doing business in Palatine for as long as I have lived here. I previously owned 3 subways in Palatine and then I opened the liquor store in 2003. Opening a new liquor store, which would be less than a mile away from my current location, is going to be catastrophic for my current stores business. This store is my only source of income. Due to the current economic stance my business has already been hit by a negative impact with lower sales due to competition and chain stores having prices that we simply cannot compete against. All this years I have paid my Property taxes and generated thousands of dollars tax revenue for the village and the state. It's not fair we are put in a situation like this.

I have been in a same situation like this before when subway started opening stores very close to each other. Sales were divided but overheads were the same, there were some difficult times I took losses in the business and decided to open the liquor store, and sell all of the subways at a loss. Over the period of time 5 subways ended up closing their doors permanently within a 5 miles radius. If a new liquor store is built that close and takes away sales then it would be a very similar situation.

Rajendra Patel



08/08/22

Attachment: Letters of Objection Mr A's Liquor World and Papa's Liquor (1565 N. Quentin Road - SU Liquor Store)

Mr. A's Liquor World
855 N Quentin Rd.
Palatine, IL 60067

Dear Township,

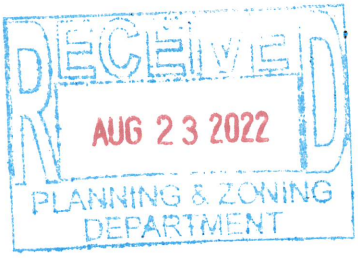
As for the proposed new liquor store located at 1565 N Quentin road, I don't think there is a need for another new liquor license at the location stated. We already have more than enough liquor stores in Palatine as well as larger stores that already sell liquor. All stores listed are less than 3 miles away from my location
Jewel Osco – Plum Grove Road 2.3 miles
Jewel Osco – Dundee Road 2.5 miles
Mariano's –Hicks Road 2.2 miles
Walgreens – Dundee Road 2.3 miles
Walgreens – Euclid Road 2.9 miles
Walgreens – Northwest Highway 2.4 miles
Garfields – Brockway Street 1.8 miles
J&J Liquor – Palatine Road 1.3 miles
George's Wine and Spirits – Northwest Highway 1.3 miles
Papa's Liquor – 1.7 miles
Wine Cellar 1.6 miles
The new liquor store application is less than 1 mile away from my location and it would take away a lot of business from my location. That location would be a good fit for a convenient grocery store, not a liquor store as there is nothing close by, and independent liquor stores are not allowed to sell groceries.

Rajendra Patel

08/08/22.

Attachment: Letters of Objection Mr A's Liquor World and Papa's Liquor (1565 N. Quentin Road - SU Liquor Store)

Papa's Liquor.
261, W. Dundee Road,
Palantine, IL-60067.



To,-
Village of Palatine.
200, East Wood Street,
Palatine, IL-60067.

To Whom It may be Concern.
Respected Sir/ medam,

I am owner of Papa's Liquor store. I have been running this store since 2014 year. I Do not think that we need another Liquor store nearby Dundee & Quentin Ro. It is a just one mile away from my store. Current Ec is Hurting us already and all Big Chains stores already Taking all Bussiness from Indipended stores Beause of aggressive Pricing which We Can not match. There a Already more than 15 stores in our nearby location has Liquor Licence. It will hurt my Sales and hard to survive for us.

Thanking You,

Your's Sincerly,
Mihir Patel
cell 773-716-9757

Attachment: Letters of Objection Mr A's Liquor World and Papa's Liquor (1565 N. Quentin Road - SU Liquor Store)

Attachment: 1565 N Quentin Rd - Neighbor Objection Letter - re Propsed Liquor Store In Ellen Plaza 7.25.2022_Redacted (1565 N. Quentin Road

July 25, 2022

Dear Village of Palatine Planning and Zoning Board,

I, Pamela Wilkinson, President of the Board of Directors for the Forest Glen Community Association am writing this letter ON BEHALF OF THE ENTIRE HOMEOWNERS ASSOCIATION as follow up to both the telephone conversations had as well as the in-person meeting two members of our board of directors for our homeowners associations had with Alex Bradshaw with your Planning and Zoning Dept. **The Forest Glen Community Association STRONGLY OPPOSES** the petition from Mr. Manny Rafidia, the new owner of Ellen (Ellyn) Plaza, 1557- 1589 N Quentin Road, Palatine, IL 60074, to open a liquor store at 1565 N Quentin Road in Palatine, in the Ellen Plaza.

We are a small, quiet residential community bordering the small, commercial Ellen Plaza as well as the Deer Grove Forest Preserve of Cook County. Our area is a very quiet one with not many homes or businesses close by. Our townhomes have been with neighbors with the Ellen (Ellyn) Plaza since both were built back in 2000. We have coexisted quite well (residential and commercial next to each other) for the last 20+ years and are we wanting this to continue into the future. The Ellen Plaza was owned by the same family / business entity since built and we understand the plaza was recently purchased by Mr. Manny Rafidia / his company and / or business partners. We understand and greatly appreciate Mr. Rafidia wanting / needing to make improvements at Ellen Plaza to make it not only more attractive but also more profitable. We are well aware the plaza has been neglected for many years now and there are also a few vacancies in the plaza.

With all I state above and with our communities clear understanding what is means to border a small, commercial property, the **proposed liquor store in Ellen Plaza, at 1565 N Quentin Road is something our community STONGLY OPPOSES. Below notes our valid concerns:**

1. **Location** – A liquor store is an "in and out" type business. It will have increased activity later in the evening, more than many other types of business in Ellen Plaza. What does this mean for a neighboring residential community? **Increased noise, safety concerns, bright lights, disturbance and garbage tossed onto the lawns of our property.**

   The Ellen Plaza and our small, residential community are surrounded by Forest Preserve, with only one other business, Jelly Café, on the SE corner of Quentin and Dundee Roads. The addition of a liquor store in Ellen Plaza risks altering this safe and quiet environment and is of great concern to our residential community. Our residential community has been cohabitating nicely with the Ellen Plaza, for more than 20 + years now and our hope and expectation from the Village of Palatine is to take that 20 + year of successful cohabitation along with the extremely important natural surroundings we live in, bordering one of the best forest preserves in Cook County, IL , Deer Grove, into strong consideration when deciding whether or not a liquor store will be a welcome, SAFE and NEEDED business in the area. Why would a liquor store want to be located in a quiet area, bordering a forest preserve, with very little residences nearby, with inadequate parking at the mall (including no overflow and no street parking available), with no proper way to house and dispose of trash and recycling given no dumpster space out in back of the mall? Balancing out any potential increased revenue for the Village along with the desire of the new owners to increase profits in the plaza anyway they can, should NOT outweigh what is best for the community as a whole. There are many other types of businesses that would be a welcome addition to the Ellen Plaza, a liquor store is NOT one of them.

2. **Hours of Operations -** Proposed hours of operation for the liquor store is of GREAT CONCERN for our residential, townhome community. The businesses in Ellen Plaza currently are not "late-night" businesses, all businesses in the plaza close by 7pm. We understand and fully appreciate many businesses are open later than 7pm, that being said, a liquor store has the potential to bring unwelcome issues other types of business may not. What does this mean for a neighboring residential community in the evening hours? **Increased noise, safety issues, disturbance, bright lights, and garbage being thrown on our property are top of mind.**

   Our community **STRONGLY OPPOSES** Mr. Rafidia's requested hours of operation for a liquor store, open until 10pm Sunday through Thursday and then until midnight on Friday and Saturday. **THERE ARE NO OTHER LIQUOR STORES WITHIN SEVERAL MILES OF OUR AREA OPEN LATE (after 9pm), THESE LATE HOURS WOULD CAUSE AN UNDUE BURDEN ON OUR COMMUNITY.**

3. **Signage** – Lit up signage for a liquor store has the potential to be bothersome to our community (i.e. blinking lights, neon lights, lights that reflect into out townhomes and disturb the peace of our residents.)

4. **Gambling** – Not sure if Mr. Rafidia is requesting gambling be permitted in the proposed liquor store or any other business in Ellen Plaza, but wanting to make clear **our community is/ would be STRONGLY opposed to any type of gambling being permitted in the proposed liquor store or ANY business in Ellen Plaza.**

5. **Access** in and out of Ellen Plaza Access is challenging. You can only enter into in the plaza from Dundee Road from the east and there is no exit back on to Dundee Road. All exiting traffic from the plaza has to be done via Quentin Road. Both entering and exiting Ellen Plaza via Quentin Road is a challenge as the small parking area closest to the enter / exit onto Quentin Road (by the Deer Grove Animal Hospital, 1589 N Quentin Road) does not allow for a comfortable flow of traffic in and out, it is very tight and narrow. Additionally, given the intersection (of Quentin and Dundee Roads) where the Ellen Plaza is located and the traffic heading north onto Quentin Road merges into one lane shortly after the intersection, adding "in and out" vehicle traffic (i.e traffic a liquor store would bring) in the plaza would heighten safety concerns with increased vehicle accidents as a major concern for our community.

6. **Parking** – there are only 35 total parking spots in the Ellen Plaza. Over half of those parking spots are taken up currently on any given day with the current businesses there. Keep in mind, there are currently three vacant store fronts in this mall. So, if a liquor store moves in, with its 3-4 employees working at all times, along with "in and out" type customers and vehicles, where will everybody park? The is NO overflow parking available at Ellen Plaza and street parking is also NOT an option. So, what does that mean for our private property and private road, W Misty Drive, which borders Ellen Plaza? Potentially a parking overflow issue from Ellen Plaza, people parking their vehicles **on our private property, residential road, W Misty Drive**, and then walking over to the mall. THIS POTENTIAL PARKING OVERFLOW ISSUE IS OF GREAT CONCERN and not something we would look forward to policing. Also, our residential community having to potentially contract with a towing service authorized to tow NON resident vehicles in our community (i.e. overflow parking from Ellen Plaza) will cause an undue burden on our homeowners and the board of directors.

7. **Fire Lane behind Ellen Plaza** - The fire lane area/access behind Ellen Plaza is quite small, unusually tight for a commercial property. There is NO room for trash Dumpsters behind the mall as it is too tight for trash trucks to navigate the area, therefore the businesses utilize traditional, residential trash and recycling bins. How would a liquor store manage its trash and recycling given no dumpsters? Doesn't seem feasible. Also, increased rodent and wildlife activity would be of GREAT CONCERN if trash and/or recycling builds up with no proper way to contain it in back of the business.

I was very concerned when I received the notification from the village regarding this matter given the date of the public hearing for the special use permit was only approximately two weeks from receipt of notification until the actual hearing date, Tuesday, July 26, 2022 at 7pm. Seems like a very short notice and given there is also no Zoom option available for petitioners to be able attend and speak remotely is quite unfortunate and quite concerning in this day and age. pdf I am currently out of town, on vacation, and therefore unable to attend the hearing. I truly hope this detailed letter states all I would have been able to verbalize had I been given the option to attend the meeting either in person or virtually.

I thank you in advance for your attention to this extremely important matter.

Regards,

Pamela Wilkinson
President, Forest Glen Community Association

770 W Misty Drive
Palatine, IL 60074
Phone: [redacted]
Email: [redacted]

Attachment: 1565 N Quentin Rd - Neighbor Objection Letter - re Propsed Liquor Store In Ellen Plaza 7.25.2022_Redacted (1565 N. Quentin Road

VILLAGE OF PALATINE

VILLAGE OF PALATINE
Zoning Board of Appeals

SCHEDULED 07/26/22 07:00 PM

CASE STAFF STATEMENT (ID # 7759)

1565 N. Quentin Road

TO: Palatine Zoning Board of Appeals
Jan Wood, Chair

FROM: Alex Bradshaw

PETITIONER: Munir Rafidia

CASE NUMBER: 22-29

ADDRESS: 1565 N. Quentin Road

PROPOSAL:
Special Use to permit a packaged liquor store.

LOCATION:	1565 N. Quentin Road District 1 (Millar)	**CURRENT ZONING:**	Planned Development (Ellen Plaza)

SURROUNDING CONDITIONS:

North:	P - Planned Development (Insignia Homes - Residential Townhomes)
South	Cook County (Jelly Café)
East:	R-1 Single-Family (Vacant)
West:	Deer Grove Forest Preserve

BACKGROUND:
The Petitioner is proposing to open a new packaged liquor store, Inverness Wine & Spirits. Therefore, the Petitioner is requesting approval of the following:

Special Use to permit a packaged liquor store.

SITE ANALYSIS:

- The Subject Property, zoned Planned Development, is located within the shopping center at the northeast corner of Dundee Road and Quentin Road.
- The subject tenant space was previously granted a Special Use to operate as a health club greater than 3,000 sf. However, the health club has since closed and the tenant space has been vacant since April of 2017.
- Per the submitted Business Plan, the hours of operation are:
    - Monday - Thursday: 11 AM - 9 PM

Attachment: ZBA materials (1565 N. Quentin Road - SU Liquor Store)

  - Friday - Saturday: 11 AM - 10 PM
  - Sunday: 12 PM - 8 PM

- In addition to alcohol, the Business Plan states that the store will also sell candy, snacks (e.g. prepackaged chips, peanuts, etc.), and soft drinks.
- Per the submitted Business Plan, the Petitioner will utilize the rear door to the alley behind the building for all deliveries. All daily deliveries will be limited to between 1-3 PM. Additionally, all trash and recycling will be stored in the premises and will have a nightly service for disposal of all discarded cardboard/recycling materials.
- The Business Plan indicates that there will be four part-time employees and three full-time employees, all of which will be obtain BASSET certification.
- The parking requirement would not change with this proposed use.

DEPARTMENTAL REVIEWS:

Community Services	No Issues Identified.
Engineering	No Issues Identified.
Environmental Health	N/A
Fire Prevention	No Issues Identified.
Public Works	N/A
Police	No Issues Identified.

STANDARDS FOR SPECIAL USE: Since this Petition is not for a use publicly operated or traditionally affected with the public interest, those standards under Section 14.05 D (2) and (3) are applicable. Specifically, the Petitioners must show that the Special Use, if granted, is so designed, located, and proposed to be operated that the public health, safety, and welfare will be protected and will not cause substantial injury to the value of other property in the neighborhood in which it is located. The Petitioners have attempted to address the required standards.

STAFF RECOMMENDATION:
The subject tenant space was previously granted a Special Use to operate as a health club, but has been vacant since 2017. The Petitioner is proposing to open a liquor store to fill the space and take advantage of the busy Dundee Road and Quentin Road intersection. The surrounding area consists of residential town homes to the north and Jelly Café to the south.

Staff understands that the proposed hours of operation are significantly later than the other tenants within the Plaza. However, the impact on the adjacent residential properties is diminished due to the tenant space being located on the far south end of the Plaza, by having deliveries occur only during the day, between 1 and 3 PM, and by

Attachment: ZBA materials (1565 N. Quentin Road - SU Liquor Store)

scaling back the hours of operation to be open no later than 10 PM on Friday and Saturday. Therefore, Staff recommends approval of the proposed Special Use, subject to the following condition:

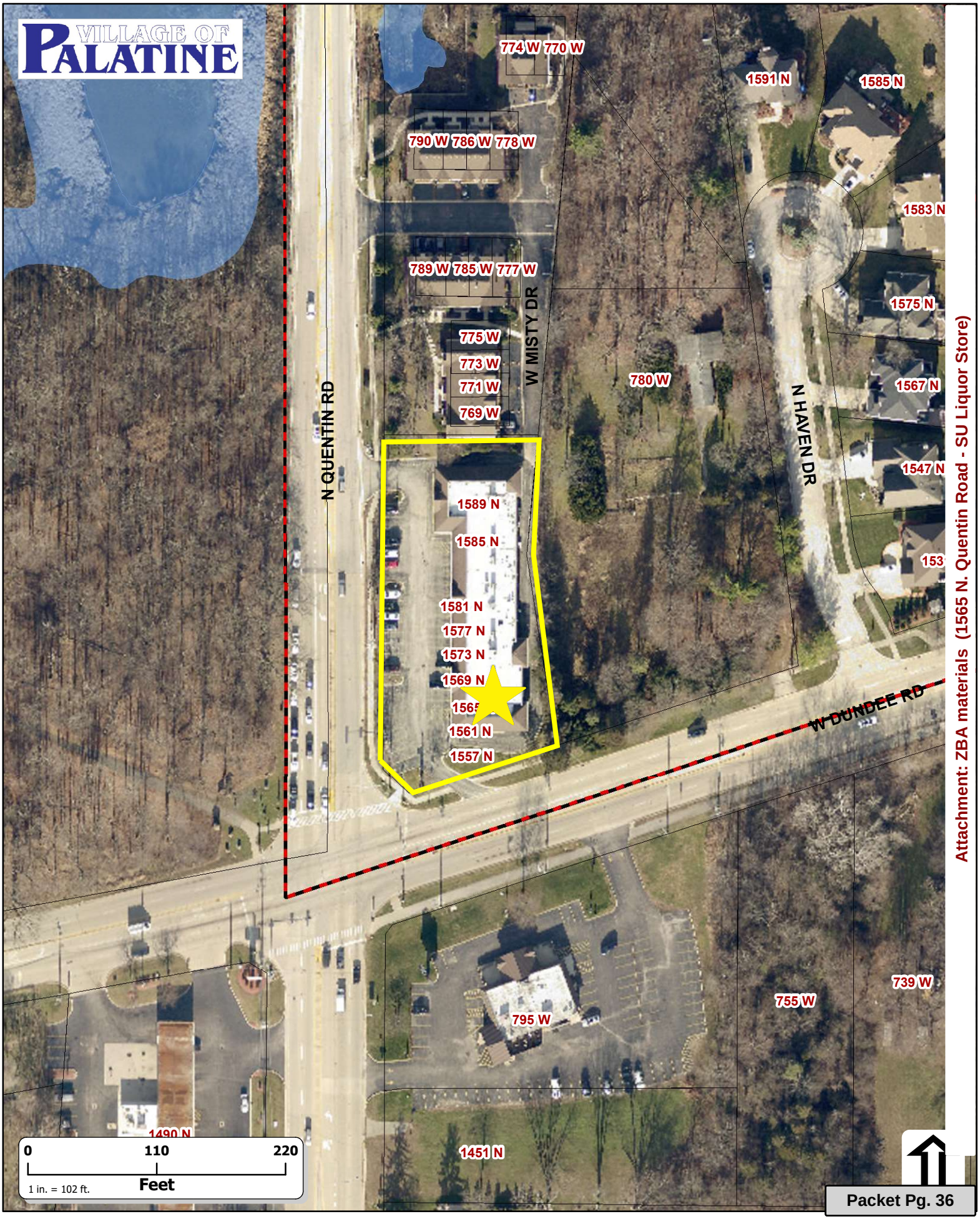
1. The Special Use shall substantially conform to the Business Plan and Floor Plan submitted by the Petitioner, Munir Rafidia, except as such plans may be changed to conform to the Village of Palatine Codes and Ordinances.

ATTACHMENTS:

- Aerial Map
- Application
- Business Plan
- Floor Plan
- Plat of Survey
- Public Notice

Attachment: ZBA materials (1565 N. Quentin Road - SU Liquor Store)

1565 N. Quentin Road



Attachment: ZBA materials (1565 N. Quentin Road - SU Liquor Store)

VILLAGE OF PALATINE

SPECIAL USE & VARIATION APPLICATION

Department of Planning & Zoning
200 E. Wood Street · Palatine, IL · 60067-5339
Telephone: (847) 359-9047 · Fax (847) 963-6247

Office Use Only		
	Project Planner	Zoning Case #
	Filing Fee	Notification Deadline
	ZBA Public Hearing Date	Village Council Date

date received

Background Information

PETITIONER(S)
Munir Rafidia

Business Name (if applicable)
Inverness Wine & Spirits

Subject Property Address
1565 N. Quentin Rd, Palatine, IL 60074

AUTHORIZED AGENT (if applicable)
Munir Rafidia

Business Name (if applicable)

Address
PO Box 315, Itasca, IL 60143

City/State/Zip Code

Telephone	Fax	Email
(847) 921-9200		crmadison@gmail.com

Relationship to Petitioner (contractor, architect, etc.)
Owner

TYPE OF APPLICATION (check one)

■ Special Use □ Special Use Amendment □ Variation

Existing Zoning District	Existing Land Use	Proposed Land Use
B-2	Retail	Retail

Generally describe your request:
We are requesting the permission for a special use to open a wine and spirit retail store to serve the northwest portion of palatine communites.

We believe this location will attract customers from the surrounding communities, such as, Inverness, Barrington, and surrounding Palatine neighborhoods. This establishment will serve high-end wine, spirits, beer, and craft beer.

Attachment: ZBA materials (1565 N. Quentin Road - SU Liquor Store)

VILLAGE OF PALATINE

Special Use

Required Materials

- □ Filing Fee of $ _____
- □ Application Form
- □ Plat of Survey (must show all current improvements and be sealed by an Illinois certified surveyor)
- □ Site Plan & Floor plan (dimension, location, and setbacks of all existing and proposed buildings) **– one 11x17 copy each, electronic version preferred**
- □ Real Estate Interest Disclosure Form (see attached)
- □ Proof of Ownership or Lease (e.g. Title Insurance Policy, Deed, or Purchase Contract)

Additional Materials (as required by the Village)

- □ Elevation Plan (front, side, and rear elevations of a proposed building), and/or Floor Plan (proposed interior layout) **– one 11x17 copy of each plan, electronic versions preferred**
- □ Engineering Plans (must indicate existing conditions, topography, storm water management, tree preservation, utility connections, detention calculations, and a cost estimate)
- □ Photographs (e.g. ground-level or aerials)
- □ Other materials as deemed necessary by the Village

Petitioner Justification

The Petitioner is required to present specific evidence related to each of the following standards to justify the request (paraphrased from Section 14.05 of the Palatine Zoning Ordinance). Answer the items below and attach a separate sheet if necessary. ***If you are applying for a Variation only, you do not need to answer these items.***

1. The use is deemed necessary for the public convenience at that location

The request for allowing an upscale wine and spirits store will be of convenience for the public allowing the area residents along with the surrounding area to purchase a variety of specialty and unique wines and beverages that would not be available at most common locations.

2. The use is designed, located, and proposed to be operated that the public health, safety and welfare will be protected

The proposed use of allowing this wine & spirits store will be staffed at all times with educated and responsible adults that will require identification as to not allow anyone under the age of 21 to purchase alcoholic beverages and will ensure that the establishment is under constant video monitoring and alarmed after business hours.

3. The use will not cause substantial injury to nearby property values

The proposed wine and spirits store will be a visually "upscale" store, offering specialty and unique alcoholic beverages. There will be no neon lighted signage in the windows, only window decals to be located in every other window pane as to not overdo the decor. The location will be properly monitored and maintain a safe and "upscale" retail store for the public.

4. With respect to live entertainment uses, the use shall not:
   a. Produce noise levels so great as to constitute an unreasonable interference for persons outside the confines of the establishment
   b. Impose undue health, sanitation or safety burdens on the village
   c. Create excessive demands on the Village of Palatine Police Department
   d. Be of a nature otherwise prohibited by law or village ordinance
5. For fence standards, see Section 14.05 of the Palatine Zoning Ordinance

N/A

Attachment: ZBA materials (1565 N. Quentin Road - SU Liquor Store)

Ellen Plaza June 24, 2022

1557 – 1589 N. Quentin Rd, Palatine, IL 60074

Business Plan:

Inverness Wine & Spirits

Dear Mayor and Board of Trustees,

Please see attached business plan and layout of proposed wine and spirit facility at 1565 N. Quentin Rd, Palatine, IL 60074.

We are proposing to seek a full liquor license to sell high end wine, spirits, and craft beer. We believe we will attract business from Inverness, Barrington, and Palatine areas. Our hours of operation will be:

[redacted]

This establishment will employ four part-time employees and three full-time employees. All employees will have a basset certificate from the Village of Palatine in order to be hired for work. We will diligently check every person's I.D. regardless of their age and set high standards for the workplace environment. Also, this establishment will be ADA compliant.

Furthermore, we are installing a surveillance system throughout the place to cover the entrance and exits. The system will save surveillance footage for approximately 30 days. The deliveries will be limited between 1-3PM daily and will be delivered through the back door. Lastly, we will sell candy, snacks (e.g chips, peanuts, etc.), and soft drinks.

We hope that you will approve our above request.

Please do not hesitate to contact me at (847) 921-9200 or crmadison@gmail.com.

Kind regards,
Manny Rafidia

Attachment: ZBA materials (1565 N. Quentin Road - SU Liquor Store)

Please find my responses below to address the concerns presented by the Residential Board for the townhomes to the north of the property.

We intend to dispose of the trash and recycling in the following manner. We will store all cardboard broken down boxes, etc., in the premises and have a nightly service for disposal of all discarded cardboard/recycling materials. The store will produce a minimum amount of trash, which will be disposed of in a regular 96-gallon container and picked up on the same weekly schedule as the other tenants at the property.

Images of the interior window signage is attached; one logo will be placed in every other window pane.

With regards to ownership experience. The owner, Manny Rafidia, has opened multiple wine & spirit stores, Armanetti Beverage Mart in Roselle along with the buildout of Armanetti's in Bartlett and the Wine Cellar in Palatine. Manny has several family members along with the younger generation as part of his real estate and retail business operations. Jeremy and Amir Rafidia, sons of Manny along with Henry and Mark Rafidia, Manny's nephews and Manny's brother Ed Rafidia, who is also a partner in all real estate owned, including Ellen Plaza. In addition, Manny has opened many restaurants, including One Taco Dos Tequilas located at 375 W. Northwest Hwy. in Palatine which is estimated to generate approximately two million dollars in sales this year. Also, the newly opened Hot Pockets Sports Bar located at 365 W. Northwest Hwy. with estimated annual sales to be approximately two million dollars.

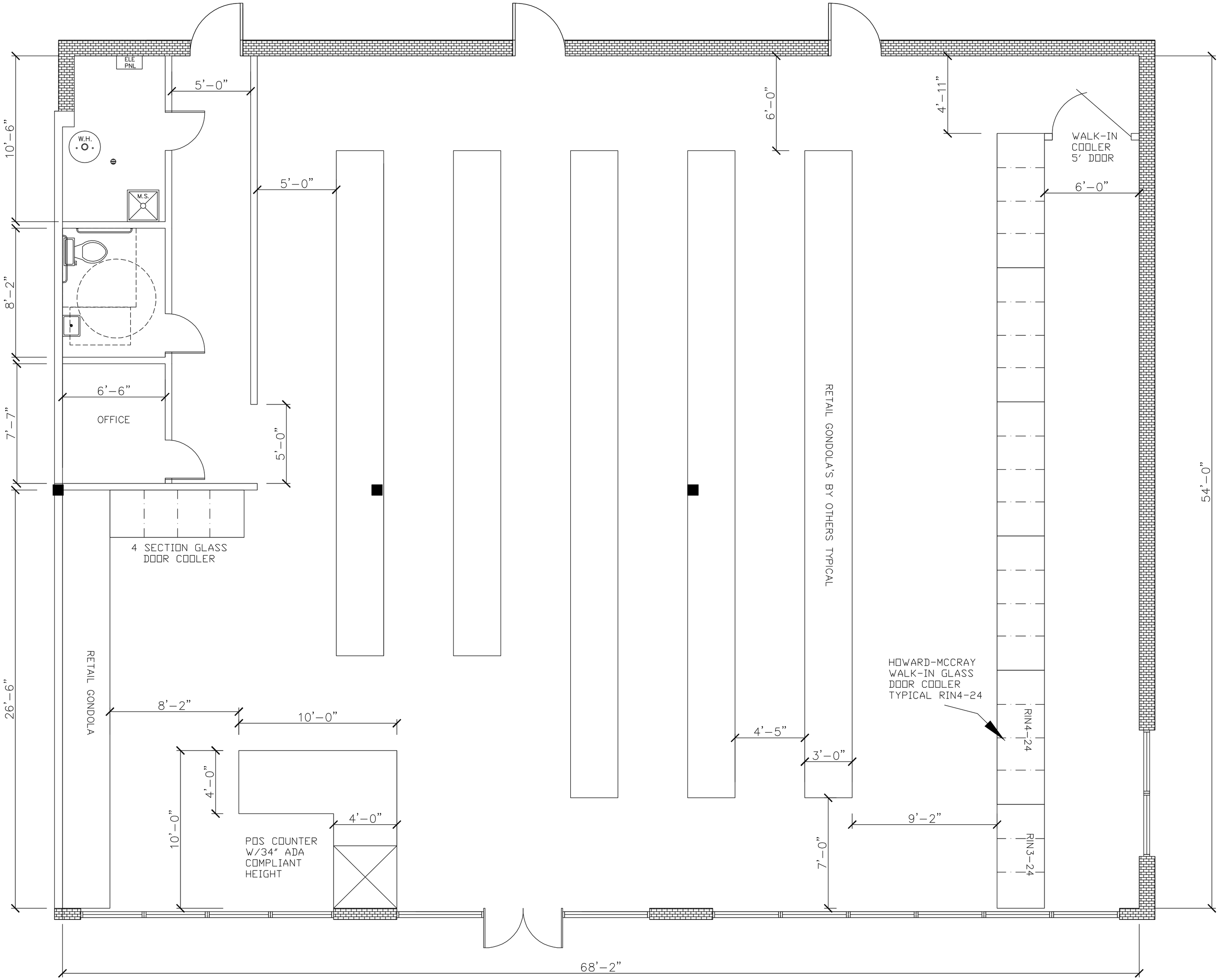
Both Manny and his brother Ed have over 40 years of both real estate and retail business experience. The family members help operate all the business and Manny will assign one member to perform the day-to-day operations.

We are open to working with the neighboring townhome board members on our hours of operation. We propose our hours of operation Monday-Thursday 11:00 am-9:00 pm, Friday-Saturday 11:00 am-10:00 pm and Sunday from 12:00 pm-8:00 pm.

To address the issues of traffic from cars attempting to utilize the rear gated-drive that connect the two adjacent properties, there is a gate that is locked by the home owner's association. If it is required to have any additional security measures taken other than the currently locked gate, we are willing to work with the association. Manny has been in contact with Pamela Wilkinson, President of Forest Glen Association and a situation was discussed about an issue they have had from the Animal Hospital, as to where there were droppings from the pets on their property, it was suggested that we put up a fencing barrier between the properties to eliminate this issue.

In conclusion, we believe the Ellen Plaza had suffered from high vacancies throughout the years and an upscale fine wine and spirits store will help create a stable, long term and viable business in the neighborhood. Manny and his team have successfully purchased distressed shopping centers in Addison, Roselle, Bartlett and Montgomery and has performed a complete over hall, not only in beautifying the centers but also obtaining long term, reputable tenants in these centers. We hope this will address the concerns the association have and would like to reiterate that we are more than willing to work with the association to respond and resolve any further concerns.

Attachment: ZBA materials (1565 N. Quentin Road - SU Liquor Store)



INVERNESS WINE & SPIRITS
1565 N. QUENTIN RD.
3,850/RSF

TFW SURVEYING & MAPPING

LAND SURVEYING • TOPOGRAPHIC MAPPING • CONSTRUCTION LAYOUT
847-548-6600 FAX 548-6699

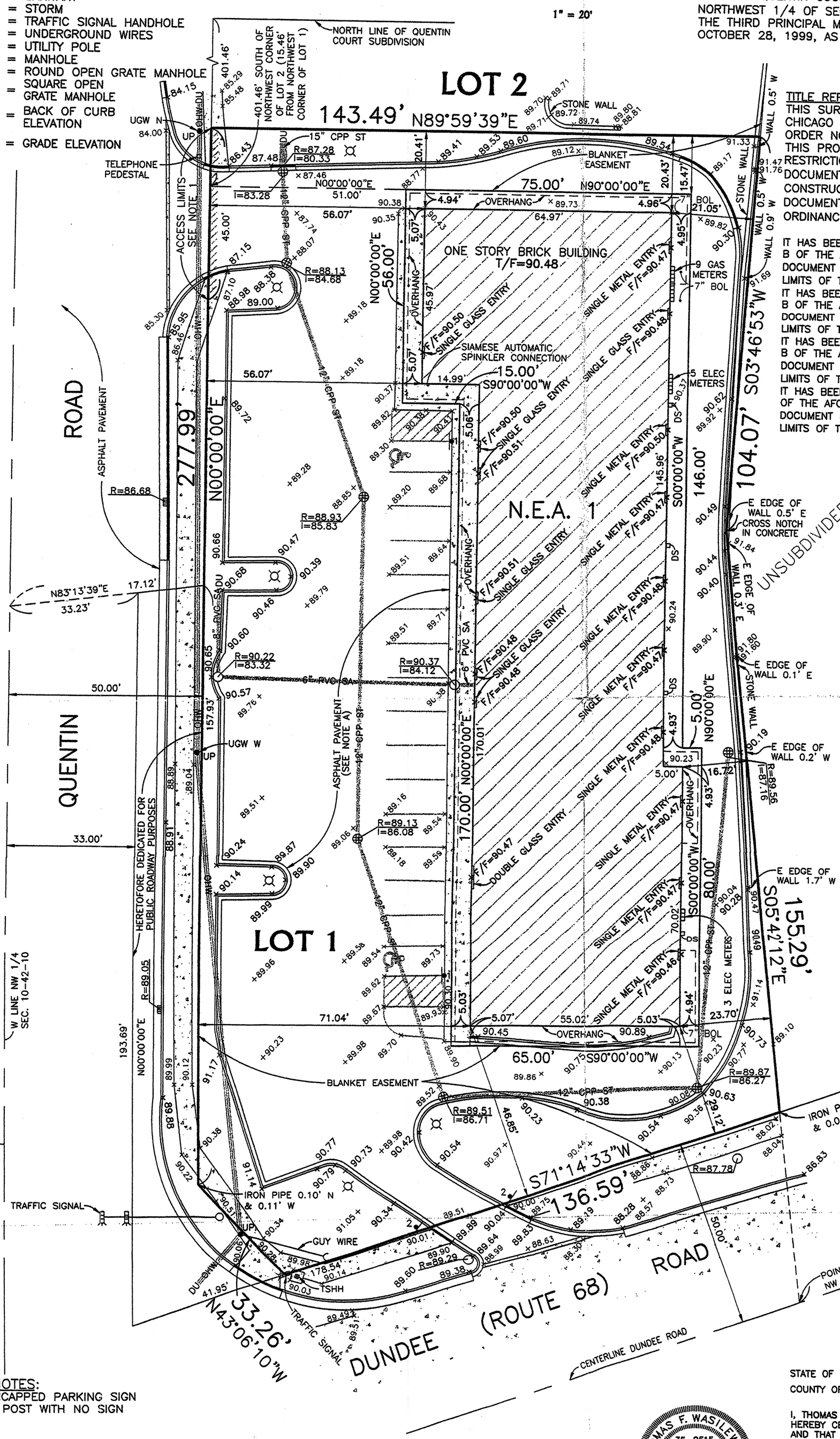
PLAT OF SURVEY
OF

LOT 1 IN QUENTIN COURT SUBDIVISION, BEING A SUBDIVISION IN THE NORTHWEST 1/4 OF SECTION 10, TOWNSHIP 42 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 28, 1999, AS DOCUMENT NO. 09016248, IN COOK COUNTY, ILLINOIS.

LEGEND

BOL = BOLLARD
CPP = CORRUGATED PLASTIC PIPE
DS = DOWNSPOUT
DU = DESTINATION UNKNOWN
ELEC = ELECTRIC
F/F = FINISHED FLOOR
I = INVERT
NEA = NON EASEMENT AREA
OHW = OVERHEAD WIRES
PVC = POLYVINYL CHLORIDE PIPE
R = RIM
SA = SANITARY
ST = STORM
TSHH = TRAFFIC SIGNAL HANDHOLE
UGW = UNDERGROUND WIRES
UP = UTILITY POLE
○ = MANHOLE
⊕ = ROUND OPEN GRATE MANHOLE
▣ = SQUARE OPEN GRATE MANHOLE
+88.98 = BACK OF CURB ELEVATION
+88.07 = GRADE ELEVATION
☼ = LIGHT ON 5" METAL POST WITH 18" CONCRETE BASE
1 = SIGN WITH SIGN NOTE NUMBER
= B6-12 CURB
= DEPRESSED CURB
= B6-24 CURB
= CONCRETE

NORTH
1" = 20'



TITLE REPORT NOTES:
THIS SURVEY REFLECTS CERTAIN MATTERS OF TITLE AS INDICATED WITHIN: CHICAGO TITLE INSURANCE COMPANY COMMITMENT FOR TITLE INSURANCE ORDER NO. 1410 007876012 D2 EFFECTIVE DATE: JULY 10, 2000
THIS PROJECT MAY BE SUBJECT TO COVENANTS, CONDITIONS AND RESTRICTIONS CONTAINED WITHIN:
DOCUMENT #95526000, RECORDED AUGUST 9, 1995 (TEMPORARY CONSTRUCTION PERMIT)
DOCUMENT #99719935, RECORDED JULY 28, 1999 (VILLAGE ORDINANCE GRANTING A SPECIAL USE FOR A PLANNED DEVELOPMENT)

IT HAS BEEN DETERMINED THAT EXCEPTION #21 (N) AS LISTED WITHIN SCHEDULE B OF THE AFOREMENTIONED TITLE COMMITMENT, MORE SPECIFICALLY DESCRIBED AS DOCUMENT #18205047, RECORDED JULY 3, 1961, DOES NOT FALL WITHIN THE LIMITS OF THIS SURVEY, (FALLS WITHIN RIGHT OF WAY).
IT HAS BEEN DETERMINED THAT EXCEPTION #19 (O) AS LISTED WITHIN SCHEDULE B OF THE AFOREMENTIONED TITLE COMMITMENT, MORE SPECIFICALLY DESCRIBED AS DOCUMENT #17538100, RECORDED MAY 14, 1959, DOES NOT FALL WITHIN THE LIMITS OF THIS SURVEY, (FALLS WITHIN RIGHT OF WAY).
IT HAS BEEN DETERMINED THAT EXCEPTION #22 (H) AS LISTED WITHIN SCHEDULE B OF THE AFOREMENTIONED TITLE COMMITMENT, MORE SPECIFICALLY DESCRIBED AS DOCUMENT #17538102, RECORDED MAY 14, 1958, DOES NOT FALL WITHIN THE LIMITS OF THIS SURVEY, (FALLS WITHIN RIGHT OF WAY).
IT HAS BEEN DETERMINED THAT EXCEPTION #23 (I) AS LISTED WITHIN SCHEDULE B OF THE AFOREMENTIONED TITLE COMMITMENT, MORE SPECIFICALLY DESCRIBED AS DOCUMENT #18205048, RECORDED JULY 3, 1961, DOES NOT FALL WITHIN THE LIMITS OF THIS SURVEY, (FALLS WITHIN RIGHT OF WAY).

NOTE SHOWN ON PLAT OF SUBDIVISION RECORDED OCTOBER 28, 1999 AS DOCUMENT 09016248:
THERE SHALL BE ONE (1) RESTRICTIVE (RIGHT-IN ONLY) ACCESS TO IL. 68 (DUNDEE ROAD) TO SERVE LOT 1.
THERE SHALL BE NO DIRECT ACCESS TO DUNDEE ROAD FROM ANY NEA OR FROM LOT 2.

NOTE 1:
VEHICULAR ACCESS TO QUENTIN ROAD FROM LOT 1 (NON-RESIDENTIAL) IS RESTRICTED TO THE AREA SHOWN HEREON PER PLAT OF SUBDIVISION RECORDED OCTOBER 28, 1999 AS DOCUMENT 09016248.

FLOOD NOTE:
A REVIEW OF THE NATIONAL FLOOD INSURANCE PROGRAM - FLOOD INSURANCE RATE MAP: COMMUNITY PANEL NUMBER 170054 0035 B EFFECTIVE DATE: APRIL 15, 1981, INDICATES THAT THE PROPERTY SHOWN HEREON FALLS ENTIRELY WITHIN FLOOD ZONE "C" - AREA OF MINIMAL FLOODING.

NOTE:
MONUMENTATION IS SHOWN PER TFW SURVEYING AND MAPPING, INC., ORDER #980320 DATED MAY 22, 1998, AND MAY HAVE BEEN DISTURBED OR REMOVED DURING CONSTRUCTION.

BENCHMARK:
3" BRONZE DISK PLACE IN CONCRETE STAMPED VILLAGE OF ARLINGTON HEIGHTS BENCHMARK, NORTHWEST CORNER NICHOLS ROAD AND KENNICOTT AVENUE.
ELEVATION = 723.21 (NAVD 1988)

NOTE:
ADD 600.00 TO ALL ELEVATIONS AS SHOWN HEREON TO ACHIEVE NAVD 1988 DATUM.

NOTE SHOWN ON PLAT OF SUBDIVISION RECORDED OCTOBER 28, 1999 AS DOCUMENT 09016248:
NO LEFT TURNS FROM QUENTIN ROAD DURING PEAK TRAFFIC HOURS FOR COMMERCIAL ACCESS.

NOTE SHOWN ON PLAT OF SUBDIVISION RECORDED OCTOBER 28, 1999 AS DOCUMENT 09016248:
COOK COUNTY HIGHWAY DEPARTMENT RESERVES THE RIGHT TO RESTRICT QUENTIN ROAD ACCESS TO THE COMMERCIAL SITE IN THE FUTURE DUE TO SRA ROADWAY WIDENING REQUIREMENTS.

NOTE A:
DOES NOT APPEAR TO HAVE FINAL LIFT OF ASPHALT IN PLACE.

SIGN NOTES:
1. HANDICAPPED PARKING SIGN
2. SIGN POST WITH NO SIGN

NOTE:
ALL PARKING STRIPING IS SOLID YELLOW.

NOTE:
SUBTRACT 0.45' FROM ALL BACK OF CURB ELEVATIONS TO ACHIEVE FLOW LINE ELEVATIONS.

DATE: MAY 14, 2001
ORDER NO: 010569
PROJ. NO: 476
FOR: INSIGNIA HOMES, L.L.C.
PROJ. NAME: FOREST GLENN

Copyright © TFW Surveying & Mapping, Inc., 2001. All rights reserved.

THOMAS F. WASILEWSKI 35-2515 PROFESSIONAL LAND SURVEYOR STATE OF ILLINOIS GRAYSLAKE, IL.

STATE OF ILLINOIS } SS
COUNTY OF LAKE }

I, THOMAS F. WASILEWSKI, ILLINOIS PROFESSIONAL LAND SURVEYOR, HEREBY CERTIFY THAT I HAVE SURVEYED THE PROPERTY AS DESCRIBED ABOVE AND THAT THE PLAT HEREON DRAWN IS A CORRECT REPRESENTATION OF SAID SURVEY. DIMENSIONS ARE SHOWN IN FEET AND DECIMAL PARTS THEREOF.

CERTIFIED AT GRAYSLAKE, ILLINOIS THIS 14th DAY OF MAY, 2001.

ILLINOIS PROFESSIONAL LAND SURVEYOR NO. 35-2515

Attachment: ZBA materials (1565 N. Quentin Road - SU Liquor Store)

PUBLIC NOTICE
A Public Hearing will be held before the Palatine Zoning Board of Appeals on Tuesday, July 26, 2022 at 7 PM, in the Village Council Chambers at Palatine Village Hall, 200 E. Wood Street, relative to a request for the following:
Special Use to permit a packaged liquor store.
The property is commonly known as 1565 N. Quentin Road.
The Petitioner is proposing to open a new packaged liquor store, Inverness Wine & Spirits.
The above petition has been filed by Munir Rafidia and is available for examination in the office of the Village Clerk, 200 E. Wood Street.
FILE #: 22-29
VILLAGE OF PALATINE
Jan Wood, Chair
Palatine Zoning Board of Appeals
DATED: This 11th day of July, 2022
Published in Daily Herald July 11, 2022 (4585346)

CERTIFICATE OF PUBLICATION

Paddock Publications, Inc.

Northwest Suburbs
Daily Herald

Corporation organized and existing under and by virtue of the laws of the State of Illinois, DOES HEREBY CERTIFY that it is the publisher of the **Northwest Suburbs DAILY HERALD**. That said **Northwest Suburbs DAILY HERALD** is a secular newspaper, published in Arlington Heights and has been circulated daily in the Village(s) of:
Arlington Heights, Barrington, Barrington Hills, Bartlett, Buffalo Grove, Deer Park, Des Plaines, Elk Grove, Franklin Park, Glenview, Hanover Park, Hoffman Estates, Inverness, Melrose Park,Morton Grove, Mt Prospect, Niles, Northbrook, Northfield, Northlake, Palatine, Park Ridge, Prospect Heights, River Grove, Rolling Meadows, Rosemont, Schaumburg, Schiller Park, South Barrington, Streamwood, Wheeling, Wilmette

County(ies) of Cook
and State of Illinois, continuously for more than one year prior to the date of the first publication of the notice hereinafter referred to and is of general circulation throughout said Village(s), County(ies) and State.

I further certify that the Northwest Suburbs DAILY HERALD is a newspaper as defined in "an Act to revise the law in relation to notices" as amended in 1992 Illinois Compiled Statutes, Chapter 715, Act 5, Section 1 and 5. That a notice of which the annexed printed slip is a true copy, was published 07/11/2022
in said Northwest Suburbs DAILY HERALD.

IN WITNESS WHEREOF, the undersigned, the said PADDOCK PUBLICATIONS, Inc., has caused this certificate to be signed by, this authorized agent, at Arlington Heights, Illinois.

PADDOCK PUBLICATIONS, INC.
DAILY HERALD NEWSPAPERS

BY _____
Designee of the Publisher and Officer of the Daily Herald

Control # 4585346

Attachment: ZBA materials (1565 N. Quentin Road - SU Liquor Store)

6. 1565 N. Quentin Road **- Recommended to Approve**

Notice was published in the Daily Herald on July 11, 2022 and mailed to the owners of the surrounding properties.

Petitioner's Exhibits:

1. Application for Special Use Amendment
2. Proof of Ownership
3. Business Plan
4. Floor Plan
5. Plat of Survey
6. Objectors Letter
7. Public Notice

Sworn in the petitioner: Mr. Manny Rafidia owner & Mr. Amir Rafidia son of owner 2 Star Lane South Barrington

Mr. Amir Rafidia read into record a prepared letter by Manny Rafidia: He spoke to the amount of retail experience they have along with other businesses they currently operate. He pointed out they acquire centers that are in distress and fix them up. Mr. Amir Rafidia stated their business is a family run business. He addresses the concerns of the neighbor and stated the parking will be sufficient without overflow because customers will be in and out.

Ms. Wood asked if they will have wine tasting.
Mr. Manny Rafidia answered no explaining it requires an additional license and he doesn't feel he has the parking.

Mr. McGinn asked about access.
Mr. Manny Rafidia agreed it is difficult. He stated he thinks the nice signage will pull in customers.

Ms. Wood asked if there is overflow parking.
Mr. Manny Rafidia state there is sufficient parking for people to run in and out.

Mr. McGinn asked about lights with signage.
Mr. Manny Rafidia stated the sign will be all black with reverse LED lights that will only illuminate the letters.

Ms. Wood asked how many other vacancy are in the center.
Mr. Manny Rafidia answered 2. He stated he has one tenant looking at opening a healthy shakes and vitamin store. He spoke to the center on Northwest Hwy being almost full capacity and in total they have almost 300 tenants throughout other centers. Mr. Manny Rafidia stated he sees the last tenant space being more of an office use that doesn't create much traffic.

Ms. Wood asked how long they have owned the Center on Northwest Hwy.
Mr. Manny Rafidia stated they have owned since 1995. He stated that was his

Attachment: ZBA Minutes July 26, 2022 (1565 N. Quentin Road - SU Liquor Store)

first center acquired and have since owned and operated approx. 50 centers. He stated he was attracted to this center for location and pointed out currently it is an eye sore that needs stability. Mr. Manny Rafidia stated he thinks this is the most effective use for this spot.

Ms. Wood asked about concern of dumpsters.
Mr. Manny Rafidia stated there will not be much garbage. He stated they plan on wrapping and keeping all cardboard inside and have a special service pick up after hours.

Mr. Bradshaw gave a brief overview stating the space was previously granted a special use to operate a health club which has since closed leaving the vacancy since April 2017. He stated the proposed hours of operation are Monday - Thursday: 11 AM - 9 PM, Friday - Saturday: 11 AM - 10 PM and Sunday: 12 PM - 8 PM and plan on selling in addition to alcohol candy, prepackaged snacks and soft drinks. Mr. Bradshaw stated per the submitted Business Plan, the Petitioner will utilize the rear door to the alley behind the building for all deliveries which will be limited to between 1-3 PM and all trash and recycling will be stored in the premises and will have a nightly service for disposal of all discarded cardboard/recycling materials. He referred to the slide to show the back area which is a fire lane. Mr. Bradshaw stated the business plan indicates that there will be four part-time employees and three full-time employees, all of which will be obtain Basset certification. He stated the parking requirement would not change with this proposed use. Mr. Bradshaw stated Community Services, Engineering, Fire Prevention and Police have all reviewed and have no issues.

Ms. Wood asked staff is there has been any issues with the center owner with other plazas he owns.
Mr. Bradshaw answered, no, not that staff is aware of.

Sworn in Mr. Ken Raczek 769 W. Misty Drive
Mr. Raczek expressed concern with access. He stated he has lived there for 16 years. He spoke to the right turn access on Dundee and how traffic has to go onto Quentin multiple times. He spoke to the gate that had to be installed to prevent truck access.

STAFF RECOMMENDATION:
The subject tenant space was previously granted a Special Use to operate as a health club, but has been vacant since 2017. The Petitioner is proposing to open a liquor store to fill the space and take advantage of the busy Dundee Road and Quentin Road intersection. The surrounding area consists of residential town homes to the north and Jelly Café to the south.

Staff understands that the proposed hours of operation are significantly later than the other tenants within the Plaza. However, the impact on the adjacent residential properties is diminished due to the tenant space being located on the far south end of the Plaza, by having deliveries occur only during the day, between 1 and 3 PM, and by scaling back the hours of operation to be open no

Attachment: ZBA Minutes July 26, 2022 (1565 N. Quentin Road - SU Liquor Store)

later than 10 PM on Friday and Saturday. Therefore, Staff recommends approval of the proposed Special Use, subject to the following condition:

1. The Special Use shall substantially conform to the Business Plan and Floor Plan submitted by the Petitioner, Munir Rafidia, except as such plans may be changed to conform to the Village of Palatine Codes and Ordinances.

Mr. Pirog asked if other businesses follow those delivery hours and if they will be enforced.
Mr. Bradshaw answered, yes, as it is part of the proposed business plan.

There were no further questions. The public hearing was closed.

Mr. McGinn made a motion to approve subject staff's conditions; seconded by Ms. Roth-Wurster

DELIBERATIONS:
Mr. McGinn stated they have clear evidence showing the petitioner will operate consistent with the public health safety and welfare of the community. He stated it won't alter the character of the location. He spoke to the uniqueness and the petitioners plan to do it in a nice way including the signage so he thinks it meets the standards.

Ms. Roth-Wurster stated it meets the standards. She pointed out the petitioner has plenty of experience operating such businesses and a lot of thought has been given to make it a worthwhile property.

Ms. Wood summarized that this request has met the standards and was unanimously approved by a vote of 4-0. This item will tentatively go to Village Council on August 8, 2022

RESULT:	**RECOMMENDED TO APPROVE [UNANIMOUS]**
MOVER:	Theodore McGinn, Commissioner
SECONDER:	Cindy Roth-Wurster, Commissioner
AYES:	Roth-Wurster, Wood, McGinn, Pirog
ABSENT:	Luszczak, Cavanaugh

Attachment: ZBA Minutes July 26, 2022 (1565 N. Quentin Road - SU Liquor Store)

Consider an Ordinance Increasing the Number of Class B (Package Liquor Store) Licenses by One for Inverness Wine & Spirits at 1565 N. Quentin Road

BACKGROUND:
On this evening's agenda is a request for a Special Use for Inverness Wine & Spirits located at 1565 N. Quentin Road. Petitioner, Munir Rafidia, wishes to apply for a Class B (Package Liquor Store) Liquor License. Hours of operation are Sunday- Thursday 11 AM - 10 PM and Friday - Sunday 11 AM - 12 AM (Midnight).

KEY ISSUES:
- Increase Class B (Package Liquor Store) Licenses by one.

ALTERNATIVES:

1. Approve the Ordinance increasing the number of Class B Liquor Licenses by one.
2. Do not approve the Ordinance increasing the number of Class B Liquor Licenses by one.

RECOMMENDATION:
Action is at the discretion of the Committee.

ACTION REQUIRED:
Action is at the discretion of the Committee.

ATTACHMENTS:

- ORD Increase Class B Liquor
- Business Plan & Floor Plan

ORDINANCE NO._____

CONSIDER AN ORDINANCE AMENDING THE CODE OF ORDINANCES CHAPTER 3, SECTION 3-35 LIQUOR LICENSES INCREASING CLASS B (PACKAGE LIQUOR STORE) LIQUOR LICENSES BY ONE FOR INVERNESS WINE & SPIRITS, 1565 N. QUENTIN ROAD

BE IT ORDAINED, by the Mayor and Village Council of the Village of Palatine, Cook County, Illinois, acting in the exercise of their home rule power:

SECTION 1: That the Code of Ordinances of the Village of Palatine, Illinois, as amended, be and the same is hereby further amended by increasing the number of Class "B" Liquor Licenses listed in Section 3-35 Chapter 3 by one for a total of 17 for Inverness Wine & Spirits, 1565 N. Quentin Road.

SECTION 2: That all ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 3: That this ordinance shall be in full force and effect from and after its passage and approval as provided by law.

PASSED this _____day of _____, 2022

AYES: _____ NAYS:_____ ABSENT: _____ PASS:_____

APPROVED by me this _____day of _____, 2022

_____

Mayor of the Village of Palatine

ATTESTED and FILED in the office of the Village Clerk this

_____day of _____, 2022

_____

Village Clerk

Attachment: ORD Increase Class B Liquor (1565 N. Quentin Rd. Increase Class B Inverness Wine & Spirits)

Ellen Plaza

June 24, 2022

1557 – 1589 N. Quentin Rd, Palatine, IL 60074

Business Plan:

Inverness Wine & Spirits

Dear Mayor and Board of Trustees,

Please see attached business plan and layout of proposed wine and spirit facility at 1565 N. Quentin Rd, Palatine, IL 60074.

We are proposing to seek a full liquor license to sell high end wine, spirits, and craft beer. We believe we will attract business from Inverness, Barrington, and Palatine areas. Our hours of operation will be:

Sunday – Thursday: 11AM – 10PM
Friday and Saturday: 11AM – 12AM

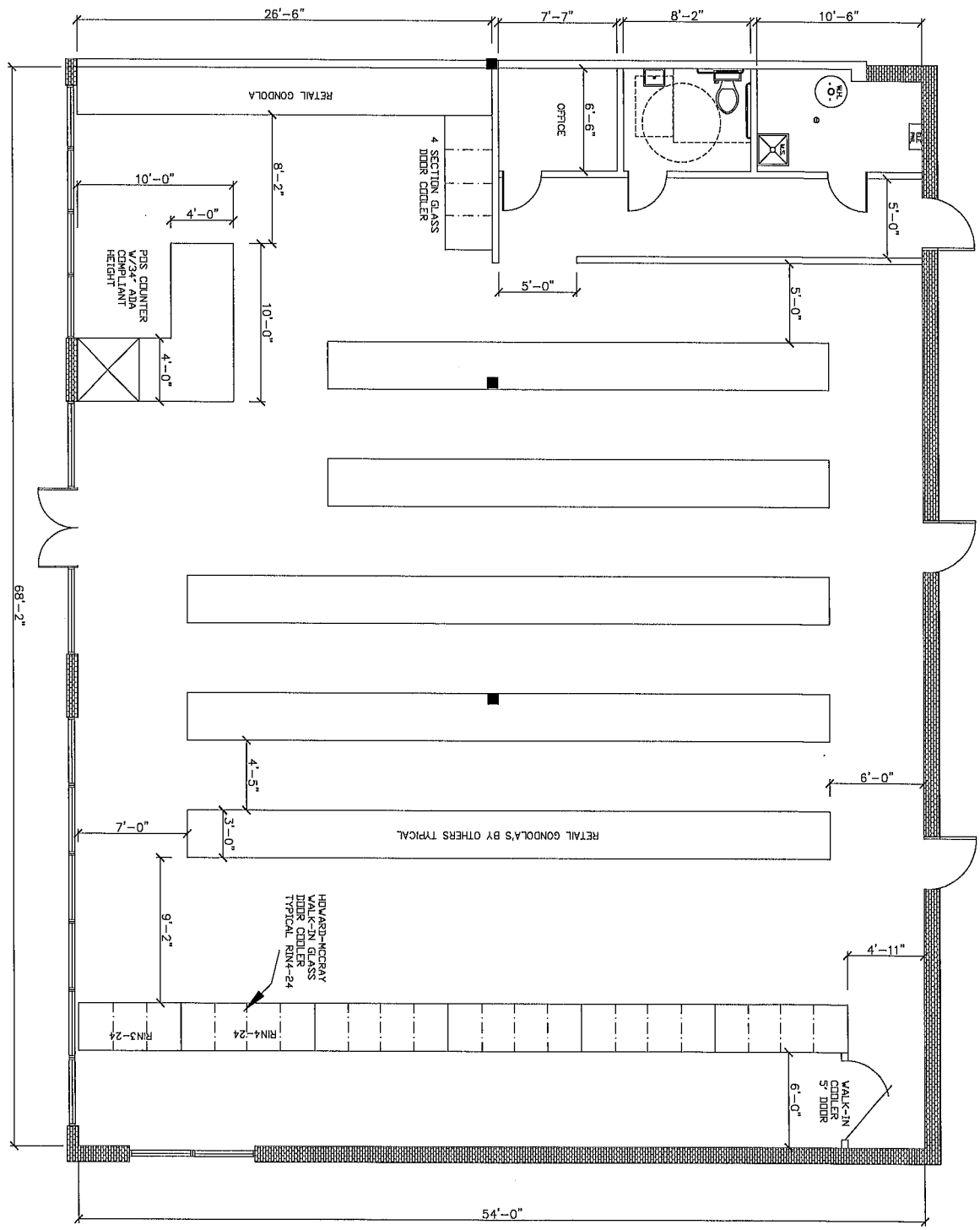
This establishment will employ four part-time employees and three full-time employees. All employees will have a basset certificate from the Village of Palatine in order to be hired for work. We will diligently check every person's I.D. regardless of their age and set high standards for the workplace environment. Also, this establishment will be ADA compliant.

We hope that you will approve our above request.

Please do not hesitate to contact me at (847) 921-9200 or crmadison@gmail.com.

Kind regards,
Manny Rafidia

Attachment: Business Plan & Floor Plan (1565 N. Quentin Rd. Increase Class B Inverness Wine & Spirits)



Attachment: Business Plan & Floor Plan (1565 N. Quentin Rd. Increase Class B Inverness Wine & Spirits)

Consider an Ordinance Granting a Special Use Amendment to Permit an Expanded Floor Plan for an Existing Restaurant at 375 W. Northwest Highway

BACKGROUND:
The Petitioner is proposing to expand the floor plan for an existing restaurant, One Taco Dos Tequilas, into an adjoining tenant space. Per the application and business plan, the proposed expansion will be utilized for video gaming, which is an ancillary use and follows a separate Village review process. Therefore, the Petitioner is requesting approval of the following:

> **Special Use Amendment to permit an expanded floor plan for an existing restaurant.**

KEY ISSUES:

- The existing One Taco Dos Tequilas restaurant is proposing to expand their operations into the tenant space directly north of their current location. The proposed expansion will add approximately 368 square feet, bringing the restaurant's total floor area to approximately 2,700 square feet.
- The proposed change to the floor plan is an amendment to the Special Use Ordinance #O-60-19.
- The limited seating added for the proposed ancillary video gaming use will not impact the parking requirement for the Subject Property. There are no changes to the hours of operation. Subsequent to the Public Hearing, the Petitioner submitted other municipal recommendations in locations where he owns other shopping centers and holds liquor licenses.

ALTERNATIVES:

1. Approve the Special Use Amendment to permit an expanded floor plan for an existing restaurant.
2. Do not approve the Special Use Amendment to permit an expanded floor plan for an existing restaurant.

RECOMMENDATION:

Public Hearing:	ZBA meeting on July 26, 2022
Residents testifying:	None.
Vote:	The ZBA voted unanimously to recommend approval of the Special Use Amendment to permit an expanded floor plan, and Staff concurs.

ACTION REQUIRED:
A motion to approve the ordinance granting a Special Use Amendment to permit an expanded floor plan for an existing restaurant at 375 W. Northwest Highway.

ATTACHMENTS:

- Aerial Map
- ORD SU AMEND 375 W Northwest Hwy

- EXHIBIT - Floorplan
- EXHIBIT - Business Plan Addendum
- Municipal Letters of Recommendation
- July 26, 2022 ZBA Materials
- ZBA Minutes

375 W. Northwest Highway (One Taco)

Attachment: Aerial Map (375 W. Northwest Hwy - SU Amend (One Taco))

ORDINANCE NO. _____

AN ORDINANCE GRANTING A SPECIAL USE AMENDMENT
375 W. NORTHWEST HIGHWAY

WHEREAS, pursuant to a petition and public hearing on July 26, 2022, of which public notice was given as required by law, the Zoning Board of Appeals of the Village of Palatine, in accordance with the Zoning Ordinance of the Village of Palatine, in such case made and provided, has held such public hearing and reported their findings relative to a request for an Special Use Amendment to the Special Use O-60-19 to permit an expanded floor plan for an existing restaurant on the following legally described property:

That part of Lot 1 of Kuntze's Industrial Addition to Palatine, being a subdivision of part of the East 1/2 of the Northwest 1/4 and part of the West 1/2 of the Northeast 1/4 of Section 15, Township 42 North, Range 10 East of the Third Principal Meridian, in Cook County, Illinois, described as follows:
Commencing at the most Northerly corner of said Lot 1; thence Southeasterly along the Northeasterly line of said Lot 1, being along the Southwesterly line of Baldwin Road, a distance of 60.0 feet to the point of beginning; thence Southwesterly along a line that forms an angle of 90 degrees 01 minutes 46 seconds to the right with the prolongation of the last described course, a distance of 220.0 feet; thence Southeasterly parallel with the Northeasterly line of said Lot 1, a distance of 127.83 feet; thence Southerly parallel with the most Westerly of said Lot 1, a distance of 585.50 feet to the Southerly line of said Lot 1; thence Northeasterly along said Southerly line, a distance of 125.55 feet to the Southeast corner of said Lot 1; thence Northeasterly along the Easterly line of said Lot 1 a distance of 666.81 feet to the Northeast corner of said Lot 1; thence Northwesterly along the Northeasterly line of said Lot 1, being along the Southwesterly line of Baldwin Road, a distance of 239.19 feet to an angle in said Northeasterly line; thence Northwesterly along said Northeasterly line, a distance of 149.20 feet to the point of beginning, except that part thereof described as follows:
Commencing at the most Northerly corner of said Lot 1; thence Southeasterly along the Northeasterly line of said Lot 1, being along the Southwesterly line of Baldwin Road, a distance of 60.0 feet for the place of beginning of this exception; thence Southwesterly along a line that forms an angle of 90 degrees 01 minutes 46 seconds to the right with the prolongation of the last described course, a distance of 220.0 feet; thence Southeasterly parallel with the Northeasterly line of said Lot 1, a distance of 131.83 feet; thence Northeasterly along a line that forms an angle of 89 degrees 58 minutes 14 seconds to the left with the prolongation of the last described course, a distance of 220.0 feet to the Northeasterly line of said Lot 1; thence Northwesterly along said Northeasterly line, a distance of 131.83 feet to the place of beginning, in Cook County, Illinois

Attachment: ORD SU AMEND 375 W Northwest Hwy (375 W. Northwest Hwy - SU Amend (One Taco))

commonly known as 375 W. Northwest Highway (02-15-102-100).

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and Village Council of the Village of Palatine, Cook County, Illinois, acting in the exercise of their home rule power that:

SECTION 1: A Special Use Amendment to permit an expanded floor plan for an existing restaurant pursuant to Section 14.05 (b) (1) (b) of the Palatine Zoning Ordinance, is hereby granted, subject to the following condition(s):

1. **The Special Use shall substantially conform to the Floorplan and Business Plan Addendum submitted by the Petitioner, Manny Rafidia, except as such plans may be changed to conform to Village Codes and Ordinances.**

SECTION 2: That a copy of the public notice is attached hereto and form a part of this ordinance.

SECTION 3: That this ordinance shall be in full force and effect from and after its passage and approval as provided by law.

PASSED: This _____day of _____, 2022

AYES:_____ NAYS:_____ ABSENT:_____ PASS:_____

APPROVED by me this _____day of _____, 2022

_____
Mayor of the Village of Palatine

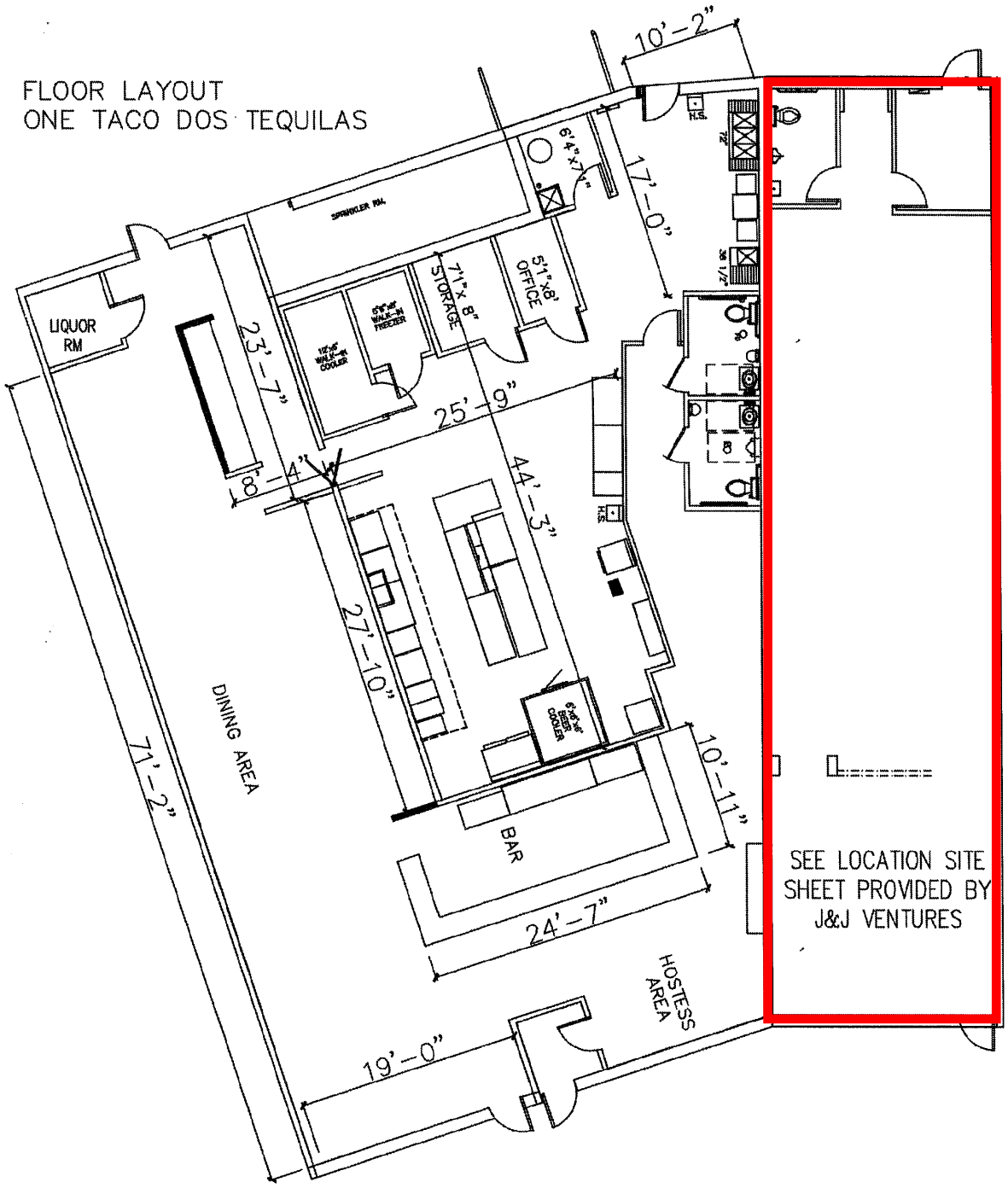
ATTESTED and FILED in the office of the Village Clerk this

_____day of _____, 2022

_____
Village Clerk

Attachment: ORD SU AMEND 375 W Northwest Hwy (375 W. Northwest Hwy - SU Amend (One Taco))

FLOOR LAYOUT
ONE TACO DOS TEQUILAS



SEATING CAPACITY = 90
DINING/BAR = 80
GAMING = 10

KITCHEN–FOOD PREP = 1,075 SF
DINING = 985 SF
BAR = 270 SF

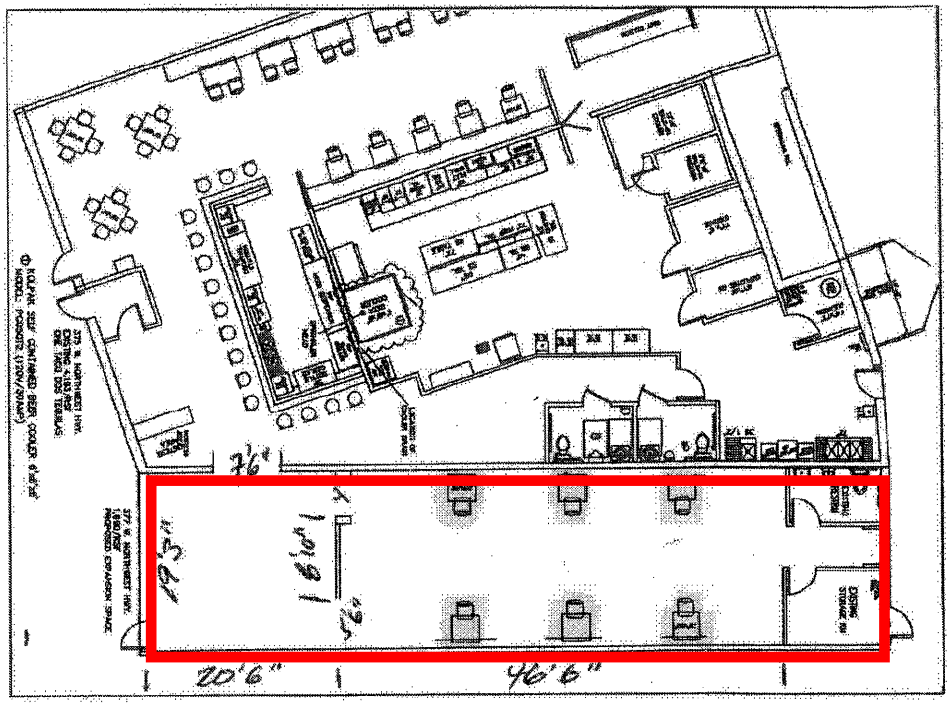
Attachment: EXHIBIT - Floorplan (375 W. Northwest Hwy - SU Amend (One Taco))

J&J Gaming
1500 S. Raney St. | Effingham IL
jjventures.com
(855) 921-1030

Location Site Sheet

Date: 5-18-22 Territory: Schaumburg

Location Name: One Taco Dos Tequilas



Please attach photos of the location and include the following information on your site sheet:

- ☐ Gaming room orientation
- ☐ Gaming area dimensions (Length x Width x Height)
- ☐ Location of VGTs, NRT, closest outlets and internet modem
- ☐ Mark all entrances and attendant/bartender location in view of gaming room entrance

Notes:

Proposed gaming room to be located to the right of main bar & restaurant. Accessible through main bar only. Six games to be located here

Ceiling height: 10' inches Drop ceiling: ☒ YES ☐ NO Stanchion: ☐ YES ☒ NO

Electrical ready: ☒ YES ☐ NO Internet ready: ☐ YES ☐ NO Redemption: ☐ NRT ☒ SCK

*Denote location of internet modem.

Sci Games equipment needs moved: ☐ YES ☐ NO 368 Sq ft. Approx.

VGT's: ☐ ☐ ☐ ☐ ☐ ☒ ☐ ☐ ☐ ☐ (1 2 3 4 5 6 7 8 9 10) Spacers: ☐ 6" ☐ 10" ☐ 12" ☐ 16" Tables: ☐ ☒ x6 16" 24"

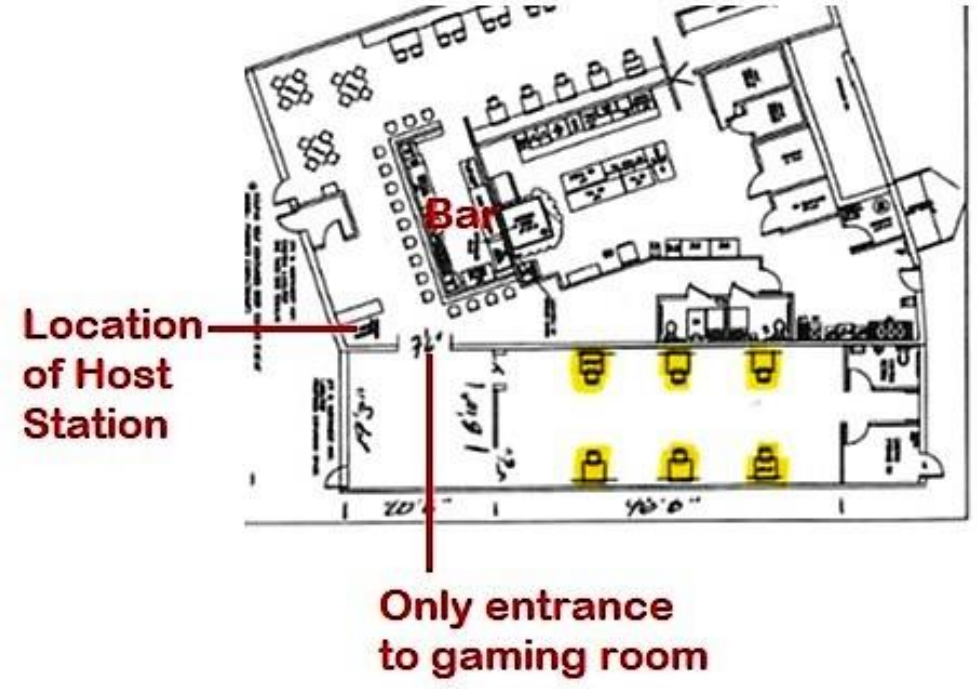
Sales Contact: Scott Moran Phone: 847-452-6005

Attachment: EXHIBIT - Floorplan (375 W. Northwest Hwy - SU Amend (One Taco))

One Taco Palatine, Inc.
d/b/a One Taco Dos Tequilas
375 W. Northwest Hwy.
Palatine, IL 60067

Addendum to Business Plan to add video gaming.

The proposed gaming room is located to the right of the main bar and restaurant and **only** accessible through the main bar. The only entrance into the gaming room is located next to the hostess station and across from the bar. The gaming area will be private and only persons 21 years of age or older will be allowed in the gaming area. The hostess/bartender on staff will monitor the entry and require valid identification before allowing entry at all times to ensure patrons 21 years of age or older are allowed access. There shall be no additional seating in the gaming room, only the players shall be allowed in this gaming area. A staff member shall physically monitor and walk through the gaming area at a minimum of every 30 minutes. The games will not be visible from the outside. The gaming room will have six (6) video gaming terminals. The gaming terminals will be installed, maintained and monitored by J&J Ventures. J&J Ventures will have specific cameras on the gaming terminals and cash machine, with DVR and motion detection camera alarm for the gaming area.



Attachment: EXHIBIT - Business Plan Addendum (375 W. Northwest Hwy - SU Amend (One Taco))

Village of Addison

Community Development Department

BUILDING • CODE ENFORCEMENT • ENGINEERING • ZONING

September 7, 2022

Village of Palatine
200 E. Wood St.
Palatine, IL 60067

Dear Mayor Schwantz and Village of Palatine Trustees:

Manny Rafidia requested this letter of recommendation to obtain a special use permit in Palatine to operate video gaming terminals at his existing Mexican restaurant at 375 W. Northwest Hwy. and open a Wine & Spirit store at 1565 N. Quentin Rd. Please allow this correspondence to serve as a letter of recommendation.

Manny has owned and operated Lake Street Plaza and Lake Street Commons Shopping Centers in Addison for approximately 18 years. He has improved both Centers from being neglected and in much need of renovations, to vibrant and fully occupied properties. The Centers landscaping, parking lot upkeep, lighting, life/safety are maintained and in good condition. Manny works diligently with the Village and follows the rules and regulations to keep the properties in an excellent condition.

Manny has similar businesses in Addison and has done an excellent job in operating these businesses with his family members. As the Village of Addison Director of Community Development, I have worked with Manny for many years and I am pleased to provide this letter of recommendation to the Village of Palatine to attest to his abilities.

Sincerely,

Michael Crandall
Director of Community Development

1 Friendship Plaza Addison, IL 60101-2786 Tel. (630) 693-7530 Fax (630) 543-3967
www.AddisonAdvantage.org

Attachment: Municipal Letters of Recommendation (375 W. Northwest Hwy - SU Amend (One Taco))

THE VILLAGE OF
BARTLETT

VILLAGE PRESIDENT
Kevin Wallace

ADMINISTRATOR
Paula Schumacher

VILLAGE CLERK
Lorna Giless

TRUSTEES
Raymond H. Deyne
Stephanie Z. Gandsey
Daniel H. Gunsteen
Adam J. Hopkins
Aaron H. Reinke
Renée Suwanski

August 25, 2022

Mr. Jim Schwantz
Mayor
Village of Palatine
200 E. Wood Street
Palatine, IL 60067

VIA EMAIL

Dear Mayor Schwantz:

I am writing this letter to inform you of the positive impact Mr. Rafidia has had on our community over the last 4 years. Downtown Bartlett use to be home to a large outdoor shopping mall with about 50% occupancy and businesses coming and going each year. Mr. Rafidia presented a plan to bring life back into that shopping center and he has done just that. The shopping center has an entirely new façade, several of the units have been completely remodeled, the center has been at 100% capacity for over a year and is more vibrant than it has been in the past 20 years. Mr. Rafidia came to the board with large ambitions of what the center could be and he executed his plan flawlessly. Not only are our residents happy to have more shopping, dining and entertainment options downtown, but our businesses in the center are just as happy with their new landlord.

Not only has Mr. Rafidia help stabilize our downtown business climate, but he has also been a valuable community partner since coming to town. He has donated time to local organizations for events and hosted many events in the large parking lot of his center as well. Some events were hosted by his tenants and some were village related like our touch-a-truck event he hosted last month that brought in hundreds of families.

To conclude, the village has been very fortunate that Mr. Rafidia purchased this center. It has had a significant impact on our downtown economy as well as the look of our downtown by eliminating blight. Mr. Rafidia has been a great partner to the village and we could not be happier about the transition his center has made. If you have any further questions, please reach out to us and we would be happy to assist.

Mr. Rafidia is a businessman, but he is a fair and genuine one. He is also a responsible liquor license, video gaming and special use applicant. From one mayor to another he has my full endorsement as a responsible landlord for any community.

Sincerely,

Kevin Wallace
Village President

KW/lg

Attachment: Municipal Letters of Recommendation (375 W. Northwest Hwy - SU Amend (One Taco))

August 19, 2022

Village of Palatine
200 E. Wood St.
Palatine, IL 60067

Dear Mayor Schwantz and Village of Palatine Trustees:

Per the request of Manny Rafidia, please allow this correspondence to serve as a letter of recommendation from the City of Prospect Heights. Mr. Rafidia requested this letter to assist in attaining a special use approval to operate video gaming terminals at his business, One Taco Dos Tequilas and a new Wine & Spirts location at Ellen Plaza, in Palatine.

Mr. Rafidia has owned and operated the Prospect Crossing Shopping Center located at 1215-1299 N. Rand Rd. for approximately 25 years. He is a hands-on owner/operator and maintains compliance with the City requirements as to maintenance, level 4 fire safety, and all other regulations and standards to operate a Class A Shopping Center. Mr. Rafidia works diligently with the City of Prospect Heights and we are pleased to provide this letter of recommendation to the Village of Palatine as to his performance as owner and also a business operator. Mr. Rafidia has opened and operated businesses that are similar in nature at the Prospect Crossing Shopping Center and has done an excellent job in the operations and compliance along with his family members that assist in these operations.

Sincerely,

Mayor Matthew Dolick

Attachment: Municipal Letters of Recommendation (375 W. Northwest Hwy - SU Amend (One Taco))

David Pileski *Mayor*
Amanda Hausman *Village Clerk*

Attachment: Municipal Letters of Recommendation (375 W. Northwest Hwy - SU Amend (One Taco))

September 6, 2022

Mayor Jim Schwantz
Village of Palatine
200 E. Wood St.
Palatine, IL 60067
Via email: jschwantz@palatine.il.us

Dear Mayor Schwantz:

Pursuant to Mr. Manny Rafidia's request, I am providing information regarding his businesses that were located in the Village of Roselle, to share at an upcoming meeting he has with you.

Manny Rafidia owned and operated the Cross Creek Shopping Center from 2004 until recently, when he sold it to a new owner. During that time, Mr. Rafidia and his family members kept the center repaired and maintained full occupancy at the center.

Mr. Rafidia applied for and received a liquor license when he opened Armanetti's Wine & Spirits store in 2005. He sold the business in 2007. Mr. Rafidia was compliant in all of his licensing requirements during his ownership of Armanetti's.

In 2007, Mr. Rafidia opened Pop's Pizza & Sports Bar, which maintained an excellent reputation, attracting customers from Roselle and neighboring towns. Mr. Rafidia was compliant in all of his licensing requirements during his ownership.

Mr. Rafidia obtained a video gaming license in 2016 for Pop's, during which he was compliant in all of his gaming licensing requirements. Mr. Rafidia sold this business in September of 2021.

Should you have any questions, please feel free to contact me.

Sincerely,

David Pileski

David Pileski
Mayor, Village of Roselle

VILLAGE OF PALATINE

VILLAGE OF PALATINE
Zoning Board of Appeals

SCHEDULED 07/26/22 07:00 PM

CASE STAFF STATEMENT (ID # 7719)

375 W. Northwest Highway

TO: Palatine Zoning Board of Appeals
Jan Wood, Chair

FROM: Alex Bradshaw

PETITIONER: Manny Rafidia

CASE NUMBER: 22-25

ADDRESS: 375 W. Northwest Highway (One Taco Dos Tequilas)

PROPOSAL:
Special Use Amendment to permit an expanded floor plan for an existing restaurant.

LOCATION: 375 W. Northwest Highway District 6 (Helms)	**CURRENT ZONING:** B-2 General Business District

SURROUNDING CONDITIONS:

North:	P - Planned Development (Residential - Lexington Oaks Townhomes)
South	M - Manufacturing / U - Utility/Municipal (Vacant Grassland)
East:	B-2 General Business District (Steven's Pointe)
West:	P - Planned Development (Residential - Hidden Prairie Townhomes)

BACKGROUND:
The Petitioner is proposing to expand the floor plan for an existing restaurant, One Taco Dos Tequilas, into an adjoining tenant space. Per the submitted application, the proposed expansion will be utilized for video gaming, which is considered an ancillary use. Therefore, the Petitioner is requesting approval of the following:

Special Use Amendment to permit an expanded floor plan for an existing restaurant.

SITE ANALYSIS:
- The existing One Taco Dos Tequilas restaurant is proposing to expand their operations into the tenant space north of their current location, all of which is within the Century Plaza Shopping Center. The proposed expansion will add approximately 368 sf to the floor plan, bringing the restaurant's total to approximately 2,700 sf.
- The proposed change to the floor plan will functionally be a Special Use Amendment to the Special Use O-60-19.

Attachment: July 26, 2022 ZBA Materials (375 W. Northwest Hwy - SU Amend (One Taco))

- The limited seating added for the proposed ancillary video gaming use will not impact the parking requirement for the Subject Property.
- There are no proposed changes to the hours of operation.

DEPARTMENTAL REVIEWS:

Community Services	No Issues Identified.
Engineering	No Issues Identified.
Environmental Health	N/A
Fire Prevention	N/A
Public Works	N/A
Police	N/A

STANDARDS FOR SPECIAL USE: Since this Petition is not for a use publicly operated or traditionally affected with the public interest, those standards under Section 14.05 D (2) and (3) are applicable. Specifically, the Petitioners must show that the Special Use, if granted, is so designed, located, and proposed to be operated that the public health, safety, and welfare will be protected and will not cause substantial injury to the value of other property in the neighborhood in which it is located. The Petitioners have attempted to address the required standards.

STAFF RECOMMENDATION:
The Petitioner is proposing to expand the floor plan of their existing restaurant into a vacant tenant space directly adjacent to the current location. As the additional seating associated with the expanded floor plan is limited the parking requirement will remain the same. Furthermore, the new space's proposed ancillary use will not change the current hours of operation. Therefore, Staff recommends approval of the requested Special Use Amendment with the following condition:

1. The Special Use shall substantially conform to the Floor Plan submitted by the Petitioner, Manny Rafidia, except as such plans may be changed to conform to the Village's Codes and Ordinances.

ATTACHMENTS:

- Aerial Map
- Application
- Business Plan
- Floor Plan
- Public Notice

Attachment: July 26, 2022 ZBA Materials (375 W. Northwest Hwy - SU Amend (One Taco))

375 W. Northwest Highway (One Taco)

Attachment: July 26, 2022 ZBA Materials (375 W. Northwest Hwy - SU Amend (One Taco))

VILLAGE OF PALATINE

ADMINISTRATIVE SPECIAL USE & VARIATION APPLICATION

Department of Planning & Zoning
200 E. Wood Street · Palatine, IL · 60067-5339
Telephone: (847) 359-9047 · Fax (847) 963-6247

Office Use Only		
	Project Planner	Zoning Case #
	Filing Fee	Notification Deadline
	ZBA Public Hearing Date	Village Council Date

RECEIVED
JUN 06 2022
PLANNING & ZONING DEPARTMENT
date received

Background Information

PETITIONER(S)
Manny Rafidia

Business Name (if applicable)
One Taco Dos Tequilas

Subject Property Address
375 W. Northwest Hwy.

AUTHORIZED AGENT (if applicable)
Manny Rafidia

Business Name (if applicable)
One Taco Dos Tequilas

Address
PO Box 338, Itasca, IL 60143

City/State/Zip Code

Telephone	Fax	Email
847-921-9200		crmadison@gmail.com

Relationship to Petitioner (contractor, architect, etc.)
Owner

TYPE OF APPLICATION (check one)

□ Special Use ■ Special Use Amendment □ Variation

Existing Zoning District	Existing Land Use	Proposed Land Use

Generally describe your request:

Special Use Amendment to incorporate an expanded floor plan (additional 1,690 square feet) from the initially approved special use for the use of future video gaming area. Video Gaming Terminals will be maintained & monitored by J&J Ventures. J&J Ventures will have cameras on gaming terminals and cash machine with DVR and motion detector camera alarm on gaming area. The gaming terminals will not be visible from the outside. The gaming area will be private and only persons of 21 years of age and older will be allowed access which will be monitored by staff.

Attachment: July 26, 2022 ZBA Materials (375 W. Northwest Hwy - SU Amend (One Taco))

VILLAGE OF PALATINE

Administrative Special Use

Required Materials

- □ Filing Fee of $ _____
- □ Application Form
- □ Plat of Survey (must show all current improvements and be sealed by an Illinois certified surveyor)
- □ Site Plan & Floor plan (dimension, location, and setbacks of all existing and proposed buildings) **– one 11x17 copy each, electronic version preferred**
- □ Real Estate Interest Disclosure Form (see attached)
- □ Proof of Ownership or Lease (e.g. Title Insurance Policy, Deed, or Purchase Contract)

Additional Materials (as required by the Village)

- □ Elevation Plan (front, side, and rear elevations of a proposed building), and/or Floor Plan (proposed interior layout) **– one 11x17 copy of each plan, electronic versions preferred**
- □ Engineering Plans (must indicate existing conditions, topography, storm water management, tree preservation, utility connections, detention calculations, and a cost estimate)
- □ Photographs (e.g. ground-level or aerials)
- □ Other materials as deemed necessary by the Village

Petitioner Justification

The Petitioner is required to present specific evidence related to each of the following standards to justify the request (paraphrased from Section 14.05 of the Palatine Zoning Ordinance). Answer the items below and attach a separate sheet if necessary. ***If you are applying for a Variation only, you do not need to answer these items.***

1. The use is deemed necessary for the public convenience at that location

The request for allowing video gaming terminals will be of public convenience offering the adult 21 and over community to have entertainment after or prior to enjoying a wonderful meal at our location. This will allow the 21 and over community to stay in the same area vs. driving to other townships for this entertainment use.

2. The use is designed, located, and proposed to be operated that the public health, safety and welfare will be protected

The proposed use of allowing video gaming terminals will be located in a separate space which only has one entry in, located next to the host station and the bar, allowing constant monitoring of entry as to not allow anyone under 21 year of age to enter. Additionally, video monitoring will be 24/7 and alarmed in all non-business hours.

3. The use will not cause substantial injury to nearby property values

The proposed gaming area will not be visible to the public from the exterior window or the dining/bar area of the restaurant. The location is in a private area that will only be accessed in one location within the establishment, where staff is constantly monitoring.

4. With respect to live entertainment uses, the use shall not:
   a. Produce noise levels so great as to constitute an unreasonable interference for persons outside the confines of the establishment
   b. Impose undue health, sanitation or safety burdens on the village
   c. Create excessive demands on the Village of Palatine Police Department
   d. Be of a nature otherwise prohibited by law or village ordinance
5. For fence standards, see Section 14.05 of the Palatine Zoning Ordinance

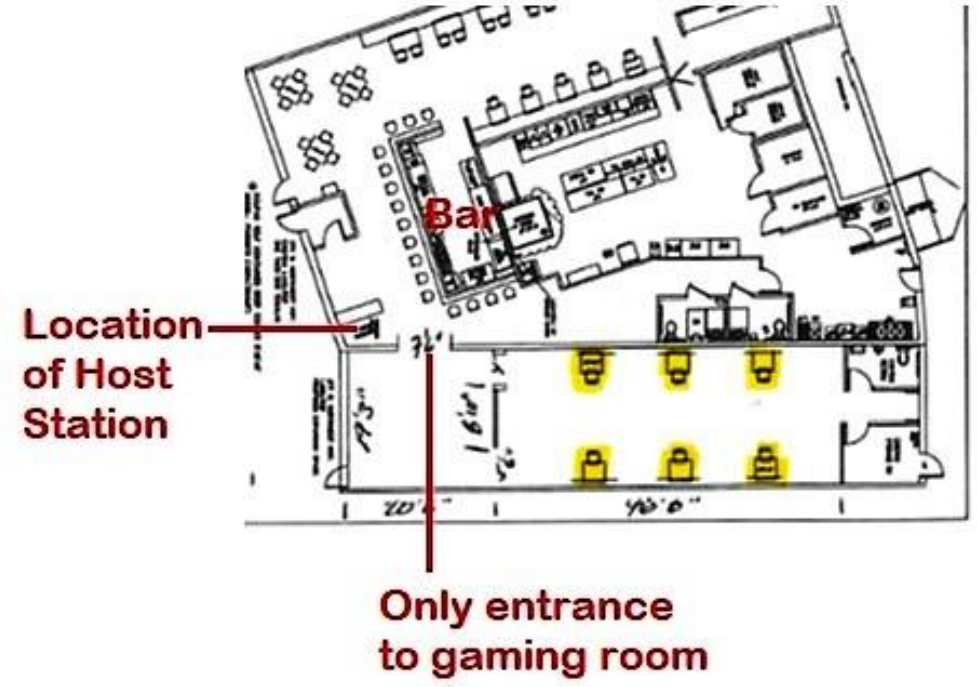
N/A

Attachment: July 26, 2022 ZBA Materials (375 W. Northwest Hwy - SU Amend (One Taco))

One Taco Palatine, Inc.
d/b/a One Taco Dos Tequilas
375 W. Northwest Hwy.
Palatine, IL 60067

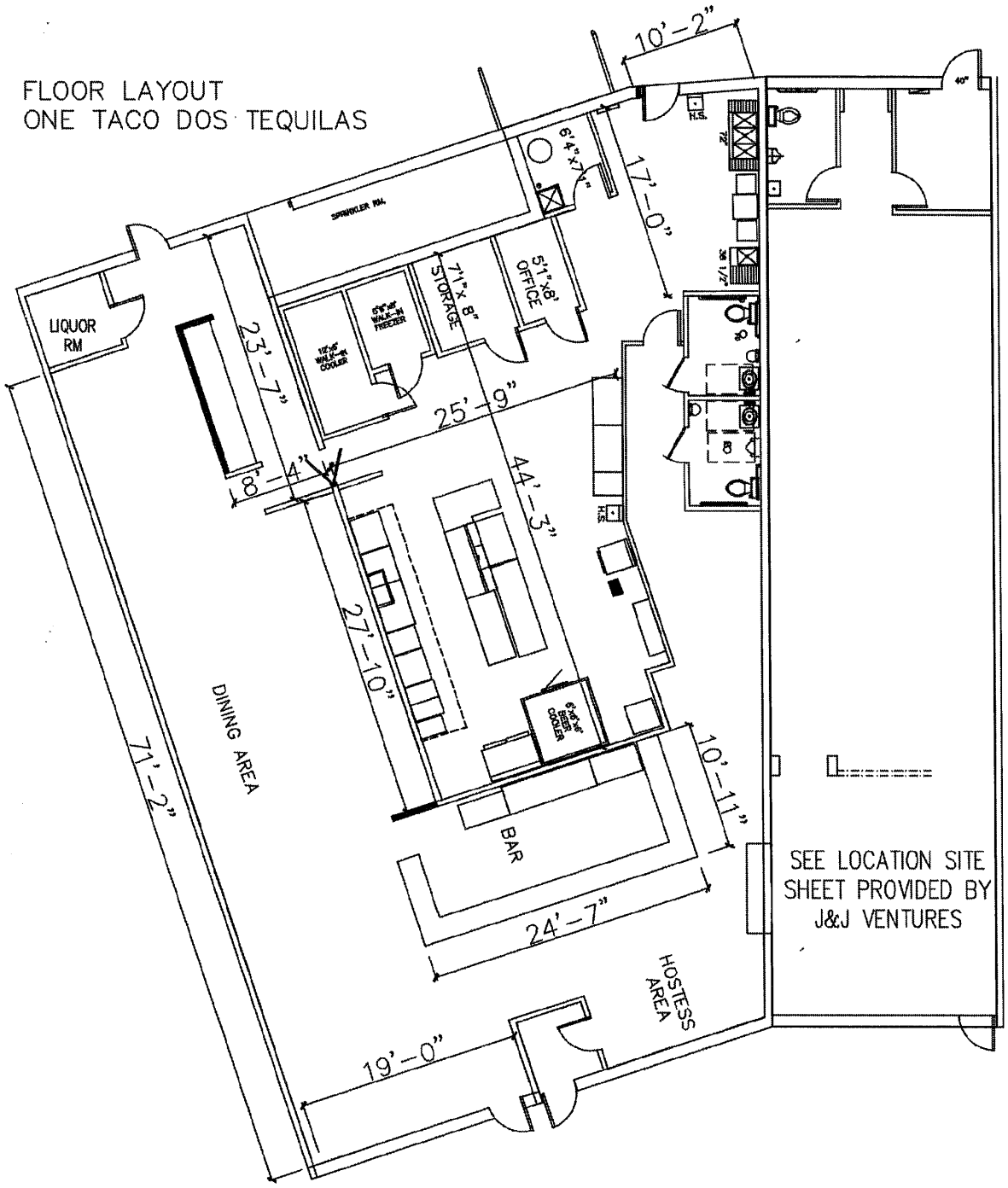
Addendum to Business Plan to add video gaming.

The proposed gaming room is located to the right of the main bar and restaurant and **only** accessible through the main bar. The only entrance into the gaming room is located next to the hostess station and across from the bar. The gaming area will be private and only persons 21 years of age or older will be allowed in the gaming area. The hostess/bartender on staff will monitor the entry and require valid identification before allowing entry at all times to ensure patrons 21 years of age or older are allowed access. There shall be no additional seating in the gaming room, only the players shall be allowed in this gaming area. A staff member shall physically monitor and walk through the gaming area at a minimum of every 30 minutes. The games will not be visible from the outside. The gaming room will have six (6) video gaming terminals. The gaming terminals will be installed, maintained and monitored by J&J Ventures. J&J Ventures will have specific cameras on the gaming terminals and cash machine, with DVR and motion detection camera alarm for the gaming area.



Attachment: July 26, 2022 ZBA Materials (375 W. Northwest Hwy - SU Amend (One Taco))

FLOOR LAYOUT
ONE TACO DOS TEQUILAS



SEATING CAPACITY = 90
DINING/BAR = 80
GAMING = 10

KITCHEN–FOOD PREP = 1,075 SF
DINING = 985 SF
BAR = 270 SF

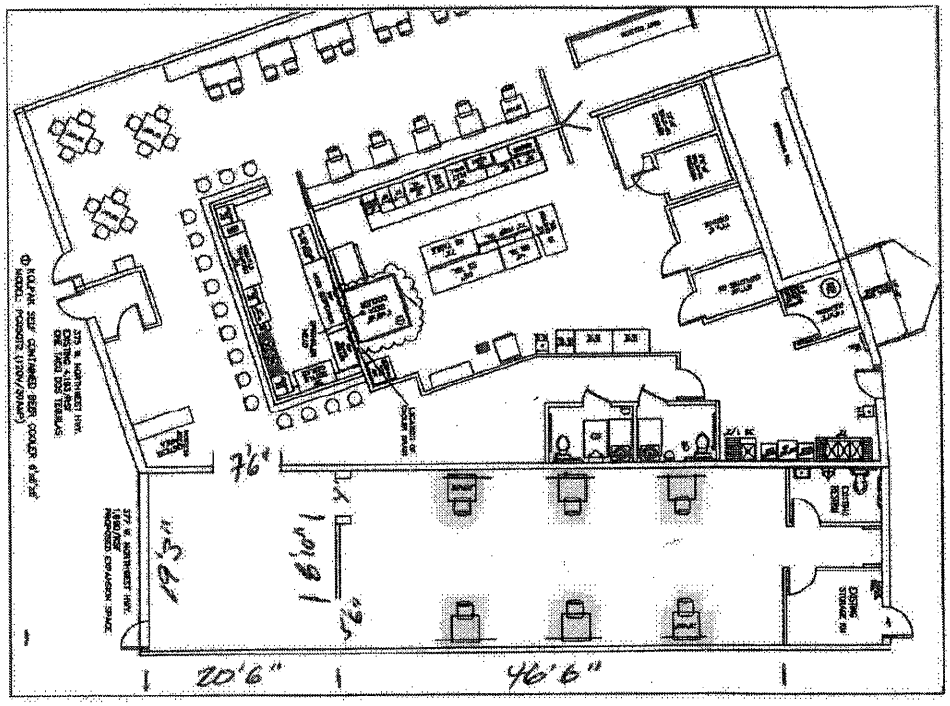
Attachment: July 26, 2022 ZBA Materials (375 W. Northwest Hwy - SU Amend (One Taco))

J&J Gaming
1500 S. Raney St. | Effingham IL
jjventures.com
(855) 921-1030

Location Site Sheet

Date: 5-18-22 Territory: SCHAUMBURG

Location Name: ONE TACO DOS TEQUILAS



Please attach photos of the location and include the following information on your site sheet:

- ☐ Gaming room orientation
- ☐ Gaming area dimensions (Length x Width x Height)
- ☐ Location of VGTs, NRT, closest outlets and internet modem
- ☐ Mark all entrances and attendant/bartender location in view of gaming room entrance

Notes:

PROPOSED GAMING ROOM TO BE LOCATED TO THE RIGHT OF MAIN BAR & RESTAURANT. ACCESSIBLE THROUGH MAIN BAR ONLY. SIX GAMES TO BE LOCATED HERE

Ceiling height: 10' inches Drop ceiling: ☒ YES ☐ NO Stanchion: ☐ YES ☒ NO

Electrical ready: ☒ YES ☐ NO Internet ready: ☐ YES ☐ NO Redemption: ☐ NRT ☒ SCK

*Denote location of internet modem.

Sci Games equipment needs moved: ☐ YES ☐ NO 368 Sq ft. APPROX.

VGT's: ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☒ 6 ☐ 7 ☐ 8 ☐ 9 ☐ 10 Spacers: ☐ 6" ☐ 10" ☐ 12" ☐ 16" Tables: ☐ 16" ☒ 24" X6

Sales Contact: SCOTT MORAN Phone: 847-452-6005

Attachment: July 26, 2022 ZBA Materials (375 W. Northwest Hwy - SU Amend (One Taco))

PUBLIC NOTICE
A Public Hearing will be held before the Palatine Zoning Board of Appeals on Tuesday, July 26, 2022 at 7 PM, in the Village Council Chambers at Palatine Village Hall, 200 E. Wood Street, relative to a request for the following:
Special Use Amendment to permit an expanded floor plan for an existing restaurant.
The property is commonly known as 375 W. Northwest Highway.
The Petitioner is proposing to expand the floor plan for an existing restaurant, One Taco Dos Tequilas, into an adjoining tenant space. Per the submitted application, the proposed expansion will be utilized for video gaming, which is considered an ancillary use.
The above petition has been filed by Munir Rafidia and is available for examination in the office of the Village Clerk, 200 E. Wood Street.
FILE #: 22-25
VILLAGE OF PALATINE
Jan Wood, Chair
Palatine Zoning Board of Appeals
DATED: This 11th day of July, 2022
Published in Daily Herald July 11, 2022 (4585344)

CERTIFICATE OF PUBLICATION

Paddock Publications, Inc.

Northwest Suburbs
Daily Herald

Corporation organized and existing under and by virtue of the laws of the State of Illinois, DOES HEREBY CERTIFY that it is the publisher of the **Northwest Suburbs DAILY HERALD**. That said **Northwest Suburbs DAILY HERALD** is a secular newspaper, published in Arlington Heights and has been circulated daily in the Village(s) of:
Arlington Heights, Barrington, Barrington Hills, Bartlett, Buffalo Grove, Deer Park, Des Plaines, Elk Grove, Franklin Park, Glenview, Hanover Park, Hoffman Estates, Inverness, Melrose Park,Morton Grove, Mt Prospect, Niles, Northbrook, Northfield, Northlake, Palatine, Park Ridge, Prospect Heights, River Grove, Rolling Meadows, Rosemont, Schaumburg, Schiller Park, South Barrington, Streamwood, Wheeling, Wilmette

County(ies) of Cook
and State of Illinois, continuously for more than one year prior to the date of the first publication of the notice hereinafter referred to and is of general circulation throughout said Village(s), County(ies) and State.

I further certify that the Northwest Suburbs DAILY HERALD is a newspaper as defined in "an Act to revise the law in relation to notices" as amended in 1992 Illinois Compiled Statutes, Chapter 715, Act 5, Section 1 and 5. That a notice of which the annexed printed slip is a true copy, was published 07/11/2022
in said Northwest Suburbs DAILY HERALD.

IN WITNESS WHEREOF, the undersigned, the said PADDOCK PUBLICATIONS, Inc., has caused this certificate to be signed by, this authorized agent, at Arlington Heights, Illinois.

PADDOCK PUBLICATIONS, INC.
DAILY HERALD NEWSPAPERS

BY Paula Ballinger
Designee of the Publisher and Officer of the Daily Herald

Control # 4585344

Attachment: July 26, 2022 ZBA Materials (375 W. Northwest Hwy - SU Amend (One Taco))

5. 375 W. Northwest Highway

Notice was published in the Daily Herald on July 11, 2022 and mailed to the owners of the surrounding properties.

Petitioner's Exhibits:

1. Application for Special Use Amendment
2. Proof of Ownership
3. Business Plan
4. Floor Plan
5. Public Notice

Sworn in the petitioner: Mr. Manny Rafidia owner & Mr. Amir Rafidia son of owner 2 Star Lane South Barrington
Mr. Rafidia asked for addition to existing 1 taco dos tequila- doing phenomenal- asking for addition to add gaming room- addition was part of salon with 12 nail stations and bringing 6 games which will be less parking - presented permit requirements and have plenty of parking to accommodate.

Mr. Bradshaw zoning board is strictly reviewing only the expanded floor space, not the proposed ancillary of video gaming use.

Mr. Bradshaw gave a brief overview explaining the existing One Taco Dos Tequilas is proposing to expand their operation into the tenant space to the north which is all within the Century Plaza Shopping Center. He explained the proposed floor plan change will be a special Use Amendment and the limited seating for the proposed gaming use will not have an impact on the parking requirements. Mr. Bradshaw stated there are no proposed changes for the hours of operation with the expanded floor plan. He stated both Community Services and Engineering have reviewed and had no issues.

STAFF RECOMMENDATION:
The Petitioner is proposing to expand the floor plan of their existing restaurant into a vacant tenant space directly adjacent to the current location. As the additional seating associated with the expanded floor plan is limited the parking requirement will remain the same. Furthermore, the new space's proposed ancillary use will not change the current hours of operation. Therefore, Staff recommends approval of the requested Special Use Amendment with the following condition:

1. The Special Use shall substantially conform to the Floor Plan submitted by the Petitioner, Manny Rafidia, except as such plans may be changed to conform to the Village's Codes and Ordinances.

There were no further questions. The public hearing was closed.

Mr. Pirog made a motion to approve subject staff's conditions; seconded

Attachment: ZBA Minutes (375 W. Northwest Hwy - SU Amend (One Taco))

by Ms. Roth-Wurster

DELIBERATIONS:

Mr. Pirog stated the standards have been met. He pointed out there is no effect on parking so sees no issues.

Ms. Roth-Wurster agreed with Mr. Pirog.

Mr. McGinn stated it won't alter the character of the locality.

Ms. Wood summarized that this request has met the standards and was unanimously approved by a vote of 4-0. This item will tentatively go to Village Council on August 8, 2022

RESULT:	**RECOMMENDED TO APPROVE [UNANIMOUS]**
MOVER:	John Pirog, Commissioner
SECONDER:	Cindy Roth-Wurster, Commissioner
AYES:	Roth-Wurster, Wood, McGinn, Pirog
ABSENT:	Luszczak, Cavanaugh

Attachment: ZBA Minutes (375 W. Northwest Hwy - SU Amend (One Taco))

Consider an Ordinance Decreasing the Number of Class C (Club) Liquor Licenses and Increasing the Number of Class D (Restaurant) Liquor Licenses by One for Palatine Post #690 American Legion

BACKGROUND:
The American Legion wishes to apply for a Class D (Restaurant) Liquor License to replace their current Class C (Club) License as a requirement to obtain a Video Gaming License. Permitted hours for a Class D Liquor License is Sunday - Wednesday 6AM to 1AM and Thursday- Saturday 6 AM to 2AM.

KEY ISSUES:
1. Decrease Class C (Club) Liquor by one for a total of one.
1. Increase Class D (Restaurant) Liquor by one for a total of 36.

ALTERNATIVES:

1. Approve the Ordinance decreasing Class C Liquor Licenses by one and increasing Class D Liquor Licenses by one.
2. Do not approve the Ordinance decreasing Class C Liquor Licenses by one and increasing Class D Liquor Licenses by one.

RECOMMENDATION:
Action is at the discretion of the Committee.

ACTION REQUIRED:
Action is at the discretion of the Committee.

ATTACHMENTS:

- ORD Decrease Class C & Increase Class D LIQ - American Legion
- Am. Legion Bus. Plan, Floor Plan

ORDINANCE NO._____

CONSIDER AN ORDINANCE AMENDING THE CODE OF ORDINANCES CHAPTER 3, SECTION 3-35 LIQUOR LICENSES DECREASING CLASS "C" (CLUB) BY ONE AND INCREASING CLASS "D" (RESTAURANT) LIQUOR LICENSES BY ONE FOR PALATINE POST #690 AMERICAN LEGION – 122 W. PALATINE ROAD

BE IT ORDAINED, by the Mayor and Village Council of the Village of Palatine, Cook County, Illinois, acting in the exercise of their home rule power:

SECTION 1: That the Code of Ordinances of the Village of Palatine, Illinois, as amended, be and the same is hereby further amended by decreasing the number of Class "C" (Club) liquor licenses by one for a total of one and increasing the number of Class "D" (Restaurant) liquor licenses by one for a total of 36 listed in Section 3-35, Chapter 3 for the American Legion located at 122 W. Palatine Road.

SECTION 2: That all ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 3: That this ordinance shall be in full force and effect from and after its passage and approval as provided by law.

PASSED this _____ day of _____, 2022

AYES: _____ NAYS: _____ ABSENT: _____ PASS:_____

APPROVED by me this _____ day of _____, 2022

_____
Mayor of the Village of Palatine

ATTESTED and FILED in the office of the Village Clerk this

_____ day of _____, 2022

_____
Village Clerk

Attachment: ORD Decrease Class C & Increase Class D LIQ - American Legion (122 W. Palatine Rd. Dec. Class C, Inc. Class D Liquor)

PALATINE POST #690 AMERICAN LEGION
BUSINESS PLAN
AUGUST 2022

The American Legion was chartered and incorporated by Congress in 1919 as a patriotic veterans' organization devoted to mutual helpfulness. It is the nation's largest wartime veterans service organization, committed to mentoring youth and sponsorship of wholesome programs in our communities, advocating patriotism and honor, promoting strong national security, and continued devotion to our fellow service members and veterans

Originally founded by the Palatine veterans of World War I, Post 690 is located in downtown Palatine, Illinois. American Legion Post 690 has been serving veterans, veteran families and the public since 1924 when it was granted its charter. The post provides support through the post's American Legion, Sons of the American Legion and the American Legion Auxiliary.

Proceeds from Post 690 hospitality, hall rentals and other events allows us to provide veteran related programs and services. Allowing us to serve you, allows us to serve the veteran community in need.

Post #690 has a single location at 122 W. Palatine Rd. Revenue based from that facility include bar proceeds, gaming proceeds, and hall rental proceeds. The post currently has a class C "club" liquor license. The clubroom is open to the public.

No prior business plan submitted to the village could be found.

Palatine Post #690 will be changing our liquor license status to accommodate Video Gaming.

- ◊ A menu of our food/drink is attached
- ◊ The number of video gaming machines will be 4.
- ◊ The number of staff working in the gaming area will be at least one.
- ◊ The layout of the video gaming area is attached.
- ◊ The following have access to monitor cameras.
- ◊ Cameras are monitored by Ernie Stremel and Paul Clausell.
- ◊ The video gaming area will be restricted to those 21 and over. This will be handled by a bartender requiring a person's identification when appropriate.
- ◊ The gaming area will be visible by the bartenders who will routinely perform a visual check of the area.

The Surveillance Plan is attached.
The Floor Plan showing the Video Gaming area is attached.

Prepared by Bill Borndahl, Ernie Stremel, Fran Kelch
8/2/2022

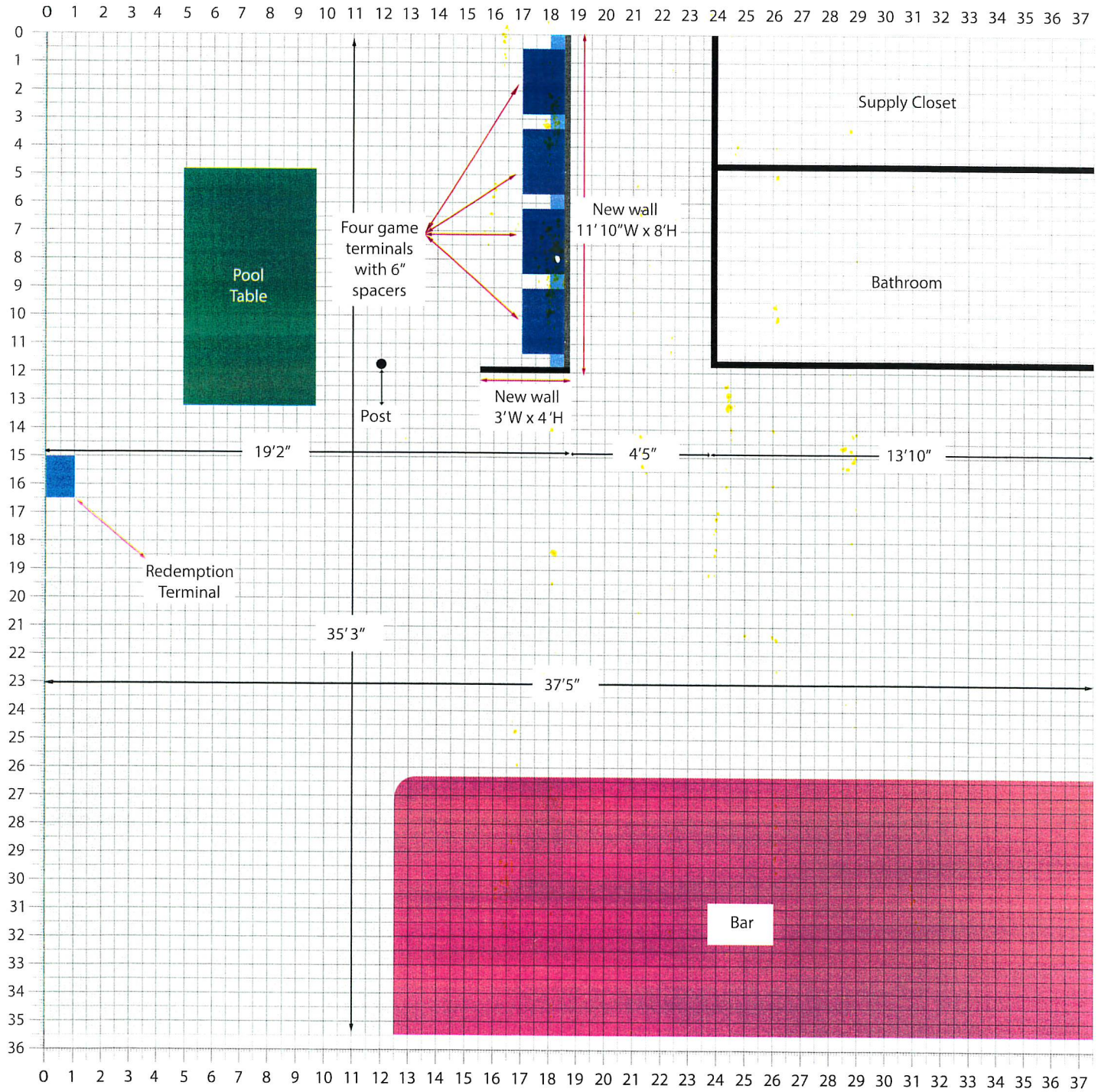
Attachment: Am. Legion Bus. Plan, Floor Plan (122 W. Palatine Rd. Dec. Class C, Inc. Class D Liquor)

PALATINE POST #690 AMERICAN LEGION

Floor Layout Information

- **Number of video gaming machines.** 4
- **Customer seating capacity.** 65 (36 seats are currently in clubroom)
- **Square footage of space devoted to video gaming relative to the other activities (dining, food preparation, etc.).** Clubroom is 1,318.94 ft² Square feet Gaming will be 35.50 ft²

Attachment: Am. Legion Bus. Plan, Floor Plan (122 W. Palatine Rd. Dec. Class C, Inc. Class D Liquor)



American Legion Post #690
122 W Palatine Rd
Palatine, IL 60067

Attachment: Am. Legion Bus. Plan, Floor Plan (122 W. Palatine Rd. Dec. Class C, Inc. Class D Liquor)

Attachment: Am. Legion Bus. Plan, Floor Plan (122 W. Palatine Rd. Dec. Class C, Inc. Class D Liquor)

PALATINE POST #690 AMERICAN LEGION
Menu

Assorted Pizzas

Cheese Pizza Sausage Pizza Supreme Pizza Alfredo Pizza

Sliders
Hot Pretzels
Assorted Chips and Nuts
Assorted Candy
Assorted Soft Drinks
Assorted Beer, Wine, and Cocktails

Attachment: Am. Legion Bus. Plan, Floor Plan (122 W. Palatine Rd. Dec. Class C, Inc. Class D Liquor)

Consider an Ordinance Increasing Class VG Liquor Licenses by Two for Palatine Post #690 American Legion and One Taco Dos Tequilas

BACKGROUND:
The American Legion, located at 122 W. Palatine Road and One Taco Dos Tequilas, located at 375 W. Northwest Highway have submitted appropriate "VG" (Video Gaming) license applications and have had an initial staff site inspection. Based on the information received and site inspections, staff is comfortable with the creation of two "VG" licenses for issuance for a total of 11.

KEY ISSUES:
The Class "VG" will permit video gaming subject to compliance with all ordinances and regulations. Any issuance will be subject to final site inspection as well as approval of the Illinois Gaming Board.

ALTERNATIVES:

1. Approve an ordinance increasing "VG" Liquor Licenses by two.
2. Do not approve an ordinance increasing "VG" Liquor Licenses by two.

RECOMMENDATION:
Staff recommends approval of the ordinance increasing "VG" Liquor Licenses by two.

ACTION REQUIRED:
A motion to approve an ordinance increasing "VG" Liquor Licenses by two.

ATTACHMENTS:

- ORD Increase Class VG LIQ - Am. Legion & One Taco Dos Tequilas
- American Legion VG Exhibits
- One Taco Dos Tequilas VG Exhibits

ORDINANCE NO._____

CONSIDER AN ORDINANCE AMENDING THE CODE OF ORDINANCES CHAPTER 3, SECTION 3-35 LIQUOR LICENSES INCREASING CLASS "VG" (VIDEO GAMING) LIQUOR LICENSES BY TWO

BE IT ORDAINED, by the Mayor and Village Council of the Village of Palatine, Cook County, Illinois, acting in the exercise of their home rule power:

SECTION 1: That the Code of Ordinances of the Village of Palatine, Illinois, as amended, be and the same is hereby further amended by increasing the number of Class "VG" (Video Gaming) liquor licenses by two for a total of 11 listed in Section 3-35, Chapter 3 for:

American Legion, 122 W. Palatine Road

One Taco Dos Tequilas, 375 W. Northwest Highway

SECTION 2: That all ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 3: That this ordinance shall be in full force and effect from and after its passage and approval as provided by law.

PASSED this _____ day of _____, 2022

AYES: _____ NAYS: _____ ABSENT: _____ PASS:_____

APPROVED by me this _____ day of _____, 2022

_____

Mayor of the Village of Palatine

ATTESTED and FILED in the office of the Village Clerk this _____ day of _____, 2022

_____

Village Clerk

Attachment: ORD Increase Class VG LIQ - Am. Legion & One Taco Dos Tequilas (Increase Class VG Liquor Licenses by Two)

PALATINE POST #690 AMERICAN LEGION
BUSINESS PLAN
AUGUST 2022

The American Legion was chartered and incorporated by Congress in 1919 as a patriotic veterans' organization devoted to mutual helpfulness. It is the nation's largest wartime veterans service organization, committed to mentoring youth and sponsorship of wholesome programs in our communities, advocating patriotism and honor, promoting strong national security, and continued devotion to our fellow service members and veterans

Originally founded by the Palatine veterans of World War I, Post 690 is located in downtown Palatine, Illinois. American Legion Post 690 has been serving veterans, veteran families and the public since 1924 when it was granted its charter. The post provides support through the post's American Legion, Sons of the American Legion and the American Legion Auxiliary.

Proceeds from Post 690 hospitality, hall rentals and other events allows us to provide veteran related programs and services. Allowing us to serve you, allows us to serve the veteran community in need.

Post #690 has a single location at 122 W. Palatine Rd. Revenue based from that facility include bar proceeds, gaming proceeds, and hall rental proceeds. The post currently has a class C "club" liquor license. The clubroom is open to the public.

No prior business plan submitted to the village could be found.

Palatine Post #690 will be changing our liquor license status to accommodate Video Gaming.

- ◊ A menu of our food/drink is attached
- ◊ The number of video gaming machines will be 4.
- ◊ The number of staff working in the gaming area will be at least one.
- ◊ The layout of the video gaming area is attached.
- ◊ The following have access to monitor cameras.
- ◊ Cameras are monitored by Ernie Stremel and Paul Clausell.
- ◊ The video gaming area will be restricted to those 21 and over. This will be handled by a bartender requiring a person's identification when appropriate.
- ◊ The gaming area will be visible by the bartenders who will routinely perform a visual check of the area.

The Surveillance Plan is attached.
The Floor Plan showing the Video Gaming area is attached.

Prepared by Bill Borndahl, Ernie Stremel, Fran Kelch
8/2/2022

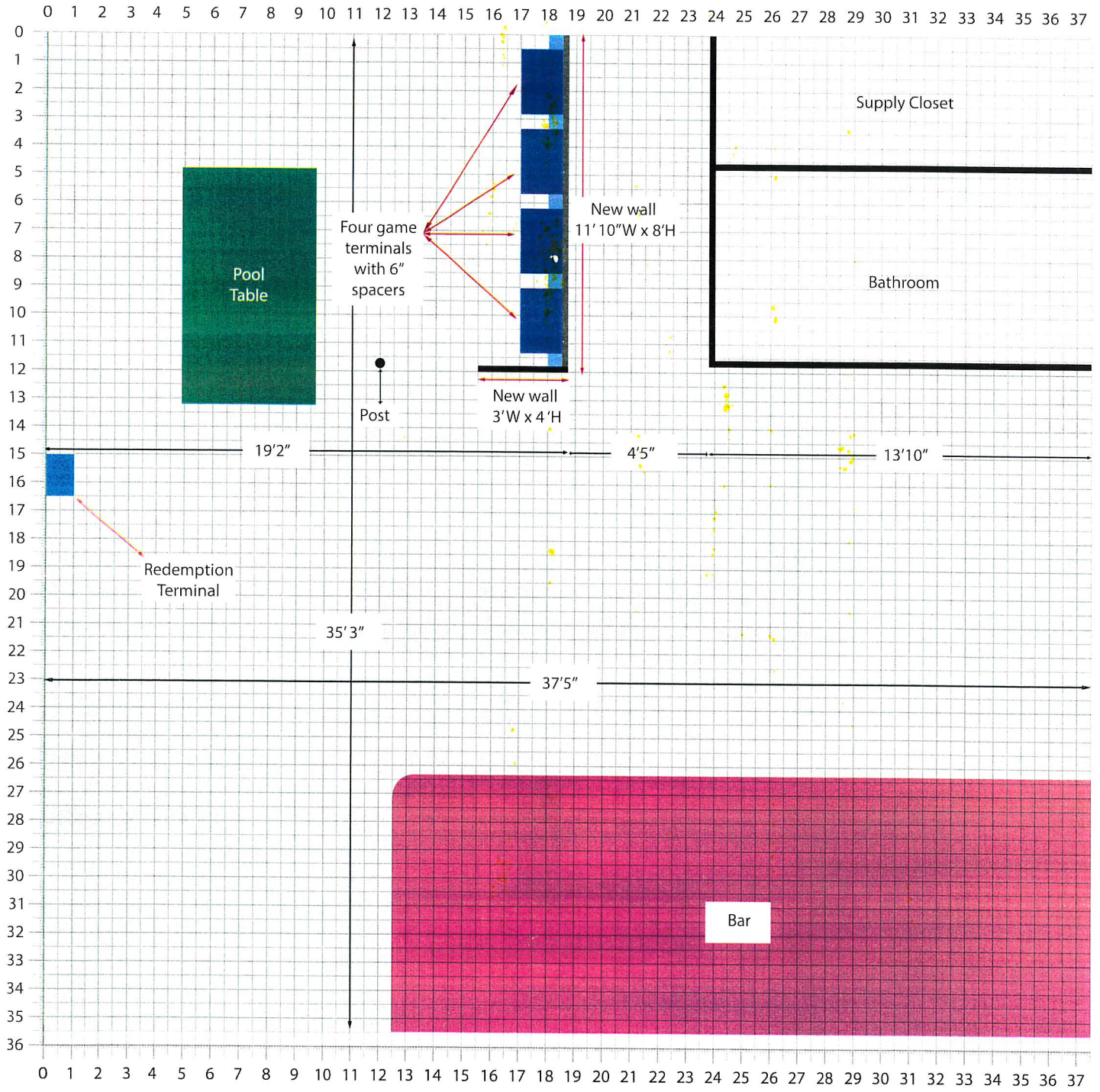
Attachment: American Legion VG Exhibits (Increase Class VG Liquor Licenses by Two)

PALATINE POST #690 AMERICAN LEGION

Floor Layout Information

- **Number of video gaming machines.** 4
- **Customer seating capacity.** 65 (36 seats are currently in clubroom)
- **Square footage of space devoted to video gaming relative to the other activities (dining, food preparation, etc.).** Clubroom is 1,318.94 ft² Square feet Gaming will be 35.50 ft²

Attachment: American Legion VG Exhibits (Increase Class VG Liquor Licenses by Two)



American Legion Post #690
122 W Palatine Rd
Palatine, IL 60067

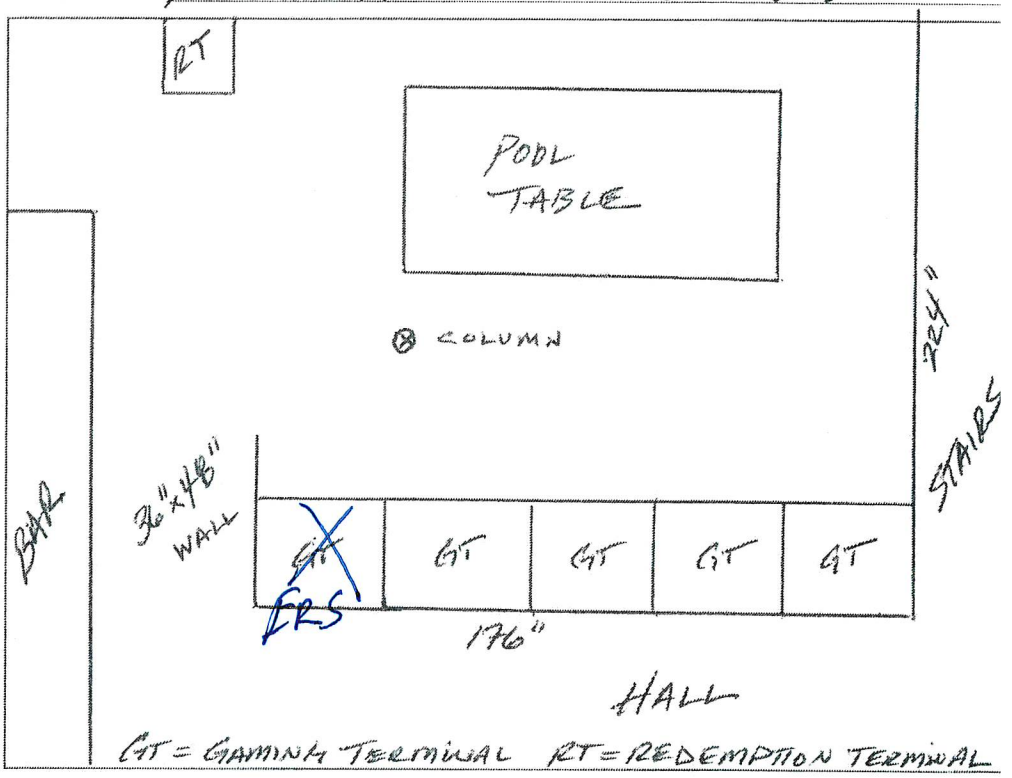
Attachment: American Legion VG Exhibits (Increase Class VG Liquor Licenses by Two)

J&J Gaming
1500 S. Raney St. | Effingham IL
jjventures.com
(855) 921-1030

Location Site Sheet

Date: 5-16-22 Territory: SCHAUMBURG

Location Name: PALATINE AMERICAN LEGION #690



Please attach photos of the location and include the following information on your site sheet:

- ☐ Gaming room orientation
- ☐ Gaming area dimensions (Length x Width x Height)
- ☐ Location of VGTs, NRT, closest outlets and internet modem
- ☐ Mark all entrances and attendant/bartender location in view of gaming room entrance

Notes:

PROPOSED GAMING AREA IN BAR (LOWER LEVEL)
FIVE GAMING TERMINALS TO BE LOCATED HERE

Ceiling height: _____ inches **Drop ceiling:** ☐ YES ☐ NO **Stanchion:** ☐ YES ☒ NO

Electrical ready: ☐ YES ☐ NO **Internet ready:** ☐ YES ☐ NO **Redemption:** ☒ NRT ☐ SC

* Denote location of internet modem.

Sci Games equipment needs moved: ☐ YES ☐ NO

VGT's: ☐ ☐ ☐ ☐ ☒ ☐ ☐ ☐ ☐ ☐
1 2 3 4 5 6 7 8 9 10

Spacers: ☒ ☐ ☐ ☐
6" 10" 12" 16"

Tables: ☐ ☐
16" 24"

Sales Contact: SCOTT MALAK **Phone:** 847-452-6005

Attachment: American Legion VG Exhibits (Increase Class VG Liquor Licenses by Two)

STATE OF ILLINOIS

ILLINOIS GAMING BOARD

VIDEO GAMING TERMINAL OPERATOR LICENSE

J&J Ventures Gaming, LLC - 100600273
1500 Raney Street
Effingham, IL 62401

License No:	100600273
Date Issued:	01/27/2022
Expiration Date:	01/2026

This certifies that the entity listed above is hereby issued a Video Gaming Terminal Operator License as authorized by Illinois Gaming Board Adopted Rules. All Video Gaming Terminal Operator licensees are subject to, and must abide by, all provisions of the Video Gaming Act and Illinois Gaming Board Rules.

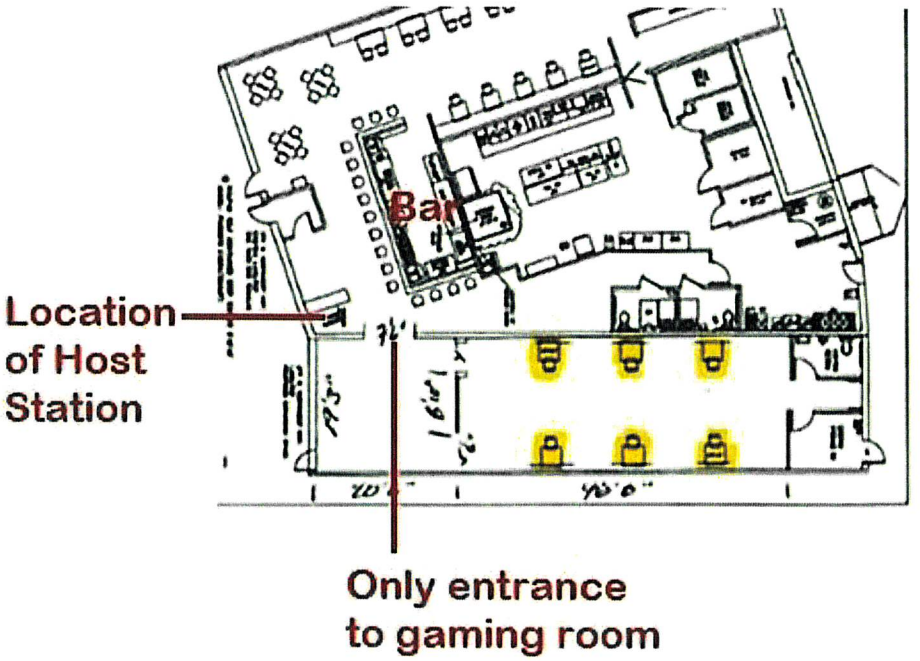
Marcus D. Fruchter
Administrator

Attachment: American Legion VG Exhibits (Increase Class VG Liquor Licenses by Two)

One Taco Palatine, Inc.
d/b/a One Taco Dos Tequilas
375 W. Northwest Hwy.
Palatine, IL 60067

Addendum to Business Plan to add video gaming.

The proposed gaming room is located to the right of the main bar and restaurant and **only** accessible through the main bar. The only entrance into the gaming room is located next to the hostess station and across from the bar. The gaming area will be private and only persons 21 years of age or older will be allowed in the gaming area. The hostess/bartender on staff will monitor the entry and require valid identification before allowing entry at all times to ensure patrons 21 years of age or older are allowed access. There shall be no additional seating in the gaming room, only the players shall be allowed in this gaming area. A staff member shall physically monitor and walk through the gaming area at a minimum of every 30 minutes. The games will not be visible from the outside. The gaming room will have six (6) video gaming terminals. The gaming terminals will be installed, maintained and monitored by J&J Ventures. J&J Ventures will have specific cameras on the gaming terminals and cash machine, with DVR and motion detection camera alarm for the gaming area.



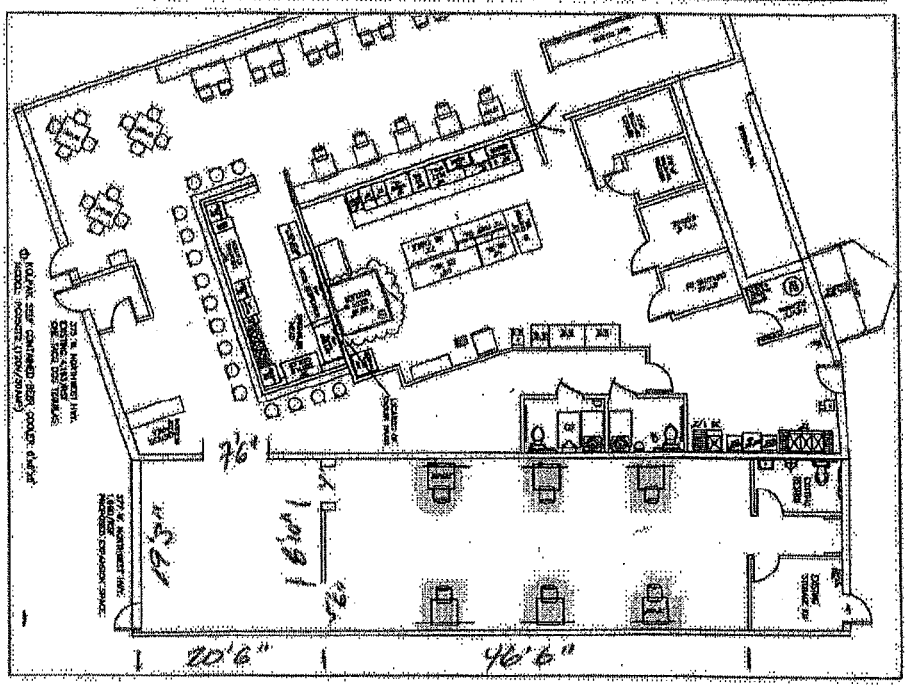
Attachment: One Taco Dos Tequilas VG Exhibits (Increase Class VG Liquor Licenses by Two)

J&J Gaming
1500 S. Raney St. | Effingham IL
jjventures.com
(855) 921-1030

Location Site Sheet

Date: 5-18-22 Territory: SCHAUMBURG

Location Name: ONE TACO DOS TEQUILAS



Please attach photos of the location and include the following information on your site sheet:
- ☐ Gaming room orientation
- ☐ Gaming area dimensions (Length x Width x Height)
- ☐ Location of VGTs, NRT, closest outlets and internet modem
- ☑ Mark all entrances and attendant/bartender location in view of gaming room entrance

Notes:
PROPOSED GAMING ROOM TO BE LOCATED TO THE RIGHT OF MAIN BAR & RESTAURANT. ACCESSIBLE THROUGH MAIN BAR ONLY. SIX GAMES TO BE LOCATED HERE

Ceiling height: 10' inches | Drop ceiling: ☑ YES ☐ NO | Stanchion: ☐ YES ☒ NO

Electrical ready: ☑ YES ☐ NO | Internet ready: ☐ YES ☐ NO *Denote location of internet modem | Redemption: ☐ NRT ☒ SCK

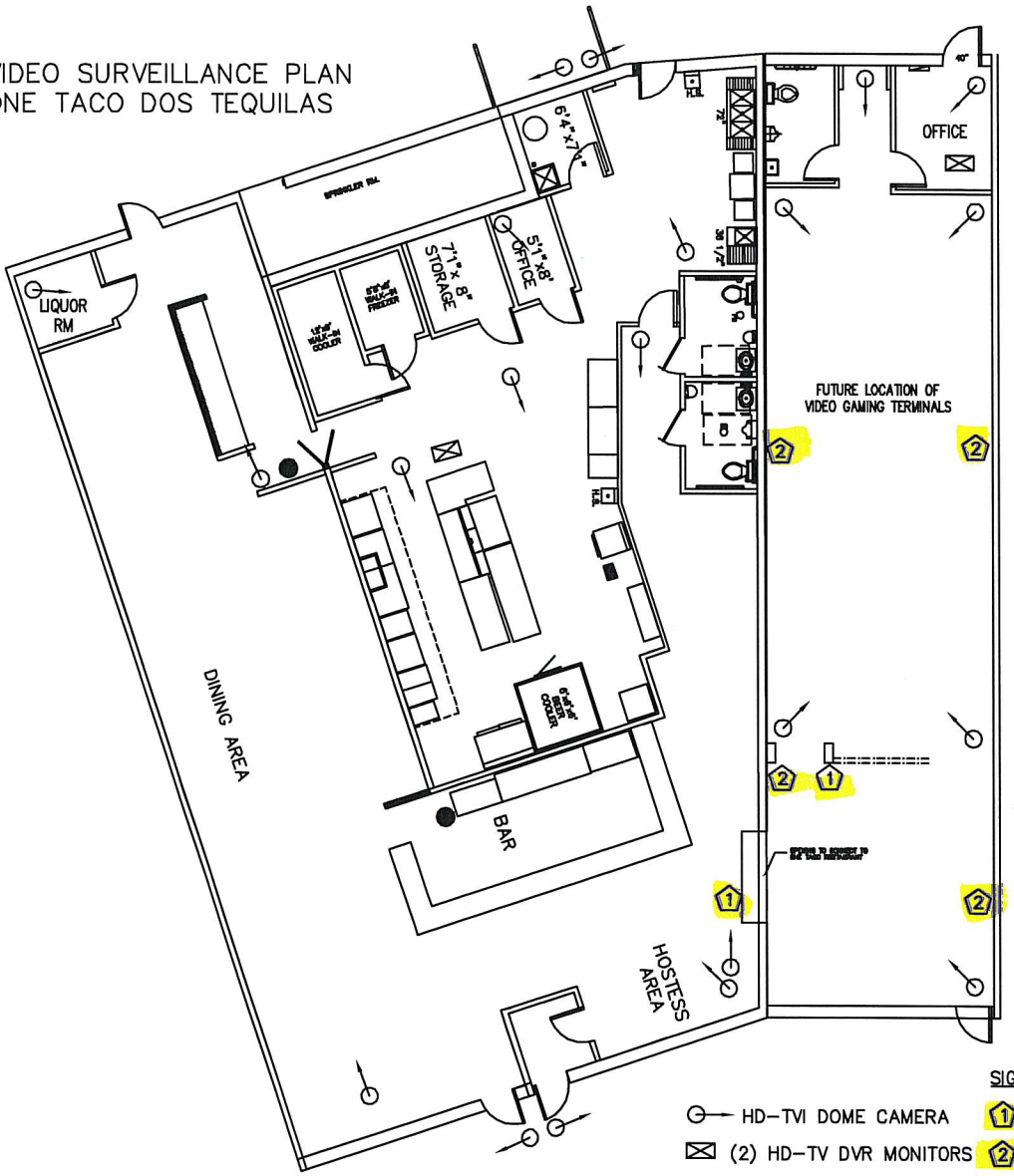
Sci Games equipment needs moved: ☐ YES ☐ NO 368 Sq ft. APPROX.

VGT's: ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 ☒ 7 ☐ 8 ☐ 9 ☐ 10 | Spacers: ☐ 6" ☐ 10" ☐ 12" ☐ 16" | Tables: ☐ 16" ☒ 24" X6

Sales Contact: SCOTT MALAK Phone: 847-452-6005

Attachment: One Taco Dos Tequilas VG Exhibits (Increase Class VG Liquor Licenses by Two)

VIDEO SURVEILLANCE PLAN
ONE TACO DOS TEQUILAS



ALL SYSTEMS SHALL COMPLY WITH THE RECORDING REQUIREMENTS OF THE VILLAGE CODE AND IF A BUILDING PERMIT IS REQUIRED BASED UPON ANY ELECTRICAL INSTALLATIONS, IT WILL BE SECURED.

SELF MONITORED VIDEO SURVEILLANCE. DVR CAPABILITIES 24 HOURS A DAY AND 30 DAYS WORTH OF READING. SURVEILLANCE CAN BE VIEWED BY COMPUTER/CELL PHONE (DOWNLOAD/EMAIL/FLASH DRIVE). VIDEO SURVEILLANCE FOOTAGE IS AVAILABLE TO THE POLICE DEPT. OR ANY OTHER GOVERNMENTAL/STATE AGENCY UPON REQUEST. OWNER OR ON-SITE MANAGER CAN PROVIDE FOOTAGE UPON REQUEST.

OWNER RECEIVES NOTIFICATIONS OF ANY AFTER HOUR ALARMS OR ALERTS TO ACTIVITY. LOCATION IS ALARMED WITH ADT SECURITY, MOTION DETECTORS AND DOOR SENSORS.

IN ADDITION TO LOCATION SYSTEMS ABOVE, J&J VENTURES WILL INSTALL SEVERAL CAMERAS WHICH WILL BE DEDICATED TO COVERING THE ENTIRE GAMING AREA INCLUDING ENTRANCE, EACH OF THE GAMING TERMINALS AND THE PAYOUT DEVICE. J&J VENTURES CAMERA SYSTEMS SPECS ATTACHED AND WILL BE COMPLIANT WITH THE VILLAGE OF PALATINE AND THE IGB REQUIREMENTS. DVR WILL RECORD 24/7 WITH AN IGB REQUIRED MINIMUM OF 30 DAY HD STORAGE. ANY CAMERA FOOTAGE CON BE REQUESTED BY THE VILLAGE OF PALATINE OR POLICE DEPT. AND WILL BE PROVIDED PROMPTLY BY J&J VENTURES VIA EMAIL. A CAMERA ALARM WITH MOTION SENSOR WILL BE ARMED DURING LOCATIONS NONOPERATIONAL HOURS. ANY TRIGGERED ALARM WILL BE VIEWED AND RESPONDED TO IN REAL-TIME BY J&J SECURITY, AND POLICE WILL BE CALLED AND DISPATCHED IF NEEDED. CAMERAS CAN BE MONITORED REMOTELY AT ANY TIME VIA AN APPLICATION FOR PHONE, TABLET OR LAPTOP.

Attachment: One Taco Dos Tequilas VG Exhibits (Increase Class VG Liquor Licenses by Two)

STATE OF ILLINOIS

ILLINOIS GAMING BOARD

VIDEO GAMING TERMINAL OPERATOR LICENSE

J&J Ventures Gaming, LLC - 100600273
1500 Raney Street
Effingham, IL 62401

License No:	100600273
Date Issued:	01/27/2022
Expiration Date:	01/2026

This certifies that the entity listed above is hereby issued a Video Gaming Terminal Operator License as authorized by Illinois Gaming Board Adopted Rules. All Video Gaming Terminal Operator licensees are subject to, and must abide by, all provisions of the Video Gaming Act and Illinois Gaming Board Rules.

Marcus D. Fruchter
Administrator

Attachment: One Taco Dos Tequilas VG Exhibits (Increase Class VG Liquor Licenses by Two)

Consider an Ordinance Amending Chapter 10, Existing Structures Maintenance and Occupancy, of the Village of Palatine Code of Ordinances

BACKGROUND:
Staff is proposing a text amendment to Chapter 10 - Existing Structures Maintenance and Occupancy, Section 10-16 - Criminal Nuisance Abatement and Crime Free Multi-Housing Program. From time to time we look to update ordinances to reflect the current trends and practices regarding Crime Free Multi-Housing.

KEY ISSUES:

- Due to national trends, case law and statutory changes, the Village ordinance is in need of an update.
- The proposed ordinance allows the Village to identify nuisance properties and work with landlords to remediate problems, up to and including the use of the administrative adjudication process. The adjudication process will provide an independent process for parties to be heard.
- With the proposed ordinance, properties which are not currently certified in Crime Free Multi-Housing can receive intervention. Under the current ordinance, only certified properties are eligible.
- The ordinance further provides that owner occupied properties can be declared a nuisance property and be taken through the same process as rental properties.
- The proposed ordinance seeks to find cooperative solutions to quality-of-life issues within the tenants of the Neighborhood Policing Model.

ALTERNATIVES:

1. Approve the Ordinance.

2. Refer back to Staff with comments.

RECOMMENDATION:
Staff recommends approval of the Ordinance amending Chapter 10, Section 10-16 of the Village Code.

ACTION REQUIRED:
A motion to approve the Ordinance amending Chapter 10, Section 10-16 of the Village Code.

ATTACHMENTS:

- ORD. Ch.10 Existing Structures
- Chapter 10-16 Markup-08042022

ORDINANCE NO. _____

AN ORDINANCE AMENDING CHAPTER 10
EXISTING STRUCTURES MAINTENANCE AND OCCUPANCY
OF THE CODE OF ORDINANCES OF THE VILLAGE OF PALATINE

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and Village Council of the Village of Palatine, Cook County, Illinois, acting in the exercise of their home rule power, that:

SECTION 1: That the Code of Ordinances, of the Village of Palatine, Illinois, as amended, be and the same is hereby further amended by amending Chapter 10, Existing Structures Maintenance and Occupancy, Section 10-16 – Crime Free Multi-Housing, which shall be read as indicated on Exhibit "A".

SECTION 2: That the Village Clerk is directed to maintain a record of the modifications to the existing ordinance, all of which are indicated on Exhibit "A" (a redlined version of the modifications approved pursuant to this Ordinance).

SECTION 3: That this ordinance shall be in full force and effect from and after its passage and approval as provided by law.

PASSED: This _____ of _____, 2022

AYES:_____ NAYS:_____ ABSENT:_____ PASS:_____

APPROVED by me this _____ of _____, 2022

_____
Mayor of the Village of Palatine

ATTESTED and FILED in the office of the Village Clerk

this _____ of _____, 2022

_____
Village Clerk

Attachment: ORD. Ch.10 Existing Structures (Text Amendment - Chapter 10-16)

Sec. 10-16. Criminal Nuisance Abatement and Crime Free Multi-Housing Program

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(a) Crime Free Multi-Housing Program Seminar. Any owner of property, which property is being rented out for residential purposes, shall attend and complete a Village of Palatine Crime Free Multi-Housing Program Seminar ("Seminar"). The owner, agent or designee of a new rental unit shall attend the Seminar prior to obtaining or being issued a new Village Rental Dwelling License. Agent or designee cannot for the purposes of the Seminar be the renter. The Crime Free Multi-Housing Coordinator ("Coordinator"), as designated by the Chief of Police, may maintain a list of other municipalities who offer similar Crime Free Multi-Housing Program Seminars. The Coordinator may accept these Seminars as compliant with this Ordinance provided the training received elsewhere has occurred within twelve (12) months prior to acceptance, mirrors Palatine's Seminar, and meets the program copyright guidelines. Acceptance of other municipality's Crime Free Multi-Housing Seminars will be at the discretion of the Coordinator. ~~Any owner of property, which property is being rented out for residential purposes, shall attend and complete a Village of Palatine Crime Free Multi-Housing Program Seminar ("Seminar"). The owner, agent or designee of a new rental unit shall attend the Seminar prior to obtaining or being issued a new Village Rental Dwelling License. Any current rental dwelling license holders shall have until the expiration date of the current rental dwelling license to attend the Seminar.~~

(b) A property manager shall be considered an agent of the owner. If a new property manager is hired and is replacing the previous property manager who was the representative at the Seminar, the new property manager shall have 90 days after proof of change to attend the Village of Palatine's Crime Free Multi-Housing Program Seminar ("Seminar"). ~~A property manager shall be considered an agent of the owner. If a new property manager is hired, the new property manager shall have three months after hiring to attend the Village of Palatine's Crime Free Multi-Housing Program Seminar ("Seminar").~~

(c) Any owner, agent or designee shall attend the Seminar once, and a refresher course after three (3) years, and be compliant with this Ordinance prior to the expiration of a license for that particular year., or unless otherwise ordered by an administrative hearing. ~~Any owner, agent or designee shall attend the Seminar once every three years, and be compliant with this Ordinance prior to the expiration of a license for that particular year.~~

(d) The Crime Free Multi-Housing Coordinator shall provide the Director of Community Services or their designee with a list of owners, agents and/or designees who have attended the Seminar, with the date of attendance and verification that the owner, agent or designee has complied with the Ordinance and is eligible to obtain, maintain or renew the operating license. ~~The Crime Free Multi-Housing Coordinator, as designated by the Chief of Police, shall provide the Finance Director and Director of Community Services with a list of owners, agents and/or designees who have attended the Seminar, with the date of attendance and verification that the owner, agent or designee has complied with the Ordinance and is eligible to obtain, maintain or renew the operating license.~~

(e) All landlords shall incorporate in the body of all property leases or rental agreements, or renewals of property leases or rental agreements, wording substantially similar to the following (Landlords may use the exact language contained below or use standardized forms

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from the Division of Property Standards and shall tender a copy to the Crime Free Multi-Housing Coordinator as part the licensing requirements):~~Any owner, agent or designee of residential rental property is required to utilize a crime free lease addendum or have a clause in the lease similar to a crime free lease addendum for any leases executed. At the Seminar, the Crime Free Multi-Housing Coordinator shall provide, at no cost, samples of the crime free lease addendum and shall review any clauses within actual leases with the Village's Legal Department to determine if the clause is similar to the crime free lease addendum. The clause is to make criminal activity (not limited to violent criminal activity or drug related criminal activity engaged by, facilitated by or permitted by the renter, member of the household, guest or other party under the control of the renter) a lease violation. The landlord shall have authority under that clause to initiate an eviction proceeding as specified in the Illinois Compiled Statutes Forcible Entry and Detainer statutes. Proof of criminal violation shall be by a preponderance of the evidence.~~

i. Notice of Village of Palatine Ordinances:

"The Village of Palatine has enacted the following in its Code of Ordinances:

Chapter 10, Article IV - Criminal Nuisance Abatement: This article prohibits criminal nuisance activity on properties or the public way located within the corporate limits of the Village of Palatine;

Any violations of the above ordinances or any other federal, state, or local criminal, nuisance, or property maintenance statutes, regulations, or ordinances may result in the EVICTION of the tenant who committed, allowed, or facilitated the violation.

Tenants and all persons who reside in the leased premises, by assuming possession of the same, agree that the landlord or his agents may release to the Police Department any information concerning the identity of all occupants."

ii. Crime free agreement:

"In consideration of the execution or renewal of a lease of the rental unit identified in this lease, Owner (or Owner's agent or representative) and resident/tenant agree as follows:

1. Tenant, any member of the tenant's household, a guest or invitee in the unit or on the common grounds, or any other person in the unit or on the common grounds invited there in any way by the tenant or a member of tenant's household, shall not engage or in any way be involved in, any criminal activity, including drug related criminal activity, on or near the said premises. Criminal activity shall include, but is not limited to, drug-related criminal activity. "Drug-related criminal activity" means illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute or use of a controlled substance, cannabis or methamphetamine (as defined in the Illinois Compiled Statutes).

2. Tenant, any member of the tenant's household, a guest, or invitee at the unit, or on the common grounds, or any person in the unit or on the common grounds invited there in any way by the tenant or a member of the tenant's household shall not engage in any act intended to facilitate or that does facilitate criminal activity, including drug-related criminal activity, or on the said property.

3. Tenant, and every member of the household shall not permit the rental unit to be used for criminal activity, or to facilitate criminal activity, in the unit or on the common grounds, including drug-related criminal activity, regardless of whether the individual

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engaging in such activities is a member of the household, a guest or invitee, and regardless of whether the tenant is present during any such offense.

4. Tenant, and members of the tenant's household, a guest, or invitee in the unit or on the common grounds, or any other person in the unit or on the common grounds invited there in any way by tenant or a member of tenant's household, shall not engage in the unlawful manufacturing, selling, using, storing, keeping or giving of a controlled substance, cannabis, or methamphetamine at any location on the property.

5. Tenant, any members of the tenant's household, a guest, or invitee in the unit or on the common grounds, or any other person in the unit or on the common grounds invited there in any way by the tenant or a member of the tenant's household, shall not engage in any illegal activity, including prostitution as defined in the Illinois Compiled Statutes, criminal street gang activity as defined in the Illinois Compiled Statutes, threatening or intimidating as prohibited in the Illinois Compiled Statutes, assault as prohibited in the Illinois Compiled Statutes, including but not limited to the unlawful discharge of firearms on or near the dwelling unit or common grounds, or any breach of the lease agreement that otherwise jeopardizes the health, safety and welfare of the landlord, his agent or other tenants or involving imminent or actual serious damage as defined in the Illinois Compiled Statutes.

6. Violation of any of the above provisions shall be a material and irreparable violation of the lease and good cause for termination of the tenancy, provided, however, a tenant shall not be retaliated against nor evicted when merely a victim of any criminal act prohibited herein, including domestic violence, but shall be responsible for the acts of his/her guests and household members. A single violation of any of the provisions hereof shall be deemed a serious violation and material non-compliance with the lease. It is understood and agreed that a single violation shall be good cause for immediate termination of the lease under the Illinois Compiled Statutes. Unless otherwise provided by law, proof of violation shall not require criminal conviction, but shall be by a preponderance of the evidence. Tenant consents to venue in any justice court precinct within the county wherein the unit is located in the event Owner initiates legal action against the tenant. Tenant hereby waives any objection to any venue chosen by Owner.

To the extent permitted by law, tenant agrees that service of process of any legal proceeding, including but not limited to, a special detainer or forcible detainer action, or service of any notice to tenant, shall be effective and sufficient for purposes of providing legal service and conferring personal jurisdiction upon any Illinois court as to any tenant, co-signor, occupant or guarantor, if served upon any occupant or other person of suitable age and discretion who is present at the premises and residing therein, notwithstanding the fact that a tenant, co-signor, occupant or guarantor may reside at a different location other than the property address described in the lease agreement. This agreement regarding service is in addition to, and not in lieu of, any manner of service authorized under Illinois law or rule. By signing this lease the undersigned hereby waives any objection to service carried out under the terms of this agreement."

Alternatively, landlords must include the above language, or substantially similar language, in an addendum to all leases or rental agreements or the renewal of leases or rental agreements. Such addendums to property leases and rental agreements must be signed and dated by all of the adult tenants occupying the rental property. Landlords who utilize oral leases or no

lease agreements must provide a notice to tenants that contains wording substantially similar to the above language. Landlords must keep a copy of the notice, signed and dated by the tenant, which acknowledges receipt of said notice. The above mandatory lease provisions shall be effective for any extension, renewal or modification of the initial lease.

(f) All landlords shall incorporate into the body of all leases or rental agreements, or renewals of leases or rental agreements, the first and last names of all individuals who will reside at the subject property during the term of the lease. All such landlords shall also require their tenants, as a condition of their lease, to provide written notice containing the first and last names of any guests who will be temporarily residing at the subject property for more than seven (7) consecutive days. Landlords shall provide, upon either oral or written request, copies of the information required in subsections (1) and (2) to the Palatine Police Department. Any such oral request shall be followed by a written confirmation of the oral request from the interested party to the Palatine Police Department.

(g) Definitions

Abatement means the reduction or cessation of a nuisance through actions by the property owner that show a substantial and/or measurable decrease or alleviation of a nuisance.

Administrative Hearing Officer means a Village employee or an officer or agent of the Village, other than a police officer, whose duty it is to do the following:

(1) Preside at an administrative hearing called to determine whether or not a property is or was a nuisance property;

(2) Hear testimony and accept evidence from the police, the person in charge/owner/occupant, and all interested parties relevant to the existence of nuisance activity;

(3) Preserve and authenticate the transcript and record of the hearing and all exhibits and evidence introduced at the hearing; and

(4) Issue and sign a written finding, decision, order stating whether a violation of this article exists.

Aggravated nuisance activities means any of the following activities, behaviors, or conduct as defined by federal, state, or municipal statute and/or ordinance where a citation is given, an arrest is made or a violation has been documented:

Homicide; Kidnapping; Criminal housing management; Possession of explosives or incendiary devices; Unlawful use of weapons; Mob action; Child pornography; Controlled substance violations; Production, sale, distribution or possession of cannabis in violation of the Cannabis Control Act; Gang activity violations as described in the Illinois Streetgang Terrorism Omnibus Prevention Act.

Nuisance activities means any of the following activities, behaviors, or conduct, as defined by federal, state or municipal statute and/or ordinance where a citation is given, an arrest is made or a violation has been documented:

Unlawful assembly; Assault; Battery; Prostitution, Soliciting or patronizing a prostitute; Keeping a house of prostitution; Pandering; Obscenity; Sexual assault and sexual abuse; Public indecency; Disorderly conduct; Illegal gambling; Keeping or

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maintaining a place of illegal gambling; Unlawful possession of gambling devices; Arson; Criminal damage to property; Illegal consumption, sale or possession of alcohol; Theft; Interference with public/peace officer; Harassment; Indecent exposure; Zoning violations; Loitering; Unlawful possession, sale, distribution or use of fireworks; Aiding and abetting; Conspiracy; Trespass; Drug paraphernalia; Violation of noise ordinance; Abandoned or Junk vehicles; Unlicensed vehicles; Occupancy violations; Garbage or trash violations; Vandalism or graffiti; Violations of any animal regulations; Any violation of 720 ILCS; Any violation of Chapter 12 of the Village of Palatine Code of Ordinances; Illegal dumping.

Nuisance property means any property on which the police department has had one (1) official police report of an aggravated nuisance activity, or two (2) or more official police reports of nuisance activity which has occurred within a six-month period, arising out of the property.

Person means any natural person, agent, association, firm, partnership, corporation or other entity capable of owning, occupying, or using property in the Village of Palatine.

Person in charge means any person, in actual or constructive possession of a property, including, but not limited to, an owner, agent, designee or occupant of property under his ownership or control.

Police Chief means the Chief of Police of the Village of Palatine Police Department or his designee.

Property means any property, including land and that which is affixed, incidental, or appurtenant to land, including, but not limited to, any business or residence, parking area, loading area, landscaping, building or structure or any separate part, unit, or portion thereof, or any business equipment, whether or not permanent. For property consisting of more than one unit, property may be limited to the unit or the portion of the property on which any nuisance activity has occurred or is occurring, but includes areas of the property used in common by all units of property, including, without limitation, other structures erected on the property and areas used for parking, loading, and landscaping.

(~~f~~h) Nuisance Residential ~~Rental~~ Property. It is hereby declared a nuisance and to be declared against the health, peace and comfort of the Village for any owner-occupied property, or rental property owner, agent, or manager to allow or permit the following: (a) the resident of an owner-occupied property, or the rental of a residential unit or residential building within an apartment community or governed by a homeowner's association to a tenant who allows any of the following offenses to occur relating to the tenant, member of the tenant's household, guest, or other party under control of the tenant, to occur: murder, kidnapping, aggravated kidnapping, prostitution, solicitation of prostitution, pandering, obscenity, child pornography, harmful materials, sale of obscene publication, criminal housing management, possession of explosives, unlawful use of weapons, sale of firearms, gambling, keeping a gambling place, concealing a fugitive, violation of the Illinois Controlled Substances Act, violation of the Cannabis Control Act or commission of any

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two or more of any other crimes under the State of Illinois or under the Federal Government not specifically listed above; (b) the resident of an owner-occupied property, or the rental of a residential unit, or residential building within an apartment community or governed by a homeowner's association to a tenant who allows any of the following offenses to occur relating to the tenant, member of the tenant's household, guest or other party under control of the tenant to occur: (1) commission of 4 or more Village ordinance violations in a six month period or an unreasonably high number of calls for police service including, but not limited to, calls that may fall within the descriptions listed above that, when compared to other properties in the Village of similar type, reasonably indicate that the activity at this property is out of character for the area and is impacting the quality of life of those in the area.

(i) Violations.

(1) Any property on which nuisance activity occurs may be declared a nuisance property. No property shall be declared a nuisance property unless it is proven by a preponderance of the evidence that there has been two (2) or more instances of nuisance activity within a six-month period of time arising out of or arising from the property.

(2) Any property on which aggravated nuisance activity occurs may be declared an aggravated nuisance property. No property shall be declared an aggravated nuisance property unless it is proven by a preponderance of the evidence that there has been one (1) or more instances of aggravated nuisance activity within a six-month period of time.

(3) Any person or person(s) in charge who (1) encourages or permits a property to become a nuisance property; (2) allows a property to continue as a nuisance property; and (3) fails to implement reasonable and warranted measures, as specified by this ordinance, shall be in violation of this article.

(4) Each day that a violation of this article continues shall be considered a separate and distinct offense.

(j) Criminal nuisances shall exclude, pursuant to Section 1-2-1.5 of the Illinois Municipal Code, 65 ILCS 5/1-2-1.5:

(1) Contacts made to police or other emergency services:

a. With intent to prevent or respond to domestic violence or sexual violence; or

b. Where intervention or emergency assistance was needed to respond to or prevent domestic violence or sexual violence; or

c. Contacts made by, on behalf of, or otherwise concerning an individual with a disability, for a purpose related to that individual's disability; or

(2) An incident or incidents of actual or threatened domestic violence or sexual violence against a tenant, household member, or guest occurring within the Village; or

(3) Public nuisances (which include criminal activity or a local ordinance violation as defined in 65 ILCS 5/1-2-1.5) occurring in the Village that is directly related to domestic violence, engaged in by a tenant, member of a tenant's household, guest or other party and against a tenant, household member, guest or other party.

(4) Not excluded under the circumstances described above are violations of Section 15.2 of the Emergency Telephone System Act, 50 ILCS 750/15.2, Article 26 (Disorderly Conduct) of the Criminal Code of 2012, 720 ILCS 5/26-1 et seq., and Article

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IX (Forcible Entry and Detainer) of the Code of Civil Procedure, 735 ILCS 5/9-101 et seq.)(i) Criminal nuisances shall exclude, pursuant to Section 1-2-1.5 of the Illinois Municipal Code, 65 ILCS 5/1-2-1.5:

(k) Procedure.

(1) When the Chief of Police receives one (1) or more documented occurrences of nuisance activities on a property, he may, at his discretion, independently review such reports to determine whether they describe the activities, behaviors, or conduct enumerated under section (G). Upon such a finding, the Chief of Police may, at his discretion, do the following:

a. When feasible, notify the person in charge that the property is in danger of becoming a nuisance property. If the Chief of Police sends such notice, the notice shall contain the following information:

1. The street address of the property or a legal description for identification of the property;

2. A statement that the Palatine Police Department has information that the property may be a nuisance property along with a concise description of the nuisance activities that exist or that have occurred. The Chief of Police shall offer the person in charge an opportunity to propose a course of action that the Chief of Police agrees will abate the nuisance activities giving rise to the violation.

3. Demand that the person in charge respond to the Chief of Police within ten (10) business days to discuss the nuisance activities.

(2) When the Chief of Police receives documentation of the occurrence of additional nuisance activity on the same property after notice has been given, as specified in section the chief, at his discretion, may do the following:

a. Notify the person in charge, in writing, that the property has been determined to be a nuisance property. If the Chief of Police sends such notice, the notice shall contain the following information:

1. The street address of the property or a legal description sufficient for identification of the property.

2. A statement that the matter is being brought before an administrative hearing officer, as defined in section of this Code, for a hearing.

3. If the person in charge notifies the Chief of Police immediately, upon receipt of the notice and agrees to abate the nuisance within ten (10) days, or take other agreed upon, timely, and warranted measures, the Chief of Police may, at his discretion, postpone referring the matter to adjudication.

4. Service of notice shall be made either personally or by first-class mail, postage prepaid, addressed to the person in charge at the address of the nuisance property, or such other place which is likely to give the person in charge notice of the determination of the Chief of Police.

5. A copy of the notice shall be served to the owner listed on the owner-occupied property, the rental dwelling operator's license, or at the address shown on the tax rolls of the county in which the property is located,

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and/or the occupant at the address of the property, if these persons are different than the person in charge, and shall be made either personally or by first-class mail, postage prepaid.

6. The failure of any person to receive notice, as provided above, shall not invalidate or otherwise affect the proceedings under this chapter.

(l) Burden of proof; procedure; fines and remedies.

(1) At the hearing before the administrative hearing officer, the Village shall have the initial burden of proof to show, by a preponderance of evidence, that the property is a nuisance property.

(2) If a property owner is summoned before the hearing officer due to nuisance property, he shall give notice, in writing, to at least one of his leaseholder(s) on that property. Said notice shall provide the following: The physical address of the property; the date and time that the property owner is to appear before the hearing officer; the fact that the appearance is due to alleged nuisance activity; and the possible sanctions that may be imposed upon the property owner. The notice shall be delivered, either personally or by U.S. mail.

(3) Such a hearing shall be held in accordance with the procedures as specified in this Code. The Village's representative shall present evidence in support of its claim that the property is a nuisance property. The person in charge or his local representative shall be permitted to rebut such evidence and present any other evidence that is, in the discretion of the hearing officer, relevant and reliable.

(4) At the conclusion of the hearing, the hearing officer shall make a determination on the basis of the evidence presented at the hearing, whether or not a code violation exists. The determination shall be in writing and shall be designated as the findings, decisions and order. The hearing officer's decision shall be final and binding, except that the administrative review law, as specified in section of this Ordinance, shall be applicable. The findings, decision and order shall include the hearing officer's findings of fact, a decision whether or not a code violation exists based upon the finding of fact, and an order for abatement of the nuisance activity or sanctioning the person in charge/owner/occupant, as specified in subsection (5) below, or dismissing the case in the event a violation is not proven.

a. A copy of the findings, decision, and order shall be served upon the person in charge, or owner/occupant if different than the person in charge, within ten (10) business days. Service shall be in the same manner as specified in section (J).

b. Payment of any penalty or fine shall be made to the Village finance department.

c. In the event that the order provides for the abatement of nuisance activity, the hearing officer shall establish a status date, which would be after the date established for the abatement of the nuisance activity, in order to determine whether there has been compliance with the order. At such time, the hearing officer shall hear testimony and accept any evidence relevant to the compliance with the order and continued abatement of the nuisance activity.

(5) If the hearing officer makes a finding that a property was, or is, a nuisance property, he may impose any or all of the following remedies:

a. Fine the person in charge, and/or the owner/occupant of the property if

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those persons are different than the person in charge, not less than two hundred dollars ($200.00) and not more than one thousand dollars ($1,000.00) for each violation of this section. Each day a nuisance activity occurs or continues shall be considered a separate and distinct violation. The hearing officer may, at his discretion, impose such a fine for each day the nuisance activity goes unabated. No person shall be found in violation of this section unless the Village proves by a preponderance of the evidence that the person in charge/owner/occupant failed to take reasonable and warranted measures to abate the nuisance activity. In establishing the amount of any fine, the hearing officer may consider any of the following factors:

1. The actions taken by the person in charge/owner/occupant to mitigate or correct the nuisance activities at the property.
2. The repeated or continuous nature of the problem.
3. The magnitude or gravity of the problem.
4. How cooperative the person in charge/owner/occupant is with the Village.
5. The cost to the Village of investigating, correcting, or attempting to correct the nuisance activities.
6. Any other aggravating or mitigating factor deemed relevant by the hearing officer. Evidence of a property's general reputation and/or the reputation of the persons in or frequenting it shall be admissible.

b. Order the person in charge/owner/occupant to take reasonable, timely and lawful measures to abate the nuisance activity, including specifying deadlines for the same, and in furtherance thereof, may order a period of continued compliance wherein the matter will be returned before the hearing officer to update him/her as to the continued nuisance-free status of the property for a period of up to one (1) year.

c. Suspend/revoke the rental license for the rental unit(s) involved in the nuisance or aggravated nuisance activity if such property is rented or leased. The hearing officer may order that said rental unit(s) be closed and secured against all unauthorized access, use, and occupancy for a period of no less than one (1) year. If the hearing officer suspends or revokes the rental license for the rental unit(s) involved in the nuisance activity, the person in charge, or the owner/occupant of the rental unit(s) if those persons are different than the person in charge, shall receive written notice from the Village Manager that the license to operate said rental property or the right to lease said unit(s) is suspended or revoked, as the case may be. The suspension or revocation of any license, or any right to lease unit(s), shall not release or discharge the license holder from paying fees or fines under this Code, nor shall such license holder be released from criminal prosecution or further civil proceedings.

d. Order that a vacant or unused nuisance property of whatever use or a vacant lot which is a nuisance property, whether residential or commercial, be closed and secured against all unauthorized access, use, and occupancy. The hearing officer may order that the property be closed and secured against all unauthorized access, use, and occupancy for a period of up to one (1) year. The

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hearing officer may further require that the nuisance property be fenced and/or gated to physically restrict access. He may also require the hiring of security personnel to assure there is no unauthorized access, use, and occupancy.

e. Issue an order to close and secure any rented or leased, non-licensed, residential property against all unauthorized access, use, or occupancy for a period of not less than sixty (60) days, nor more than one (1) year.

f. If the landlord receives two (2) or more citations within an eighteen (18) month period, for separate incidents stemming from separate rental agreements from the same unit, that require the landlord to abate the nuisance, the license can be suspended indefinitely, or revoked by the Village Manager. The eighteen (18) month period begins from the date of the 1st citation issued to the landlord.

(6) The hearing officer may require each landlord who is found to have violated this article to attend the next available crime-free training class as administered by the Palatine Police Department or any other entity designated by the Village.

(m) Charge for nuisance services.

The Village council finds that any premises which has generated more calls for police service for nuisance activities after being declared a nuisance property, and has received a disproportionate level of police service, to be an undue and inappropriate burden on the taxpayers of the Village. The Village council therefore directs the Chief of Police to charge the owners of such premises the costs associated with abating.

(n) Retaliation prohibited.

It shall be unlawful for an owner to terminate the lease agreement of a tenant or otherwise retaliate against any tenant because that tenant complained or otherwise notified the police department about nuisance activities at the owner's premises. Such eviction or retaliation shall be enforceable as a violation of this article.

(~~f~~go) The Village may seek to enforce this Ordinance by seeking any and all remedies under this Chapter, including the imposition of fines. In addition, the Village Manager may suspend and/or recommend revocation of any license issued hereunder if it appears to his satisfaction from the report of any village officer or village employee making an inspection, or any other available information that the licensee is violating this law or ordinance or any law or ordinance, or is in violation of the nuisance section or his operating in a manner not conducive to the public health, morals or safety. Any suspension of a license pursuant to this Section may be appealed directly to the Administrative Hearing Officer within 15 days of that decision by the Village Manager for an administrative hearing to be conducted pursuant to Article XXX of the Palatine Code of Ordinances. (Ord. No. O-105-18; 9/4/18)

(~~h~~p) The Village or its agent will make its determination to enforce the Ordinance based upon the nature, severity, frequency, and proximity to the property the criminal conduct occurred and consider, in addition to arrest records, criminal history, charges brought as a result of the criminal activity, police reports detailing the criminal conduct, witness statements, and other relevant documentation to make a determination by preponderance of the evidence. (Ord. No. O-105-18; 9/4/18) (i) The Village or its agent will also consider, prior to enforcement of the Ordinance, any mitigating circumstances, including but not limited to, the circumstances surround the criminal conduct, the age of the individual at the time of the conduct, the tenant's rental history,

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and evidence of any rehabilitation efforts. (Ord. No. O-105-18; 9/4/18)

(~~j~~q) Upon enforcement of this ordinance, the owner, agent, or designee of the residential rental property must notify the tenant prior to the initiation of any eviction proceedings, that the tenant may request, within 15 business days of receiving notice of enforcement, an administrative hearing to be conducted pursuant to Article XXX of the Palatine Code of Ordinances of the Village's decision to enforce the Ordinance and may present any additional evidence to the Village or its Administrative Hearing Officer at that time. (Ord. No. O-105-18; 9/4/18)

(~~k~~r) Notwithstanding anything to the contrary in Section 10-16 (e) and (f), the Village shall not enforce its crime free multi-housing program based on:

(1) contact made to police or other emergency services, if (i) the contact was made with the intent to prevent or respond to domestic violence or sexual violence; (ii) the intervention or emergency assistance was needed to respond to or prevent domestic violence or sexual violence; or (iii) the contact was made by, on behalf of, or otherwise concerns an individual with a disability and the purpose of the contact was related to that individual's disability;

(2) an incident or incidents of actual or threatened domestic violence or sexual violence against a tenant, household member, or guest occurring in the dwelling unit or on the premises; or

(3) criminal activity or a Village ordinance violation occurring in the dwelling unit or on the premises that is directly relating to domestic violence or sexual violence, engaged in by a tenant, member of a tenant's household, guest, or other party, and against a tenant, household member, guest, or other party. (Ord. No. 0-139-15, §1, 11/16/15) (l)

(s) However, nothing with respect to this Section:

(1) ~~limits~~ Limits enforcement of Section 15.2 of the Illinois Emergency Telephone System Act, Article 26 of the Criminal Code of 2012, or Article IX of the Code of Civil Procedure;

(2) ~~prohibits~~ Prohibits the Village from enacting or enforcing its crime free multi-housing program and ordinance to impose penalties on the basis of the underlying criminal activity or Village ordinance violation not covered by Section (h) subsections (1), (2), and (3) and to the extent otherwise permitted by existing State and federal law; or

(3) ~~limits~~ Limits or prohibits the eviction of or imposition of penalties against the perpetrator of the domestic violence, sexual violence, or other criminal activity. (65 ILCS 5/1-2-1.5 effective November 19, 2015) (Ord. No. 0-139-15, §1, 11/16/15, Ord. No. O-105-18; 9/4/18)

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Consider a Motion Granting Approval of a Waiver of the Village's Sound Amplification Ordinance for a Dedication of Bricks Ceremony at the American Legion Post 690, 122 W. Palatine Road, on Saturday, September 24, 2022

BACKGROUND:
The American Legion Post 690, 122 W. Palatine Road, would like to host a dedication ceremony for the engraved bricks under the Howitzer on Saturday, September 24, 2022 from 11 AM to 5 PM. The Petitioner is requesting a waiver of the Village's Sound Amplification Ordinance.

KEY ISSUES:
- The Legion is requesting a waiver of the Village's Amplified Sound Ordinance from 11 AM to 5 PM to accommodate a DJ playing music to celebrate the event.
- Alcohol will be served outside, in the parking lot.
- If the proposed event is approved, Staff recommends the following conditions:
  1) The Petitioner shall submit a plan showing where the dedication ceremony will take place, the area where the DJ will set up and where the alcohol will be served in a manner acceptable to the Village Manager.

ALTERNATIVES:

1. Approve the Dedication Ceremony sound waiver request.
2. Do not approve the Dedication Ceremony sound waiver request.

RECOMMENDATION:
Staff recommends approval of the proposed 2022 American Legion Post 690 Dedication Ceremony, subject to the proposed conditions.

ACTION REQUIRED:
Motion approving the American Post Legion 690 Dedication Ceremony, including the waiver of the Village's amplified noise ordinance, subject to the proposed conditions.

ATTACHMENTS:

- American Legion Ded Bricks

VILLAGE OF PALATINE
SPECIAL EVENT PERMIT APPLICATION

THIS FORM MUST BE COMPLETED IN FULL AND SUBMITTED 60 DAYS PRIOR TO THE EVENT
Village Manager's Office, 200 E. Wood St., Palatine, IL 60067 Fax: 847-359-9094

INSTRUCTIONS: PLEASE TYPE OR PRINT CLEARLY. INCOMPLETE APPLICATIONS WILL NOT BE PROCESSED.

GENERAL EVENT INFORMATION

Name of Event
Dedication of bricks at the American Legion

Exact Address of Event
122 West Palatine Rd, Palatine, IL 60067

Type of Event (Check all applicable)
☐ Festival ☐ Run/Walk ☐ Parade ☐ Car Show ☐ Craft Fair ☐ Fireworks ☒ Other Dedication

Date(s) of Event	Hours of Event	Total Hours (Step-up - Tear down)
September 24th, 2022	11 am - 5 pm	6 hours

Phone number/website for publication	Estimated attendance	Last years actual attendance
847-894-2300	Unknown	0

Describe the event's community and/or cultural benefit
A dedication ceremony for the engraved bricks under the Honor Tree at American Legion Post 690. The mayor may (?) be attending. Additional police presence is requested as the dedication itself will be held on Palatine Rd.

SPONSORING ORGANIZATION INFORMATION

Name of Sponsoring Organization	Contact person from Sponsoring Organization	
American Legion Post 690	Greg Norwich	
Sponsoring Organization Address	**City**	**Zip**
122 W. Palatine Rd.	Palatine	60067
Phone Number	**E-Mail**	**Website**
847-359-1606	a.l.gtnorwich@gmail.com	

ORGANIZER/COORDINATOR INFORMATION

Name of Organizer/Coordinator	E-mail	
James Brenner	jamesbrenner@comcast.net	
Organizer/Coordinator Address	**City**	**Zip**
Phone Number	**Cell Phone Number**	**Fax Number**

EMERGENCY CONTACT INFORMATION

Name of Emergency Contact	E-mail	
Greg Norwich	a.l.gtnorwich@gmail.com	
Emergency Contact Address	**City**	**Zip**
108 East Dundee Quarter Dr	Palatine	60074
Phone Number (24hours)	**Cell Phone Number**	**Fax Number**
847-894-2300		

Attachment: American Legion Ded Bricks (American Legion Dedication of Bricks)

VILLAGE OF PALATINE
SPECIAL EVENT PERMIT APPLICATION

THIS FORM MUST BE COMPLETED IN FULL AND SUBMITTED 60 DAYS PRIOR TO THE EVENT
Village Manager's Office, 200 E. Wood St., Palatine, IL 60067 Fax: 847-359-9094

INSTRUCTIONS: PLEASE TYPE OR PRINT CLEARLY. INCOMPLETE APPLICATIONS WILL NOT BE PROCESSED.

EVENT OVERVIEW

Are you providing/serving food at your event that is considered potentially hazardous, being prepared on-site, or being re-packed and sold in bulk? Below are some foods exempt from a permit (not all are listed): -Pre-packaged, non-potentially hazardous foods (i.e. packaged cookies, chips, crackers, bread, etc.) -Non-potentially hazardous, minimally cut, unprocessed fruits or vegetables (ie. apples, bananas, etc.) QUESTIONS ON WHAT QUALIFIES AS EXEMPT? CALL (847) 359-9090.	[X] Yes [ ] No	If yes, how many vendors? 1 Each vendor must submit a Temporary Food Event Permit Application 14 days prior to the event. Applications can be found at: https://permits.palatine.il.us/EnerGov_Prod/SelfService/PalatineILProd#/home Questions? Contact (847) 359-9090. Please see application for full details on what is required.
Are you erecting either: **(1)** tent(s) larger than 20'x40' (or 800 sq. ft.) or **(2)** that accommodates more than 100 people or **(3)** temporary structure(s) (ie. stage) taller than 2' in height or **(4)** that will be equipped with temporary electrical power?	[ ] Yes [ ] No	If yes, you must submit a Temporary Structure Permit Application 30 days prior to the event. Applications can be found at: https://permits.palatine.il.us/EnerGov_Prod/SelfService/PalatineILProd#/home Questions? Contact (847) 359-9037. Electric submissions are required. Please see application for full details on what is required.
Are you serving alcoholic beverages at your event?	[X] Yes [ ] No	Alcohol vendors must submit a Special Event Liquor License 60 days prior to the event. You must obtain a Special Event Liquor License for each liquor vendor. Applications can be found at: http://www.palatine.il.us/events/forms/applications.aspx. Questions? Contact (847) 359-9031.
Will the event include a Race/Walk or Parade?	[ ] Yes [X] No	If yes, you must complete, Page 3, Section 1.
Will electronic sound amplification equipment or a public address system be used at the event?	[X] Yes [ ] No	If yes, you must complete, Page 3, Section 2.
Are you utilizing any public parking lots, Village streets or other Village property for your event?	[ ] Yes [X] No	If yes, you must complete, Page 3, Section 3.

ACKNOWLEDGEMENT/SIGNATURE

By signing this document, I certify that the information provided above is correct. I agree to conduct the special event in compliance with all applicable codes, ordinances, laws and the conditions contained in the special event permit.

Gregg T Noud
Signature of Organizer

9/03/2018
Date

Application must include the following documentation

- [ ] Special Event Application (Page 1, 2, 3, 4)
- [ ] Certificate of Insurance (see Section 5)
- [ ] Site Plan and/or Race/Parade Route Map

You MUST submit a new site plan or parade/race route on an annual basis.

APPLICATIONS WITH MISSING INFORMATION WILL NOT BE PROCESSED.

Attachment: American Legion Ded Bricks (American Legion Dedication of Bricks)

VILLAGE OF PALATINE
SPECIAL EVENT PERMIT APPLICATION

THIS FORM MUST BE COMPLETED IN FULL AND SUBMITTED 60 DAYS PRIOR TO THE EVENT
Village Manager's Office, 200 E. Wood St., Palatine, IL 60067 Fax: 847-359-9094

INSTRUCTIONS: PLEASE TYPE OR PRINT CLEARLY. INCOMPLETE APPLICATIONS WILL NOT BE PROCESSED.

Name of Event
Dedication of Bricks at American Legion Post 690

SECTION 1: RACE/WALK, PARADE INFORMATION ☒ Not Applicable

Starting Location	Ending Location
Approximate Number of Attendees (runners/marchers)	Approximate Number of Vehicles (cars/floats)
Location of Assemble (Registration)	Location of Personal Vehicle Parking

Please attach a course map, with location of the staging area, start/finish lines, and water/first aid stations

SECTION 2: NOISE CONTROL PLAN ☐ Not Applicable

Please attach a Site Plan, with the location of the stages and sound systems, the location and direction of all speakers, and the proximity to residential properties

Amplified sound will be used from: (am/pm)	Amplified sound will be used to: (am/pm)
11am - 5pm	

Describe the sound system(s)
A D.J. will be playing music to celebrate the event

Explain how the sound will be controlled and identify the means by which it can be further controlled if necessary:
A professional D.J. with controlled equipment will be in full control of the music and sound

The Village has the right to require applicants to revise locations, hours, or plans to control amplified music/speech.

SECTION 3: PARKING LOT/PROPERTY USAGE/CLOSURE INFORMATION ☐ Not Applicable

Public Parking Lot / Property Intended for "Event"

Lot Number or Location	Date of Closure	Time of Closure	Date to Reopen	Time of Reopen

1. No staking in the street or public parking lot is permitted.
2. Only chalk or other Village approved marking is permitted (no spray paint).
3. Any debris/stains must be removed immediately prior to the opening of the street/public parking lot.
4. No structures may be erected on any street/public parking Lot without prior approval/permit.

Attachment: American Legion Ded Bricks (American Legion Dedication of Bricks)

VILLAGE OF PALATINE
SPECIAL EVENT PERMIT APPLICATION

THIS FORM MUST BE COMPLETED IN FULL AND SUBMITTED 60 DAYS PRIOR TO THE EVENT
Village Manager's Office, 200 E. Wood St., Palatine, IL 60067 Fax: 847-359-9094

INSTRUCTIONS: PLEASE TYPE OR PRINT CLEARLY. INCOMPLETE APPLICATIONS WILL NOT BE PROCESSED.

SECTION 4: INDEMNITY/HOLD HARMLESS AGREEMENT

Name of Sponsoring Organization
Bedication of bricks at American Legion Post 690

Name of Event
September 24th, 2022

Date(s) of Event

To the fullest extent permitted by law, the Organization hereby agrees to defend, indemnify and hold harmless the Village of Palatine, its officials, agents and employees, against all injuries, deaths, loss, damages, claims, patent claims, suits, liabilities, judgments, cost and expenses, which may in any way accrue against the Village of Palatine, its officials, agents and employees, arising in whole or in part or in consequence of the Event, and/or its employees, and or subcontractors' participation in Event, or which may in any way result therefore. The Organization shall, at its own expense, appear, defend and pay all charges of attorneys and all costs and other expenses arising therefore or incurred in connection therewith, and, if any judgment shall be rendered against the Village of Palatine, its officials, agents and employees, in any such action, the Organization shall, at its own expense, satisfy and discharge the same.

The Organization expressly understands and agrees that any performance bond or insurance policies required by the Village of Palatine, or otherwise provided by the Organization shall in no way limit the responsibility to indemnify, keep and save harmless and defend the Village of Palatine, its officials, agents and employees as herein provided.

The Organization expressly understands and agrees that the Village shall be named as an additional insured party on the insurance policy and that the Organization shall have no permission or authority to engage in the Event until evidence deemed acceptable to the Village has been provided to establish that the Village has been named as an additional insured party on the insurance policy .

Gregg T Norwich
SIGNATURE

Gregory T Norwich	Bar Manager	9/08/2022
PRINT NAME	TITLE/POSITION	DATE

SECTION 5: INSURANCE REQUIREMENTS

INSURANCE REQUIREMENTS

Sponsoring Organization will be required to provide an original Certificate of Insurance, as well as the additional insured endorsement evidencing the following insurance minimums: Commercial General Liability - minimum $1,000,000 per occurrence. Final acceptance of applicant is contingent on applicant naming the Village of Palatine, their employees, agents and officials as additional insured on a primary and non-contributory basis.

Attachment: American Legion Ded Bricks (American Legion Dedication of Bricks)

Consider an Ordinance Authorizing the Mayor to Execute a Redevelopment Agreement for Facade Improvements to the Park Place Shopping Center (Generally Located at 1365 N. Rand Road)

BACKGROUND:
The Subject Property, consisting of the Park Place Shopping Center, is generally located at 1365 N. Rand Road. The shopping center owners are proposing significant exterior renovations to portions of the existing building, interior modifications, and potential out lot development. To help facilitate the proposed improvements, the property owners are requesting approval of the following:

> **Ordinance authorizing the Mayor to execute a Redevelopment Agreement for the Park Place Shopping Center (generally located at 1365 N. Rand Road)**

KEY ISSUES:

Developer Obligations:

- The Petitioner shall complete the facade improvements in general compliance with the plan included within the Redevelopment Agreement.
- The proposed improvements must be completed by October 31, 2025.

Village Obligations:

- The Village shall provide a maximum of $2,500,000 of TIF assistance for the reimbursement of TIF eligible expenses related to the proposed facade improvements and potential out lot development within the Park Place shopping center. The TIF assistance will be made through multiple payments based on the Petitioner achieving the development milestones outlined within the redevelopment agreement.
- The payments will be tied to the leasing of sales tax generating users within the center with the final $300,000 of assistance tied to new out-lot construction.

ALTERNATIVES:

1. Approve the ordinance.
2. Do not approve the ordinance.

RECOMMENDATION:
Staff recommends approval of the ordinance authorizing the Mayor to execute a Redevelopment Agreement for the Park Place Shopping Center (generally located at 1365 N. Rand Road).

ACTION REQUIRED:
Motion to approve the ordinance authorizing the Mayor to execute a Redevelopment Agreement.

ATTACHMENTS:

- Park Place Aerial
- Ord Authorizing Execution of Park Place Facade RDA
- Park Place Redevelopment Agreement - Final Version Sept 8 2022
- Exhibit A - Park Place Facade Improvements

Dundee Road
Rand Road
Subject
Property

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE A REDEVELOPMENT AGREEMENT BETWEEN THE VILLAGE OF PALATINE, JOEL D. SIMMONS REVOCABLE TRUST, CCT PARK PLACE LLC, AND NARE VENTURE LLC FOR THE PARK PLACE SHOPPING CENTER (GENERALLY LOCATED AT 1365 N. RAND ROAD)

WHEREAS, the Village of Palatine by Ordinance Nos. 0-23-03, 0-24-03, 0-25-03 and passed by the Mayor and Village Council on January 27, 2003 established a Tax Increment Financing District, adopted a Tax Increment Redevelopment Plan for Rand Road Corridor, and designated a Redevelopment Project Area; and

WHEREAS, the Mayor and Village Council have on September 12, 2022, considered the proposed Redevelopment Agreement for the Park Place Shopping Center (generally located at 1365 N. Rand Road) and have determined that entering into this Agreement furthers the purposes of the Tax Increment Financing District and the Redevelopment Plan for the Rand Road Corridor TIF District and furthers the public interest; and

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and Village Council of the Village of Palatine, acting in the exercise of their home rule power that:

SECTION 1: The Village of Palatine hereby authorizes the Mayor to execute the Redevelopment Agreement, attached hereto as Exhibit "A", subject to review and approval by the Village Attorney, pursuant to the Tax Increment Financing Act, Section 65 ILCS 5/11-74/4-4(c) and authorizes the Village Manager to execute any other supporting documents to the extent permitted by law.

SECTION 2: This Ordinance shall be in full force and effect upon passage and approval as provided by law.

PASSED this _____ day of _____, 2022

AYES: _____ NAYS: _____ ABSENT: _____ PASS:_____

APPROVED by me this _____ day of _____, 2022

Attachment: Ord Authorizing Execution of Park Place Facade RDA (Park Place Facade Improvements RDA)

_____

Mayor of the Village of Palatine

ATTESTED and FILED in the office of the Village Clerk this

_____ day of _____, 2022

_____

Village Clerk

Attachment: Ord Authorizing Execution of Park Place Facade RDA (Park Place Facade Improvements RDA)

THIS REDEVELOPMENT AGREEMENT (this "Agreement"), is made and entered into as of the _____ day of _____, 2022 ("Agreement Date") by and between the **VILLAGE OF PALATINE, ILLINOIS,** an Illinois municipal home rule corporation, located in Cook County, Illinois (the "Village"), **JOEL D. SIMMONS REVOCABLE TRUST**, **CCT PARK PLACE LLC**, an Illinois limited liability company, and **NARE VENTURE, LLC**, an Illinois limited liability company (collectively referred to herein as the "Property Owner") and **NARE VENTURE, LLC**, an Illinois limited liability company (the "Property Manager"). (The Village and Property Manager are sometimes referred to individually as a "Party" and collectively as the "Parties").

RECITALS

WHEREAS, the Village is a home rule unit of government in accordance with Article VII, Section 6, of the Constitution of the State of Illinois, 1970; and

WHEREAS, the Village has the authority, pursuant to the laws of the State of Illinois, to promote the health, safety and welfare of the Village and its inhabitants, to prevent the presence of blight, to encourage private development in order to enhance the local tax base, to increase additional tax revenues realized by the Village, foster increased economic activity within the Village, to increase employment opportunities within the Village, and to enter into contractual agreements with third parties for the purpose of achieving the aforesaid purposes, and otherwise be in the best interests of the Village; and

WHEREAS, to stimulate and induce redevelopment in the Rand Road Corridor pursuant to the Act, the Village created the Rand Corridor TIF District by adopting the following ordinances, after giving all notices required and after conducting the public hearings required by law:

Attachment: Park Place Redevelopment Agreement - Final Version Sept 8 2022 (Park Place Facade Improvements RDA)

1. Ordinance No. O-23-03, adopted January 27, 2003, titled "Ordinance Approving the Village of Palatine Cook County, Illinois, Rand Road Corridor Area Project Area Development Plan and Project;

2. Ordinance No. O-24-03 adopted January 27, 2003, titled "Ordinance Designating the Village of Palatine, Illinois, Rand Road Corridor Area Tax Increment Redevelopment Project Area" ("Rand Road Corridor Redevelopment Project Area");

3. Ordinance No. O-25-03, adopted January 27, 2003, titled "Ordinance Adopting Tax Increment Financing for the Village of Palatine Rand Road Corridor Area Tax Increment Redevelopment Project Area in the Village of Palatine, Cook County, Illinois"; and

WHEREAS, the Village is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq., as amended (the "Act"), to finance redevelopment in accordance with the conditions and requirements set forth in the Act; and

WHEREAS, Property Manager warrants they are able to provide the Project with the reasonably necessary skill, knowledge and expertise as well as input from other experts and consultants in the construction and operation of such a Project; and

WHEREAS, it is necessary for the successful completion of the Project (as defined in **Article 2**) that the Village enter into this Agreement with Property Manager to provide for the development of the Property, subject to Village approvals, thereby implementing and bringing to completion a portion of the Redevelopment Plan; and

WHEREAS, Property Manager has been and continues to be unwilling and unable to undertake the redevelopment of the Property but for certain tax increment financing ("TIF") incentives from the Village, which the Village is willing to provide under the terms and conditions contained herein; and

Attachment: Park Place Redevelopment Agreement - Final Version Sept 8 2022 (Park Place Facade Improvements RDA)

WHEREAS, the Village proposes to finance its share of the costs to be incurred in connection with the Project by utilizing Tax Increment Financing in accordance with the Act, which will serve a public purpose by reducing or eliminating conditions that, in part, qualify the Rand Road Redevelopment Project Area as a blighted area and which are necessary to foster development within the Rand Road Redevelopment Project Area; and

WHEREAS, this Agreement has been submitted to the Corporate Authorities of the Village for consideration and review, the Corporate Authorities have taken all actions required to be taken prior to the execution of this Agreement in order to make the same binding upon the Village according to the terms hereof, and any and all actions of the Corporate Authorities of the Village precedent to the execution of this Agreement have been undertaken and performed in the manner required by law; and

WHEREAS, this Agreement has been submitted to the Members and Manager of Property Manager for consideration and review, the Members and Manager of Property Manager have taken all actions required to be taken prior to the execution of this Agreement and obtained all required consents and approvals in order to make the same binding upon Property Manager according to the terms hereof, and any and all action, consents and approvals of the Property Managerr Manager and Members precedent to the execution of this Agreement have been undertaken and performed in the manner required by law and the Operating Agreement of Property Manager.

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties do hereby agree as follows:

Attachment: Park Place Redevelopment Agreement - Final Version Sept 8 2022 (Park Place Facade Improvements RDA)

ARTICLE ONE

INCORPORATION OF RECITALS

The findings, representations and agreements set forth in the above Recitals are material to this Agreement and are hereby incorporated into and made a part of this Agreement as though fully set out in this **Article One**, and constitute findings, representations and agreements of the Village and Property Manager according to the tenor and import of the statements in such Recitals.

ARTICLE TWO

DEFINITIONS

For the purposes of this Agreement, unless the context clearly requires otherwise, words and terms used in this Agreement shall have the meanings provided from place to place herein, including above in the recitals hereto and as follows:

"Act" means the Tax Increment Allocation Redevelopment Act found at 65 ILCS 5-11-74.4-1, *et seq*.

"**Agreement**" means this Redevelopment Agreement.

"Certificate of Completion" means the document to be provided to Property Manager by the Village, within thirty (30) days after written request from Property Manager after Property Manager has provided all required waiver of liens and sworn statements necessary to comply with the Illinois Mechanics Lien Act or evidence of title insurance coverage over all such liens in favor of Property Manager or Construction Lender and has complied with all Village codes and with the obligations of this Agreement with respect to the construction of the Project, which document states that Property Manager has completed and satisfied all construction terms, covenants and conditions contained in this Agreement.

Attachment: Park Place Redevelopment Agreement - Final Version Sept 8 2022 (Park Place Facade Improvements RDA)

"Change in Law" means the occurrence, after the Effective Date, of an event described below that materially changes the costs or ability of the Party relying thereon to carry out its obligations under this Agreement and such event is not caused by the Party relying thereon. Change in Law means any of the following: (i) the enactment, adoption, promulgation or modification of any federal, state or local law, ordinance, code, rule or regulation; (ii) the order or judgment of any federal or state court, administrative agency or other governmental body; (iii) the imposition of any conditions on, or delays in, the issuance or renewal of any governmental license, approval or permit (or the suspension, termination, interruption, revocation, modification, denial or failure of issuance or renewal thereof) necessary for the undertaking of the services to be performed under this Agreement; or (iv) the adoption, promulgation, modification or interpretation in writing of a written guideline or policy statement by a governmental agency, but shall not include laws, rules, regulations and ordinances of the Village, acting voluntarily and not as a result of a mandate from a higher authority, except to the extent they are generally applicable throughout the Village, not solely applicable to the Property Manager, the Property or this Agreement and do not violate the express terms of this Agreement.

"Corporate Authorities" means the Village Mayor and Village Council of the Village of Palatine, Illinois.

"Day" means a calendar day.

"Final Plans" means the final plans submitted by Property Manager and approved by the Village.

"Party" means the Village and/or Property Manager and its successors and/or assigns as permitted herein, as the context requires.

Attachment: Park Place Redevelopment Agreement - Final Version Sept 8 2022 (Park Place Facade Improvements RDA)

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, trust, or government or any agency or political subdivision thereof, or any agency or entity created or existing under the compact clause of the United States Constitution.

"Preliminary Plans" means the preliminary version of the plans which are attached hereto as **Exhibit "A"**.

"Project" means the development, construction, financing, and completion of the improvements outlined in the Preliminary Plans.

"Property" means the parcel of land as legally described on **Exhibit "B"**, upon which the Project will be constructed.

"Property Manager" means NARE Venture, LLC, an Illinois limited liability company, acting as agent for and on behalf of the Property Owner.

"Property Owner" means Joel D. Simmons Revocable Trust, CCT Park Place LLC and Nare Venture LLC

"Rand Road Redevelopment Project Area" means the entire Rand Road TIF district created by the Ordinances adopted by the Village in 2003.

"Redevelopment Plan" means the "Redevelopment Plan" for Rand Road as defined in the Village Ordinance No. O-23-03.

"State" means the State of Illinois.

"TIF Ordinances" means Ordinances Nos. O-23-03, O-24-03, and O-25-03 all adopted by the Village on January 27, 2003, as described in the Recitals to this Agreement.

"TIF Eligible Expenses" means eligible expenses as authorized to be reimbursed by the Act.

"Uncontrollable Circumstance" means any event impacting the construction of the Project, which:

Attachment: Park Place Redevelopment Agreement - Final Version Sept 8 2022 (Park Place Facade Improvements RDA)

(a) is beyond the reasonable control of and without the fault of the Party relying thereon; and

(b) is one or more of the following events:

(i) a Change in Law;

(ii) insurrection, riot, civil disturbance, sabotage, act of the public enemy, explosion, nuclear incident, war or naval blockade;

(iii) epidemic, pandemic, hurricane, tornado, landslide, earthquake, lightning, fire, windstorm, flood, other extraordinary weather conditions or other similar Act of God;

(iv) governmental condemnation or taking other than by the Village;

(v) strikes or labor disputes,

(vi) shortage of materials not attributable to Property Manager.

(c) Uncontrollable Circumstance shall not include: (1) economic hardship or impracticability of performance (except as described under Change of Law); (2) commercial or economic frustration of purpose, (except as described under Change of Law); (3) unavailability of materials, strikes or labor disputes directly caused by the acts or omissions of Property Manager; (4) a failure of performance by a contractor (except as caused by events which are otherwise Uncontrollable Circumstances hereunder, as to such contractor).

"Village" means the Village of Palatine, Illinois, an Illinois municipal corporation.

ARTICLE THREE

CONSTRUCTION

This Agreement, except where the context by clear implication shall otherwise require, shall be construed and applied as follows:

Attachment: Park Place Redevelopment Agreement - Final Version Sept 8 2022 (Park Place Facade Improvements RDA)

(a) Definitions include both singular and plural.

(b) Pronouns include both singular and plural and cover all genders.

(c) The word "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation".

(d) Headings of sections herein are solely for convenience of reference and do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(e) All exhibits attached to this Agreement shall be and are operative provisions of this Agreement and shall be and are incorporated by reference in the context of use where mentioned and referenced in this Agreement. In the event of a conflict between any exhibit and the terms of this Agreement, the terms of this Agreement shall control.

(f) Any certificate, letter or opinion required to be given pursuant to this Agreement means a signed document attesting to or acknowledging the circumstances, representations, opinions of law or other matters therein stated or set forth. Reference herein to supplemental agreements, certificates, demands, requests, approvals, consents, notices and the like means that such shall be in writing whether or not a writing is specifically mentioned in the context of use.

(g) In connection herewith concerning written directions or authorization in respect of the investment of any funds, notwithstanding any provision hereof to the contrary, such direction or authorization in writing, including by telecopier/facsimile transmission, shall be appropriate and is hereby approved.

(h) The Village Manager, unless applicable law requires action by the Corporate Authorities, shall have the power and authority to make or grant or do those

Attachment: Park Place Redevelopment Agreement - Final Version Sept 8 2022 (Park Place Facade Improvements RDA)

things, certificates, requests, demands, notices and other actions required that are ministerial in nature or described in this Agreement for and on behalf of the Village and with the effect of binding the Village as limited by and provided for in this Agreement. Property Manager is entitled to rely on the full power and authority of the persons executing this Agreement on behalf of the Village as having been properly and legally given by the Village.

(i) In connection with the foregoing and other actions to be taken under this Agreement, and unless applicable documents require action by Property Manager in a different manner, Property Manager hereby designates Savas Er as its authorized representative who shall individually have the power and authority to make or grant or do all things, supplemental agreements, certificates, requests, demands, approvals, consents, notices and other actions required or described in this Agreement for and on behalf of Property Manager and with the effect of binding Property Manager in that connection (such individual being referred to herein as the "Authorized Property Manager Representative"). Property Manager shall have the right to change the Authorized Property Manager Representative by providing the Village with written notice of such change which notice shall be sent in accordance with **Section 18.2**.

ARTICLE FOUR

IMPLEMENTATION OF PROJECT

The Village and Property Manager agree to cooperate in implementing the Project in accordance with the Parties' respective obligations set forth in this Agreement. This Agreement and all of its terms are subject to the Village approving the Project, or portions of the Project, which approval shal not be unreasonably withheld.

Attachment: Park Place Redevelopment Agreement - Final Version Sept 8 2022 (Park Place Facade Improvements RDA)

ARTICLE FIVE

DELETED

ARTICLE SIX

DELETED

ARTICLE SEVEN

DELETED

ARTICLE EIGHT

VILLAGE COVENANTS AND AGREEMENTS

8.1 **Village's Redevelopment Obligations**. The Village shall have the obligations set forth in this **Article Eight** in connection with the Project. Notwithstanding the obligations of this **Article Eight**, this Agreement shall not constitute a debt or general obligation of the Village within the meaning of any constitutional statutory provision or limitation, including but not limited to section 8.2 below. In addition, any payment obligations under this Agreement shall expire and no amounts shall be due if not paid prior to the expiration of the Rand Corridor TIF District.

8.2 **TIF Funding.** This agreement shall not constitute a debt or general obligation of the Village within the meaning of any constitutions, statutory provision or limitation. TIF funds shall be disbursed to Property Manager in accordance with the terms of this Agreement, subject to Property Manager having spent sufficient TIF Eligible Expenses to justify said amount. The Village shall provide TIF assistance to Property Manager in a total amount not to exceed Two Million and Five Hundred Thousand Dollars ($2,500,000.00) (the "TIF Funds") in cash in reimbursement of TIF Eligible Expenses incurred by Property Manager for the Project. Subject to Property Manager's compliance with this Agreement and satisfaction of the applicable contingencies contained herein, said payments by the Village to Property Manager shall be made as follows:

Attachment: Park Place Redevelopment Agreement - Final Version Sept 8 2022 (Park Place Facade Improvements RDA)

A. One Million Dollars ($1,000,000.00) shall be paid upon the completion of the building façade improvements on the Property;

B. Three Hundred Thousand Dollars ($300,000.00) shall be paid for every 15,000 square feet of now vacant tenant space that becomes occupied by a sales tax generating uses up to a maximum total of One Million Two Hundred Thousand Dollars ($1,200,000.00)

C. Three Hundred Thousand Dollars ($300,000.00) shall be paid for every 3,000 square feet of new, ground up, commercial space constructed as outlots for the Property Manager upon opening for business.

8.3 All qualifying payment triggers outlined within this Section 8.2 shall be completed and approved by the Village no later than October 31, 2025 to be eligible for reimbursement ("Completion Date").

8.4 Deleted.

8.5 **Defense of TIF District.** In the event that any court or governmental agency, having jurisdiction over enforcement of the Act and the subject matter contemplated by this Agreement, shall determine that this Agreement is contrary to law, or in the event that the legitimacy of the Rand Road Redevelopment Project Area is otherwise challenged before a court or governmental agency having jurisdiction thereof, the Village will, at its sole cost and expense, defend the integrity of the Rand Road Redevelopment Project Area and this Agreement. Property Manager will fully cooperate with the Village in connection with the foregoing, including, but not limited to the execution of any and all reasonable documentation, and will be entitled to reimbursement by the Village for TIF Eligible Expenses incurred in connection with such cooperation and approved in writing by the Village prior to such TIF Eligible Expenses being incurred.

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8.6 **Cooperation with Other Permits.** The Village agrees to cooperate with the Property Manager's attempts to obtain all necessary approvals and permits from any governmental or quasi-governmental entity other than the Village. The Village shall promptly process and consider to the extent allowable under applicable law, any reasonable request of Property Manager for any zoning approvals and for relief or variances from Village Zoning and Subdivision ordinances as may be necessary for the construction of the Project.

8.7 **Certificate of Completion.** Within thirty (30) days after written request from Property Manager to the Village, and after Property Manager has provided to the Village all required, fully executed and approved waivers of liens, sworn statements necessary to comply with the Illinois Mechanics Lien Act, and a date-down endorsement to an owner's policy of title insurance showing no outstanding mechanics' or other liens (other than Permitted Liens, including but not limited to purchase and construction financing), and Property Manager has complied with all Village codes and with the obligations of this Agreement with respect to the completion of construction of the Project or portion thereof (such as provided in Section 8.2 of this Agreement), including obtaining Certificates of Completion (for Section 8.2(A)), final Certificates of Occupancy or approval from the Village for opening of business on the Property, the Village shall deliver a Certificate of Completion or, if not complete or satisfied, a written statement of any deficiencies with respect to the completion of construction of the Project. Upon correction of any noted deficiencies, including but not limited to the full payment of the cost for any such correction of deficiencies, within ten (10) days thereafter the Village shall deliver the Certificate of Completion.

8.8 **Cash Payment.** Based on Property Manager incurring TIF Eligible Expenses, and Property Manager providing proof of payment and paid receipts for said TIF Eligible Expenses, the Village shall reimburse Property Manager for said TIF Eligible Expenses in an amount not to

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exceed Two Million and Five Hundred Thousand Dollars ($2,500,000.00) within sitxy calendar (60) days of the Village's receipt of such proof of payment and paid receipts. Said reimbursement amount of TIF Eligible Expenses shall be paid pursuant to **Section 8.2** of this Agreement, subject to the the delivery by Property Manager to the Village of sufficient invoices and documentation required by Section 8.7 above and which is customarily used in commercial construction projects, and is also determined to be satisfactory by the Village in its commercially reasonable discretion, including, but not limited to paid receipts, cancelled checks, lien waivers and Contractor Sworn Statements, for each such TIF Eligible Expense.

8.9 Reserved

ARTICLE NINE

PROPERTY MANAGER'S COVENANTS AND AGREEMENTS

9.1 **Property Manager's Redevelopment Obligations**. Property Manager shall have the obligations set forth in this **Article Nine** for the development, construction, financing, completion and furtherance of the Project.

9.2 Reserved

9.3 Reserved

9.4 **Construction Financing Deadline**. Not more than sixty (60) days after the Village has issued all permits, approvals, consents and variances needed for the Project's construction, or as may be reasonably extended, Property Manager shall demonstrate to the Village's reasonable satisfaction through true and correct copies of signed letters of intent, commtiment letters or otherwise as may be reasonably acceptable to the Village, that Property Manager has sufficient funds to pay the cost of the Project and any other obligations of Property Manager hereunder relating to the Property and the construction and development of the Project. A binding financing commitment from a nationally recognized bank, lending institution, insurance company or other

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substantially similar financial institution shall be obtained and provided to the Village, in form and content that is typical in the industry, evidencing financing available in sufficient funds to be disbursed to commence and complete the construction of the Project ("Construction Loan"). Property Manager shall provide to the Village true and correct copies of executed satisfactory evidence of such commitment.

9.5 **Project Development Budget.** Property Manager shall submit to the Village the project development line item budget approved by the Property Manager's construction lender, when available. The Property Manager agrees that the Village will be provided a reasonable opportunity to meet with the construction lender if requested by the Village.

9.6 **Letters of Credit, Permits and Other Security** .

Regardless of whatever was provided in this Agreement, the Property Manager and successor owners shall be permitted and allowed to obtain, keep and retain all mortgage loans and encumbrances, including refinances of the same, secured by the Property whose loan proceeds were used to acquire the Property and all mortgage loans and encumbrances secured by the Property whose proceeds are to be or were used for Project construction purposes, including but not limited to the build out and acquisition of fixtures and equipment used at the Property, provided the same are in good standing ("Permitted Liens").

9.7 **Deleted.**

9.8 **Compliance with Applicable Laws**. Property Manager warrants that they shall at all times acquire, install, construct, operate and maintain the Project in conformance with all applicable laws, rules, ordinances and regulations. All work with respect to the Project shall be performed in accordance with good construction practices and shall conform to all applicable federal, state and local laws, regulations and ordinances, including, but not limited to, zoning, subdivision, planned development codes, building codes, environmental codes, life safety codes,

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property maintenance codes and any other applicable codes and ordinances of the Village as more specifically set forth in **Article Eleven**. Village shall not enact any law, ordinance, rule or regulation (or amendment thereto) which would have the effect of increasing Property Manager's obligations hereunder, including an increase in the cost of the Project.

9.9 **No Default.** The Property Manager shall not be in default under this Agreement or be in default under any agreement, which default has not been cured after the giving of proper written notice thereunder and all rights to cure have lapsed. Failure to comply with this term renders Property Manager in default of this Agreement, subject to Property Manager's right to cure under this Agreement.

9.10 **Progress Meetings**. Property Manager shall meet with the Village staff and make presentations, as reasonably requested by the Village and not to exceed four (4) per year, in order to keep the Village apprised of the progress of the development of the Project.

9.11 **Authorized Representative**. Subject to the provisions thereof, Property Manager has designated in **Article Three** a representative with full power and authority to meet with Village staff for purposes of coordinating and implementing obligations of the Parties under this Agreement; provided, however, that all agreements of the Parties shall be in writing and fully authorized by all necessary action of such Parties.

9.12 **Real Estate Tax Payments**. Property Manager and successor owners agree to pay all general and special real estate taxes levied during their respective period of ownership against their respective interest in the Project on or prior to the date same is due and said taxes shall not become delinquent or incur any penalties or interest.

9.13 **Tax Exempt Status**. Consistent with its covenant in **Section 10.8**, Property Manager, Property Owner, and successor owners shall not assert a tax-exempt status during their respective period of ownership. This prohibition shall run with the land and shall expire on the

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earlier of the following to occur: (i) date the Rand Road Redevelopment Project Area and the Rand Corridor TIF District expires; or (ii) any earlier date if such date is mutually agreed by the Village and Property Manager.

9.14 Deleted.

9.15 Deleted.

9.16 **Fees and Expenses**. Property Manager and successor owners shall pay when due all Village and other governmental entity-imposed fees, including but not limited to permit, inspection, review, tap-on, and storm water drainage fees that are assessed on a uniform basis throughout the Village and are of a general applicability to all other property in the Village. Said payments shall be made as directed by the applicable Village code or policy.

9.17 **Loan Agreement.** Prior to issuance of the Certificate of Completion by the Village, Property Manager shall not use the Property as collateral to secure loans or acquire any assets or for anything, other than Permitted Mortgage Liens, including Construction Loans and purchase money mortgages. Notwithstanding anything to the contrary contained herein, no mortgage executed in connection with the Construction Loan may encumber the Property unless the Lender thereunder has committed in writing to the Village that, without Village's consent:

(a) in no event shall the Property serve as security or collateral for any loan other than loans the proceeds of which will be applied to the acquisition of the Property, construction of the Project and acquisition of equipment and fixtures to be used at the Property; and

(b) in no event may Lender exercise any remedies with regard to any default under the Construction Loan, other than the right to withhold further disbursements, until such time as Lender has tendered to Village written notice thereof and

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afforded to the Village the same cure period afforded to Property Manager under the loan documents to cure any such default noted therein.

ARTICLE TEN

ADDITIONAL COVENANTS OF PROPERTY MANAGER

10.1 Deleted.

10.2 **Property Manager Existence**. Property Manager will do or cause to be done all things necessary to preserve and keep in full force and effect its existence and good standing as an Illinois limited liability company authorized to do business in Illinois, so long as Property Manager maintains an interest in the Property or has any other remaining obligation pursuant to the terms of this Agreement.

10.3 **Construction of Project**. Property Manager shall diligently pursue obtaining all required permits and shall exercise commercially reasonable efforts to cause construction of the Project on the Property to be prosecuted and completed in good faith and without delay, subject to Uncontrollable Circumstances and the other provisions of this Agreement. Neither Property Manager, nor any entity in which Property Manager has an interest, shall be paid any construction management fee or other fees from the proceeds of the Construction Loan for the Property until issuance of a Temporary or Final Certificate of Occupancy, whichever occurs first, for any part of the Project.

10.4 **Indemnification**. Property Manager (use of the term "Property Manager" herein includes permitted successors and assigns), agrees to and does hereby indemnify, defend and hold the Village, Mayor, Village Council Members, Village Manager, officers, agents and employees (hereinafter "Indemnified Parties") harmless from and against any losses costs, damages, liabilities, claims, suits, actions, causes of action and expenses (including, without limitation,

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reasonable attorneys' fees and court costs) suffered or incurred by the Indemnified Parties (which shall not include any claim related to the loss of sales tax or incremental property tax revenues), which are caused as a result of:

a. the failure of Property Manager to comply with any of the terms, covenants or conditions of this Agreement with which Property Manager is obligated to comply; and

b. the failure of Property Manager and/or any of Property Manager's contractors to pay contractors, subcontractors or materialmen in connection with the Project; and

c. material misrepresentations or omissions of Property Manager relating to the Project, financials, this Agreement and/or the Village Property Contract, which are the result of information supplied or omitted by Property Manager or by its agents, employees, contractors or persons acting under the control or at the request of Property Manager; and

d. the failure of Property Manager to cure any material misrepresentations or omissions of Property Manager in this Agreement relating to the Project within the applicable cure provisions of this Agreement; and

e. any claim or cause of action for injury, loss of life or damage brought by a third party arising out of the negligence of the Property Manager. The Village shall notify the Property Manager in writing of any third party complaint regarding the construction/or operation of the Project by Property Manager as soon as reasonably possible; and

f. any violation or threatened violation by Property Manager of local ordinance, state or federal laws, in connection with the offer and sale of interests in Property Manager or any part of the Project; and

g. The provisions of this **Section 10.4** shall not apply to any loss which arises out of (in whole or in part) the intentional conduct or negligence on the part of any Indemnified Party providing this information, but only to the extent that such Indemnified Parties' misconduct or

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misinformation or negligence contributed to the loss, or that the loss is attributable to such Indemnified Parties' misconduct or negligence or misinformation. Nothing herein shall be construed to waive any immunities the Village may assert in response or defense of any such claims.

10.5 Deleted.

10.6 Further Assistance and Corrective Instruments. The Village and Property Manager agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may be reasonably required for carrying out the intention of or facilitating the performance of this Agreement to the extent legally permitted and within the Village's sound legal discretion.

10.7 No Gifts. Property Manager covenants that no officer, member, manager, stockholder, employee or agent of Property Manager, or any other person connected with Property Manager, has made, offered or given, either directly or indirectly, to the Mayor, any Council member, or any officer, employee or agent of the Village, or any other person connected with the Village, any money or anything of value as a gift or bribe or other means of influencing his or her action in his or her capacity with the Village.

10.8 Conveyance. In recognition of the nature of the Project and the Village's projections of the need for incremental tax revenues to finance TIF Eligible Expenses, in accordance with the Act, during the life of the TIF consistent with its covenants in **Sections 9.13**, Property Manager shall not undertake to convey the Property to persons whose ownership and use of such Property will cause it to be exempt from payment of property taxes. To facilitate this provision, the Property Manager shall impose in its deed conveying all or any portion of the Property a prohibition against granting such conveyance consistent with the covenants in **Sections 9.13**, except as otherwise provided in this Agreement.

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10.9 **Disclosure.** Concurrently with execution of this Agreement, Property Manager shall disclose to the Village the names, addresses and ownership interests of all Persons that comprise Property Manager. At the time of execution of this Agreement, Property Manager shall not sell, assign, mortgage, pledge or in any manner transfer any interest in the respective corporation or limited liability company, without the Village's prior written consent in each instance, which consent shall not be unreasonably withheld. Consent by the Village to any assignment or transfer shall not waive the necessity for consent to any subsequent assignment or transfer. This prohibition shall include a prohibition against any assignment or transfer by operation of law and no change shall be made in the persons or entities owning or controlling Property Manager or in their respective ownership interests without the consent of the Village. All changes made in the persons or entities owning or controlling Property Manager or in their ownership interests shall be disclosed to the Village during the term of this Agreement.

10.10 **Open Book Project**. Property Manager's Project shall be an "open book" project meaning that Property Manager and the general contractor (or contractors, if more than one) will assure continuing reasonable access to the Village's agents for the purpose of reviewing and auditing their respective books and records relating to any item necessary to determine the costs of the Project, and as it relates solely to this Project. The foregoing Village review rights shall terminate one (1) year after the issuance of the Final Certificate of Occupancy with respect to costs for the Project, unless Property Manager has failed to make available any such books and/or records requested in writing by the Village. Property Manager shall provide to the Village copies of any corporate, partnership, limited liability operating agreements or joint venture agreements pertaining solely to the Property and this Project to which Property Manager is a Party; provided that Property Manager may, (if Property Manager previously provided the Village not less than thirty (30) days to review such confidential financial materials), remove from the copies of such

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agreements any confidential financial information previously disclosed to the Village and not since changed in form or substance and the Village shall keep such agreements confidential, to the maximum extent permitted by law. Failure to provide the documents or allow review of the books within thirty (30) days after written request by the Village shall be an Event of Default. Property Manager shall exercise prudence and good faith in attempting to contract with persons or entities who are reputable and experienced in their respective areas for the provision of services or material for the design and construction of the Project at costs not in excess of market rates. The Village agrees that Property Manager may designate, within its commercially reasonable discretion, the general contractor (or general contractors) for the Project. The general contractor (or general contractors) designated by Property Manager shall be experienced and reputable as determined by Property Manager in its sole, but commercially reasonable discretion.

10.11 **Assignment of Agreement.** This Agreement is not assignable except to an assignee of a Mortgagee for collateral purposes only, as set forth in **Section 9.4**, or for Permitted Transfers (as hereinbefore and hereinafter defined), until a Certificate of Completion for the entire Project is issued by the Village. Notwithstanding anything in this **Section 10.11** to the contrary, no part of this **Section 10.11** and **Section 10.12** shall require the Village's consent to the collateral assignment hereof, for security purposes only, to Property Manager's lender, if required thereby, or to a Permitted Transferee. Subsequent to completion of the Project, as evidenced by a Certificate of Completion, Property Manager shall give notice to Village of any proposed transfer and Village shall have thirty (30) days to accept or reject such assignee and any such proposed transfer, in its sole judgment and discretion.

10.12 **No Transfer without Village's Consent.** Prior to issuance of a Certificate of Completion for the entire Project, no portion of Property Manager or the Project shall be transferred or conveyed (other than to Permitted Transferees). Property Manager shall notify the Village of any

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transfer of any interest in the Project and/or the Property other than to Park Place Development, LLC, an Illinois limited liability company, or an Affiliate of Property Manager . As used herein, an "Affiliate of Property Manager" shall mean an entity which controls, is controlled by, or is under common control with Property Manager and which has the same manager, members, partners or shareholders owning in the aggregate, more than fifty percent (50%) of the ownership interests in Property Manager and the same manager, members, partners or shareholders owning more than fifty percent (50%) of the ownership interests in said Affiliate; and as used herein "control" shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person or entity, whether through the ownership of voting securities or rights, by contract, or otherwise. The foregoing transfers shall herein be referred to as the "Permitted Transfers" and the transferees shall be referred to as the "Permitted Transferees". Property Manager shall not be required to obtain Village review, approval or consent to any Permitted Transfer. The Village shall have no duty to return the LOC or any other security posted in connection with the portion of the Project so transferred. In the event there is a transfer of Property Manager's rights and obligations under this Agreement by operation of law or otherwise due to or caused by the default under this Agreement by Property Manager, the Village may negotiate any new terms of security with any successor developer for the Project and may amend this Agreement with such any such new terms, including, but not limited to any new terms of security for the Project with any successor developer for the Project, as the Village deems acceptable, in its commercially reasonable discretion.

ARTICLE ELEVEN

ADHERENCE TO VILLAGE CODES AND ORDINANCES

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All development and construction of the Project shall comply in all respects with the provisions in the Building, Plumbing, Mechanical, Electrical, Storm Water Management, Fire Prevention, Property Maintenance, Zoning and Subdivision Codes of the Village and all other germane codes and ordinances of the Village in effect from time to time, unless otherwise mandated by State law or permissible under a variance or exemption granted to Property Manager by a governmental body authorized to grant such variance or exemption. Property Manager has examined and is familiar with and agrees that the development of the Project shall be performed in accordance with all the covenants, conditions, restrictions, building regulations, zoning ordinances, property maintenance regulations, environmental regulations and land use regulations, codes, ordinances, federal, state and local ordinances affecting the Project or is permissible under a variance or exemption granted to Property Manager by a governmental body authorized to grant such variance or exemption.

ARTICLE TWELVE

REPRESENTATIONS AND WARRANTIES OF PROPERTY MANAGER

Property Manager represents, warrants and agrees as the basis for the undertakings on their respective parts herein contained that as of the date hereof and until completion of the Project:

12.1 **Organization and Authorization**. Property Manager is an Illinois limited liability company, authorized to do business in Illinois and existing in good standing under the laws of the State of Illinois, and both are authorized to and have the power to enter into, and by proper action have been duly authorized to execute, deliver and perform, this Agreement. Property Manager is solvent, able to pay their debts as they mature and financially able to perform all the terms of this Agreement. To Property Manager's actual knowledge, there are no actions at law or similar proceedings which are pending or threatened against Property Manager which would

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materially and adversely affect the ability of Property Manager to proceed with the construction and development of the Project.

12.2 Deleted.

12.3 **Non-Conflict or Breach**. To the actual knowledge of Property Manager, neither the execution and delivery of this Agreement by either the Property Manager, the consummation of the transactions contemplated hereby by Property Manager, nor the fulfillment of or compliance with the terms and conditions of this Agreement by Property Manager with or result in a breach of any of the terms, conditions or provisions of any franchise agreement, offerings or disclosure statement made or to be made on behalf of Property Manager (with Property Manager's prior written approval), any organizational documents, any restrictions, agreement or instrument to which Property Manager or any of its partners or venturers is now a party or by which Property Manager or any of its partners or its venturers is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any prohibited lien, charge or encumbrance whatsoever upon any of the assets or rights of Property Manager, any related party or any of its venturers under the terms of any instrument or agreement to which Property Manager, any related party or any of its partners or venturers is now a party or by which Property Manager, any related party or any of its venturers is bound, the effect of which would have a material and adverse effect upon the Project.

12.4 **Location of Project**. The Project will be located entirely within the Property.

12.5 **Financial Resources**. Property Manager and any Affiliate to which portions of this Agreement are assigned, have sufficient financial and economic resources to implement and complete Property Manager's respective obligations contained in this Agreement.

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12.6 **Limit on Use of Land as Security**. Property Manager's right to use the land as security for financing purposes shall be subject to the restrictions contained in this Agreement. Violation of this covenant shall constitute an Event of Default.

ARTICLE THIRTEEN

REPRESENTATIONS AND WARRANTIES OF THE VILLAGE.

The Village represents, warrants and agrees as the basis for the undertakings on its part herein contained that:

13.1 **Organization and Authority**. The Village is a municipal corporation duly organized and validly existing under the law of the State of Illinois, is a home rule unit of government, and has all requisite corporate power and authority to enter into this Agreement.

13.2 **Authorization**. The execution, delivery and the performance of this Agreement and the consummation by the Village of the transactions provided for herein and the compliance with the provisions of this Agreement (except with regard to condemnation): (i) have been duly authorized by all necessary corporate action on the part of the Village, (ii) require no other consents, approvals or authorizations on the part of the Village in connection with the Village's execution and delivery of this Agreement, and (iii) shall not, by lapse of time, giving of notice or otherwise result in any breach of any term, condition or provision of any indenture, agreement or other instrument to which the Village is subject.

13.3 **Litigation.** To the best of the Village's knowledge, there are no proceedings pending or threatened against or affecting the Village or the Rand Road Redevelopment Project Area in any court or before any governmental authority which involves the possibility of materially or adversely affecting the ability of the Village to perform its obligations under this Agreement.

13.4 **Connections.** The Village shall permit the connection to Village utility systems of all water lines, sanitary and storm sewer lines or Village utility lines existing or constructed in the

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Property or near the perimeter of the Property as set forth on the Final Plans, provided that Property Manager comply with all requirements of general applicability promulgated by the Village for such connections. Village shall grant utility easements over Village owned land and public rights of way as may be necessary or appropriate to accommodate the utilities shown on the Final Plans.

13.5 Reserved.

13.6 Best Efforts. Village agrees to cooperate with Property Manager in Property Manager's efforts to obtain necessary licenses, permits and approvals from other governmental and quasi-governmental bodies for the Project, including, the state and local Departments of Transportation, Metropolitan Water Reclamation District, state and federal Environmental Protection Agencies, and FEMA.

ARTICLE FOURTEEN

LIABILITY AND RISK INSURANCE.

14.1 Liability Insurance Prior to Completion. On or prior to any construction activities, Property Manager (or Property Manager's contractor) shall procure and deliver to the Village, at Property Manager's (or such contractor's) cost and expense, and shall maintain in full force and effect until each and every obligation of Property Manager contained herein has been fully paid, or performed, a policy or policies of comprehensive liability insurance and, during any period of construction, contractor's liability insurance and worker's compensation insurance, with liability coverage under the comprehensive liability insurance to be not less than Two Million Dollars ($2,000,000.00) each occurrence and Five Million Dollars ($5,000,000.00) in the aggregate. All such policies shall be in such form and issued by such companies as shall be acceptable to the Village to protect the Village and Property Manager against any liability incidental to the use of or resulting from any claim for injury or damage occurring in or about the Project on the Property,

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or the construction and improvement thereof by Property Manager. Each such policy shall name the Village as an additional insured, including an additional insured endorsement, and shall contain an affirmative statement by the issuer that it will give written notice to the Village at least thirty (30) days prior to any cancellation or amendment of its policy; provided that, Village hereby agrees and acknowledges that it's rights as an additional insured are subordinate to the priority of the construction lender as a loss payee. Property Manager may satisfy its insurance obligations in this **Article Fourteen** by way of a blanket policy or policies which satisfy the terms and conditions contained herein, which also includes other liabilities, properties and locations having a general policy aggregate of at least Ten Million Dollars ($10,000,000.00). Property Manager shall provide to the Village a replacement certificate not less than thirty (30) days prior to expiration of any policy.

14.2 **Builder's Risk Prior to Completion.** Prior to completion of the construction of the Project on the Property, as certified by the Village, Property Manager shall keep in force at all times builders risk insurance on a completed value basis, in non-reporting form, against all risks of physical loss, including collapse, covering the total value of work performed and equipment, supplies and materials furnished for the Project (including on-site stored materials), all as to work by Property Manager on the Project. Such insurance policies shall be issued by companies satisfactory to the Village. All such policies shall contain a provision that the same will not be canceled or modified without prior thirty (30) day written notice to the Village.

ARTICLE FIFTEEN

DELETED.

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ARTICLE SIXTEEN

DELETED.

ARTICLE SEVENTEEN

EQUAL EMPLOYMENT OPPORTUNITY

17.1 **No Discrimination.** Property Manager will not discriminate against any employee or applicant for employment on the basis of race, color, religion, sex or national origin. To the fullest extent permitted by law, Property Manager will take affirmative action to ensure that applicants are employed and treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, transfer, recruitment, recruitment advertising, layoff, termination, rate of pay or other forms of compensation and selection for training, including apprenticeship. Property Manager agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Village setting forth the provisions of this nondiscrimination clause.

17.2 **Advertisements.** Property Manager will, in all solicitations or advertisements for employees placed by or on behalf of Property Manager, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

17.3 **Contractors**. Any contracts made by Property Manager with any general contractor, agent, employee, independent contractor or any other Person in connection with Project shall contain language similar to that recited in **Sections 17.1 and 17.2** above.

ARTICLE EIGHTEEN

MISCELLANEOUS PROVISIONS.

18.1 **Reserved.**

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18.2 **Notices**. All notices, certificates, approvals, consents or other communications desired or required to be given hereunder shall be given in writing at the addresses set forth below, by any of the following means: (a) personal service, (b) overnight courier, or (c) registered or certified first class mail, postage prepaid, return receipt requested.

If to Village:	Village of Palatine 200 E Wood Street Palatine, IL 60067 Attn: Village Clerk
With a copy to:	Village of Palatine 200 E Wood Street Palatine, IL 60067 Attn: Village Manager
With a copy to:	Schain, Banks, Kenny & Schwartz, Ltd. 70 W. Madison Street, Suite 5300 Chicago, IL 60602 Attn: Patrick Brankin
If to Property Manager:	Nare Management, LLC 27 N. Green St. Chicago, IL 60607 Attn: Savas Er
With a copy to:	Zabel Law, LLC 55 W. Monroe St. Suite 3330 Chicago, IL 60603 Attn: Jay Zabel

The Parties, by notice hereunder, may designate any further or different addresses to which subsequent notices, certificates, approvals, consents or other communications shall be sent. Any notice, demand or request sent pursuant to clause (a) hereof shall be deemed received upon such personal service or upon dispatch by electronic means. Any notice, demand or request sent pursuant to clause (b) shall be deemed received on the day immediately following deposit with

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the overnight courier, and any notices, demands or requests sent pursuant to clause (c) shall be deemed received forty-eight (48) hours following deposit in the mail.

18.3 **Time of the Essence**. Time is of the essence of this Agreement.

18.4 **Counterparts**. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same Agreement.

18.5 **Recordation of Agreement**. The Parties agree to record this Agreement in the Recorder's Office of Cook County.

18.6 **Severability**. If any provision of this Agreement, or any section, sentence, clause, phrase or word, or the application thereof, in any circumstance, is held to be invalid, the remainder of this Agreement shall be construed as if such invalid part were never included herein, and this Agreement shall be and remain valid and enforceable to the fullest extent permitted by law.

18.7 **Choice of Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

18.8 **Entire Contract and Amendments**. This Agreement (together with the exhibits attached hereto) is the entire contract and a full integration of the Agreement between the Village, Property Manager relating to the subject matter hereof, supersedes all prior and contemporaneous negotiations, understandings and agreements, written or oral, between the Village and Property Manager, and may not be modified or amended except by a written instrument executed by the Parties hereto.

18.9 **Third Parties**. Nothing in this Agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any other persons other than the Village, Purchaser and Property Manager, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to either the Village, Purchaser or Property Manager, nor shall any provision give any third parties any rights of

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subrogation or action over or against either the Village, Purchaser or Property Manager This Agreement is not intended to and does not create any third party beneficiary rights whatsoever.

18.10 Waiver. Any party to this Agreement may elect to waive any right or remedy it may enjoy hereunder, provided that no such waiver shall be deemed to exist unless such waiver is in writing. No such waiver shall obligate the waiver of any other right or remedy hereunder, or shall be deemed to constitute a waiver of other rights and remedies provided pursuant to this Agreement.

18.11 Cooperation and Further Assurances. The Village and Property Manager each covenants and agrees that each will do, execute, acknowledge and deliver or cause to be done, executed and delivered, such agreements, instruments and documents supplemental hereto and such further acts, instruments, pledges and transfers as may be reasonably required for the better clarifying, assuring, mortgaging, conveying, transferring, pledging, assigning and confirming unto the Village or Property Manager or other appropriate persons all and singular the rights, property and revenues covenanted, agreed, conveyed, assigned, transferred and pledged under or in respect of this Agreement.

18.12 Successors in Interest. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective authorized successors and assigns; provided, however, that, except as provided in **Section 10.10** and **Section 10.11** hereof, Property Manager nor may not assign its rights under this Agreement without the express written approval of the Village.

18.13 No Joint Venture, Agency or Partnership Created. Nothing in this Agreement, or any actions of the Parties to this Agreement, shall be construed by the Parties or any third person to create the relationship of a partnership, agency or joint venture between or among such parties.

18.14 No Personal Liability of Officials of Village or Property Manager. No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of the Mayor, Village Council member, Village Manager, any official, officer, partner, member, director,

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agent, employee or attorney of the Village or Property Manager, in his or her individual capacity, and no official, officer, partner, member, director, agent, employee or attorney of the Village, or Property Manager shall be liable personally under this Agreement or be subject to any personal liability or accountability by reason of or in connection with or arising out of the execution, delivery and performance of this Agreement, or any failure in that connection.

18.15 **Repealer**. To the extent that any ordinance, resolution, rule, order or provision of the Village's code of ordinances, or any part thereof, is in conflict with the provisions of this Agreement, the provisions of this Agreement shall be controlling, to the extent lawful.

18.16 **Term.** This Agreement shall remain in full force and effect for twenty-three (23) years from the date the Rand Road Redevelopment Project Area was created, unless the Redevelopment Plan with respect to the Project is extended or until termination of the Rand Road Redevelopment Project Area or until otherwise terminated pursuant to the terms of this Agreement.

18.17 **Estoppel Certificates**. Each of the parties hereto agrees to provide the other, upon not less than ten (10) business days prior request, a certificate ("Estoppel Certificate") certifying that this Agreement is in full force and effect (unless such is not the case, in which such parties shall specify the basis for such claim), that the requesting party is not in default of any term, provision or condition of this Agreement beyond any applicable notice and cure provision (or specifying each such claimed default) and certifying such other matters reasonably requested by the requesting party.

18.18 **Municipal Limitations.** All municipal commitments are limited to the extent required by law.

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18.19 Compliance with All Applicable Laws. Property Manager agrees that the Project shall comply with any and all applicable Federal and State Laws, including but not limited to the Illinois TIF Act.

18.20 Performance Days. Whenever under the terms of this Agreement the time for performance of a covenant or condition falls on a Saturday, Sunday or holiday, such time for performance shall be extended to the next business day. Except as otherwise set forth herein, all references herein to "days" shall mean calendar days.

18.21 State Grocery Tax Suspension. In the event the State of Illinois extends or renews Public Act 102-0700 (the "Act") (thereby extending the abatement of sales and use tax on retail sales of groceries), or enacts a similar abatement of sales and use tax on retail sales of groceries, and does not provide the Village with an alternative revenue source equivalent to, or greater than, the loss of any such tax so abated through such time during which the Village would be obligated to reimburse Property Manager under Sections 8.2(B) and 8.2(C), Property Manager and Village hereby agree that all payments due from the Village under Section 8.2 shall be capped at a total of One Million Five Hundred Thousand Dollars ($1,500,000.00) with the remaining One Million Dollars ($1,000,000.00) of TIF Funds to be likewise abated until the date upon which the State of Illinois reinstates the collection of sales and use tax on retail sales of groceries.

ARTICLE NINETEEN

EFFECTIVENESS

The Effective Date for this Agreement shall be the day on which this Agreement is fully executed pursuant to a duly enacted Village ordinance authorizing the execution and adoption of this Agreement. Property Manager shall execute this Agreement not later than twenty-one (21) days after Village Council authorization of execution of this Agreement or else this Agreement will be deemed void.

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ARTICLE TWENTY

DISCLOSURE

20.01 Disclosure Of Interests. In accordance with Illinois law, 50 ILCS 105/3.1, simultaneously with the execution of this Agreement by the parties, the Property Manager or their authorized corporate official or managing agent shall submit a sworn affidavit to the Village disclosing the identity of every owner and beneficiary who shall obtain any interest, real or personal, in the Property, and every shareholder or member entitled to receive more than seven and one-half percent (7.5%) of the total distributable income of any corporation or limited liability company after having obtained title to the Property, or, alternatively, if any corporation's stock is publicly traded, a sworn affidavit by an officer of the Property Manager or their managing agent that there is no readily known individual who shall obtain a greater than seven and one-half percent (7.5%) interest, real or personal, in the Property after the transaction contemplated by this Agreement is consummated. The sworn affidavit, attached hereto as **Exhibit "C"** and made a part of this Agreement, shall be signed by the Property Manager or their managing agent. Said affidavit shall be updated, as necessary, prior to the closings of the transaction contemplated by this Agreements.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on or as of the day and year first above written.

VILLAGE OF PALATINE, an Illinois municipal corporation

By:_____
Its: Mayor

ATTEST:

By:_____
Its: Village Clerk

PROPERTY MANAGER:

Nare Venture, LLC, an Illinois limited liability company

By:_____

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Name: Savas Er
Its: Manager

PROPERTY OWNER:

Nare Venture, LLC, an Illinois limited liability company

By:_____
Name: Savas Er
Its: Manager

Joel Simmons Revocable Trust

By: _____
Name: Joel D. Simmons
Its: Trustee

CCT Park Place, LLC

By: Lakewest, Inc.
Its: Manager

By: _____
Name: David W. Ruttenberg
Its: President

Attachment: Park Place Redevelopment Agreement - Final Version Sept 8 2022 (Park Place Facade Improvements RDA)

STATE OF ILLINOIS)
) SS
COUNTY OF _____)

I, _____, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that _____, _____ of _____, Inc., an Illinois corporation, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act as said President and as the free and voluntary act of said corporation for the uses and purposes therein set forth.
GIVEN under my hand and Notarial Seal this _____ day of _____, 202__.

_____
Notary Public
My commission expires _____.

STATE OF ILLINOIS)
) SS
COUNTY OF _____)

I, _____, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that _____, _____ of Property Manager, an Illinois limited liability company, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act as said _____ and as the free and voluntary act of saidlimited liability company for the uses and purposes therein set forth.
GIVEN under my hand and Notarial Seal this _____ day of _____, 202__.

_____
Notary Public
My commission expires _____.

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ACKNOWLEDGEMENT AND CONSENT OF TIC OWNERS

The undersigned, being the all of the title holders of the Property, do hereby acknowledge, authorize and consent to the following:

1. The appoinment of NARE Venture, LLC, as the appointed representative and Property Manager under the terms of this Agreement;

2. The expenditure of TIF Eligible Expenses directly from NARE Venture, LLC, as the appointed representative and Property Manager under the terms of this Agreement; and

3. The distribution of TIF Funds, pursuant to the terms of this Agreement, directly to NARE Venture, LLC, as the appointed representative and Property Manager under the terms of this Agreement.

IN WITNESS WHEREOF, the undersigned has signed this Acknowledgement and Consent effective as of _____, 2022.

NARE VENTURE, LLC
an Illinois limited liability company

By:_____
Name: Savas Er
Its: Manager

JOEL SIMMONS REVOCABLE TRUST

By: _____
Name: Joel D. Simmons
Its: Trustee

CCT PARK PLACE, LLC
an Illinois limited liability company

By: Lakewest, Inc.
Its: Manager

By: _____
Name: David W. Ruttenberg
Its: President

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EXHIBIT A PRELIMINARY PLANS

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EXHIBIT B

LEGAL DESCRIPTION OF PROPERTY

PARCEL 1:

THAT PART OF LOT 1 IN THE RESUBDIVISION OF LOT 2 IN PARK PLACE/WAL-MART SUBDIVISION, BEING A SUBDIVISION OF PART OF THE NORTHWEST QUARTER OF SECTION 12, TOWNSHIP 42 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MARCH 29, 2010 AS DOCUMENT NUMBER 1008822049, IN COOK COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS:

COMMENCING AT A NORTHEASTERLY CORNER THEREOF, SAID CORNER ALSO BEING A POINT ON THE SOUTHERLY LINE OF THE DUNDEE ROAD (STATE ROUTE 68) RIGHT-OF-WAY AT THE POINT OF INTERSECTION WITH THE WESTERLY LINE OF THE EAST 150 FEET OF SAID NORTHWEST QUARTER; THENCE SOUTH 00 DEGREES 04 MINUTES 41 SECONDS EAST, ALONG SAID WESTERLY LINE, BEING ALSO AN EASTERLY LINE OF SAID LOT I, A DISTANCE OF 220.40 FEET, TO A CORNER OF SAID LO7 1, SAID CORNER ALSO BEING THE SOUTHWESTERLY CORNER OF THE NORTH 290.4 FEET OF SAID EAST 150 FEET; THENCE NORTH 89 DEGREES 52 MINUTES 21 SECONDS EAST, ALONG A COMMON LINE THEREOF, A DISTANCE OF 150.00 FEET, TO A COMMON CORNER THEREOF, SAID CORNER ALSO BEING A POINT ON THE EASTERLY; LINE OF SAID NORTHWEST QUARTER; THENCE SOUTH 00 DEGREES 04 MINUTES 41 SECONDS EAST, ALONG SAID EASTERLY LINE, ALSO BEING THE EASTERLY LINE OF SAID LOT 1, A DISTANCE OF 178.89 FEET, TO THE POINT OF BEGINNING; THENCE SOUTH 89 DEGREES 55 MINUTES 19 SECONDS WEST, PERPENDICULAR TO THE LAST DESCRIBED COURSE, 364.51 FEET; THENCE SOUTH 00 DEGREES 04 MINUTES 41 SECONDS EAST, PERPENDICULAR TO THE LAST DESCRIBED COURSE, 3.80 FEET; THENCE SOUTH 89 DEGREES 55 MINUTES 19 SECONDS WEST, PERPENDICULAR TO THE LAST DESCRIBED COURSE, 210.91 FEET, TO THE EASTERLY LINE OF LOT 1 IN PARK PLACE/WAL-MART SUBDIVISION, RECORDED AS DOCUMENT NUMBER 0312103000, SAID LINE BEING A COMMON LINE WITH LOT 1 IN SAID RESUBDIVISION; THENCE SOUTH 00 DEGREES 04 MINUTES 41 SECONDS EAST, ALONG SAID COMMON LINE AND IT'S SOUTHERLY EXTENSION, 883.70 FEET, TO A SOUTHWESTERLY LINE OF LOT 1 IN SAID

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RESUBDIVISION, SAID LINE ALSO BEING THE NORTHEASTERLY LINE OF SAID RAND ROAD (U.S. ROUTE 12) RIGHT-OF-WAY; THENCE SOUTH 00 DEGREES 05 MINUTES 50 SECONDS EAST, ALONG SAID NORTHEASTERLY LINE, 178.08 FEET, TO A POINT OF CURVATURE; THENCE SOUTHEASTERLY 328.15 FEET, ALONG A CURVE, TANGENT TO THE LAST DESCRIBED COURSE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 2,554.51 FEET, A CHORD BEARING SOUTH 49 DEGREE 46 MINUTES 38 SECONDS EAST, AND A CHORD DISTANCE OF 327.92 FEET, TO 4 A SOUTHEASTERLY CORNER OF LOT 1 IN SAID RESUBDIVISION, SAID CORNER ALS0 BEING THE SOUTHWESTERLY CORNER OF FREMD SUBDIVISION RECORDED AS DOCUMENT NUMBER 16835555; THENCE NORTH 00 DEGREES 04 MINUTES 41 SECONDS WEST, ALONG A COMMON LINE THEREOF, 206.49 FEET, TO A COMMON CORNER THEREOF; THENCE NORTH 89 DEGREES 55 MINUTES 19 SECONDS EAST ALONG A COMMON LINE THEREOF, 197.18 FEET, TO A SOUTHEASTERLY CORNER OF LOT 1 IN SAID RESUBDIVISION, SAID CORNER ALSO BEING A POINT ON THE EASTERLY LINE OF SAID NORTHWEST QUARTER; THENCE NORTH 00 DEGREES 04 MINUTES 41 SECONDS WEST, ALONG SAID EASTERLY LINE, 1016.77 FEET, TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM, THAT PART THEREOF DESCRIBED AS FOLLOWS:

COMMENCING AT A NORTHEASTERLY CORNER THEREOF, SAID CORNER ALSO BEING A POINT ON THE SOUTHERLY LINE OF THE DUNDEE ROAD (STATE ROUTE 68) RIGHT-OF-WAY AT THE POINT OF INTERSECTION WITH THE WESTERLY LINE OF THE EAST 150 FEET OF SAID NORTHWEST QUARTER; THENCE SOUTH 00 DEGREES 04 MINUTES 41 SECONDS EAST, ALONG SAID WESTERLY LINE, BEING ALSO AN EASTERLY LINE OF SAID LOT 1, A DISTANCE OF 220.40 FEET, TO A CORNER OF SAID LOT 1, SAID CORNER ALSO BEING THE SOUTHWESTERLY CORNER OF THE NORTH 290.4 FEET OF SAID EAST 150 FEET; THENCE NORTH 89 DEGREES 52 MINUTES 21 SECONDS EAST, ALONG A COMMON LINE THEREOF, A DISTANCE OF 150.00 FEET, TO A COMMON CORNER THEREOF, SAID CORNER ALSO BEING A POINT ON THE EASTERLY LINE OF SAID NORTHWEST QUARTER; THENCE SOUTH 00 DEGREES 04 MINUTES 41 SECONDS EAST, ALONG SAID EASTERLY LINE, ALSO BEING THE EASTERLY LINE OF SAID LOT 1, A DISTANCE OF 178.89 FEET; THENCE SOUTH 89 DEGREES 55 MINUTES 19 SECONDS WEST, PERPENDICULAR TO THE LAST DESCRIBED COURSE, 364.51 FEET; THENCE SOUTH 00

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DEGREES 04 MINUTES 41 SECONDS EAST, PERPENDICULAR TO THE LAST DESCRIBED COURSE, 3.80 FEET; THENCE SOUTH 89 DEGREES 55 MINUTES 19 SECONDS WEST, PERPENDICULAR TO THE LAST DESCRIBED COURSE, 210.91 FEET, TO THE EASTERLY LINE OF LOT 1 IN PARK PLACE/WAL-MART SUBDIVISION, RECORDED AS DOCUMENT NUMBER 0312103000, SAID LINE BEING A COMMON LINE WITH LOT 1 IN SAID RESUBDIVISION; THENCE SOUTH 00 DEGREES 04 MINUTES 41 SECONDS EAST, ALONG SAID COMMON LINE, 465.82 FEET, TO THE POINT OF BEGINNING OF THIS EXCEPTION; THENCE CONTINUING ALONG SAID COMMON LINE, AND IT'S SOUTHERLY EXTENSION, 417.88 FEET, TO A SOUTHWESTERLY LINE OF LOT 1 IN SAID RESUBDIVISION, SAID LINE ALSO BEING THE NORTHEASTERLY LINE OF SAID RAND ROAD (U.S. ROUTE 12) RIGHT-OF-WAY; THENCE SOUTH 46 DEGREES 05 MINUTES 50 SECONDS EAST, ALONG SAID NORTHEASTERLY LINE, 178.08 FEET, TO A POINT OF CURVATURE; THENCE SOUTHEASTERLY 328.15 FEET, ALONG A CURVE, TANGENT TO THE LAST DESCRIBED COURSE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 2,554.51 FEET, A CHORD BEARING SOUTH 49 DEGREES 46 MINUTES 38 SECONDS EAST, AND A CHORD DISTANCE OF 327.92 FEET, TO A SOUTHEASTERLY CORNER OF LOT 1 IN SAID RESUBDIVISION, SAID CORNER ALSO BEING THE SOUTHWESTERLY CORNER OF FREMD SUBDIVISION RECORDED AS DOCUMENT NUMBER 16835555; THENCE NORTH 00 DEGREES 04 MINUTES 41 SECONDS WEST, ALONG A COMMON LINE THEREOF, 206.49 FEET, TO A COMMON CORNER THEREOF; THENCE NORTH 89 DEGREES 55 MINUTES 19 SECONDS EAST, ALONG A COMMON LINE THEREOF, 197.18 FEET, TO A SOUTHEASTERLY CORNER OF LOT 1 IN SAID RESUBDIVISION, SAID CORNER ALSO BEING A POINT ON THE EASTERLY LINE OF SAID NORTHWEST QUARTER; THENCE NORTH 00 DEGREES 04 MINUTES 41 SECONDS WEST, ALONG SAID EASTERLY LINE, 470.72 FEET; THENCE SOUTH 89 DEGREES 55 MINUTES 19 SECONDS WEST, PERPENDICULAR TO THE LAST DESCRIBED COURSE, 122.97 FEET; THENCE NORTH 58 DEGREES 35 MINUTES 21 SECONDS WEST, 98.46 FEET; THENCE NORTH 00 DEGREES 04 MINUTES 41 SECONDS WEST, 25,00 FEET, TO THE FACE OF A BUILDING WALL; THENCE SOUTH 89 DEGREES 55 MINUTES 19 SECONDS WEST, PERPENDICULAR TO THE LAST DESCRIBED COURSE, 368.49 FEET, TO THE POINT OF BEGINNING OF THIS EXCEPTION.

Attachment: Park Place Redevelopment Agreement - Final Version Sept 8 2022 (Park Place Facade Improvements RDA)

PARCEL 2:

NONEXCLUSIVE EASEMENT FOR INGRESS AND EGRESS AS DESCRIBED IN EASEMENTS WITH COVENANTS AND RESTRICTIONS AFFECTING THE LAND RECORDED MAY 19, 2003 AS DOCUMENT NUMBER 0313932098 AS AMENDED FROM TIME TO TIME.

Attachment: Park Place Redevelopment Agreement - Final Version Sept 8 2022 (Park Place Facade Improvements RDA)

EXHIBIT C

State of Illinois)
) SS
County of Cook)

DISCLOSURE AFFIDAVIT

I, _____, (hereinafter referred to as "**Affiant**") reside at _____ _____, in Cook County, State of Illinois, being first duly sworn and having personal knowledge of the matters contained in this Affidavit, swear to the following:

1. That, I am over the age of eighteen and the (choose one)
   [ ] owner or
   [ ] authorized trustee or
   [ ] corporate official or
   [ ] managing agent or
   [ ] _____ of the Real Estate (as defined herein).

2. That, the Real Estate (as defined herein) being sold to _____ _____is located in the County of Cook, Village of Palatine, State of Illinois (herein referred to as the "**Real Estate**"). The Real Estate has Assessor's Permanent Index Numbers of _____

3. That, I understand that pursuant to 50 ILCS 105/3.1, prior to execution of a real estate purchase agreement between the record fee owner of the Real Estate and _____, Illinois State Law requires the owner, authorized trustee, corporate official or managing agent to submit a sworn affidavit to the Buyer disclosing the identity of every owner and beneficiary having *any* interest, real or personal, in the Real Estate, and every shareholder entitled to receive more than 7 1/2% of the total distributable income of any corporation having any interest, real or personal, in the Real Estate.

4. As the [ ] owner or
   [ ] authorized trustee or
   [ ] corporate official or
   [ ] managing agent or
   [ ] _____ of the Real Estate, I declare under oath that (choose one):

   [ ] The owners or beneficiaries of the trust are: _____ _____or

   [ ] The shareholders with more than 7 1/2% interest are: ____ _____ _____or

[ ] The corporation is publicly traded and there is no readily known individual having greater than a 7 1/2% interest in the corporation.

Attachment: Park Place Redevelopment Agreement - Final Version Sept 8 2022 (Park Place Facade Improvements RDA)

This Disclosure Affidavit is made to induce the Buyer to accept title to the Real Estate in accordance with 50 ILCS 105/3.1.

AFFIANT

_____

SUBSCRIBED AND SWORN to before me
this _____ day of _____, 2022.

_____
NOTARY PUBLIC

Attachment: Park Place Redevelopment Agreement - Final Version Sept 8 2022 (Park Place Facade Improvements RDA)

EXISTING

PROPOSED

JTS Architects

Attachment: Exhibit A - Park Place Facade Improvements RDA)

Consider a Motion Authorizing the Village Manager to Enter Into a Contract with Axon Enterprise, Inc. for Police Department Equipment

BACKGROUND:
The Palatine Police Department's current squad car mobile/audio recording equipment is out of warranty, as is its current TASER (Conductive Energy Weapon) equipment.
This Axon contract will add Body Worn Cameras (BWC) to the package with squad car and TASERs, which is a requirement under the SAFE-T Act.

KEY ISSUES:

- The Safety, Accountability, Fairness and Equity-Today Act, known as the SAFE-T Act, was signed into law by the Governor on January 22, 2021. One component of this law required local Police Departments to outfit officers with body worn cameras by 2025.
- The Palatine Police Department recommends signing a 10-year contract that will net a $1.6 million savings versus a five-year contract. The contract will replace and refresh all equipment mentioned above over the course of the ten years. The total cost for ten years is $3,452,622 with a total savings of $1,627,242.42 over the five year contract.
- The contract/pricing is provided through a cooperative bidding process with Sourcewell meeting all purchasing requirements.
- Funds used to cover the cost of this public safety initiative will be derived from ARPA funding, per staff's recommendation to the Council on August 1, 2022.

ALTERNATIVES:

1. Approve the authorization.
2. Do not approve the authorization.

RECOMMENDATION:
Staff recommends a motion authorizing the Village Manager to execute a new 10-year contract with Axon Enterprise, Inc.

ACTION REQUIRED:
A motion authorizing the Village Manager to execute a new 10-year contract with Axon Enterprise, Inc. for Police Department, squad car mobile/audio recording equipment, TASER equipment, and body worn camera equipment.

ATTACHMENTS:

- Axon Contract 010720
- Palatine PD Sept 6 Update for signature

DocuSign Envelope ID: 9D428523-5BE5-448A-9A84-474FCDA7B600

Sourcewell

Solicitation Number: RFP#010720

CONTRACT

This Contract is between **Sourcewell**, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and **Axon Enterprise Inc.**, 17800 N. 85th St., Scottsdale, AZ 85255 (Vendor).

Sourcewell is a State of Minnesota local government agency and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) that offers cooperative procurement solutions to its members. Participation is open to all levels of governmental entity, higher education, K-12 education, nonprofit, tribal government, and other public entities located in the United States and Canada.

Vendor desires to contract with Sourcewell to provide equipment, products, or services to Sourcewell and its Members (Members).

1. TERM OF CONTRACT

A. EFFECTIVE DATE. This Contract is effective upon the date of the final signature below.

B. EXPIRATION DATE AND EXTENSION. This Contract expires February 21, 2024, unless it is cancelled sooner pursuant to Article 24. This Contract may be extended up to one additional one-year period upon request of Sourcewell and with written agreement by Vendor.

C. SURVIVAL OF TERMS. Articles 11 through 16 survive the expiration or cancellation of this Contract.

2. EQUIPMENT, PRODUCTS, OR SERVICES

A. EQUIPMENT, PRODUCTS, OR SERVICES. Vendor will provide the Equipment, Products, or Services as stated in its Proposal submitted under the Solicitation Number listed above. Vendor's Equipment, Products, or Services Proposal (Proposal) is attached and incorporated into this Contract.

All Equipment and Products provided under this Contract must be new/current model. Vendor may offer close-out or refurbished Equipment or Products if they are clearly indicated in Vendor's product and pricing list. Unless agreed to by the Member in advance, Equipment or Products must be delivered as operational to the Member's site.

Attachment: Axon Contract 010720 (Police Dept. Axon Enterprise Inc. Contract)

DocuSign Envelope ID: 9D428523-5BE5-448A-9A84-474FCDA7B600

This Contract offers an indefinite quantity of sales, and while substantial volume is anticipated, sales and sales volume are not guaranteed.

B. LAWS AND REGULATIONS. All Equipment, Products, or Services must comply fully with applicable federal laws and regulations, and with the laws of the state or province in which the Equipment, Products, or Services are sold.

C. WARRANTY. Vendor warrants that all Equipment, Products, and Services furnished are free from liens and encumbrances, and are free from defects in design, materials, and workmanship. In addition, Vendor warrants the Equipment, Products, and Services are suitable for and will perform in accordance with the ordinary use for which they are intended. Vendor's dealers and distributors must agree to assist the Member in reaching a resolution in any dispute over warranty terms with the manufacturer. Any manufacturer's warranty that is effective past the expiration of the Vendor's warranty will be passed on to the Member.

D. DEALERS AND DISTRIBUTORS. Upon Contract execution, Vendor will make available to Sourcewell a means to validate or authenticate Vendor's authorized Distributors/Dealers relative to the Equipment, Products, and Services related to this Contract. This list may be updated from time-to-time and is incorporated into this Contract by reference. It is the Vendor's responsibility to ensure Sourcewell receives the most current version of this list.

3. PRICING

All Equipment, Products, or Services under this Contract will be priced as stated in Vendor's Proposal.

Regardless of the payment method chosen by the Member, the total cost associated with any purchase option of the Equipment, Products, or Services must always be disclosed in the pricing quote to the applicable Member at the time of purchase.

When providing pricing quotes to Members, all pricing quoted must reflect a Member's total cost of acquisition. This means that the quoted cost is for delivered Equipment, Products, and Services that are operational for their intended purpose, and includes all costs to the Member's requested delivery location.

A. SHIPPING AND SHIPPING COSTS. All delivered Equipment and Products must be properly packaged. Damaged Equipment and Products may be rejected. If the damage is not readily apparent at the time of delivery, Vendor must permit the Equipment and Products to be returned within a reasonable time at no cost to Sourcewell or its Members. Members reserve the right to inspect the Equipment and Products at a reasonable time after delivery where circumstances or conditions prevent effective inspection of the Equipment and Products at the time of delivery.

Attachment: Axon Contract 010720 (Police Dept. Axon Enterprise Inc. Contract)

DocuSign Envelope ID: 9D428523-5BE5-448A-9A84-474FCDA7B600

Vendor must arrange for and pay for the return shipment on Equipment and Products that arrive in a defective or inoperable condition.

Sourcewell may declare the Vendor in breach of this Contract if the Vendor intentionally delivers substandard or inferior Equipment or Products. In the event of the delivery of nonconforming Equipment and Products, the Member will notify the Vendor as soon as possible and the Vendor will replace nonconforming Equipment and Products with conforming Equipment and Products that are acceptable to the Member.

B. SALES TAX. Each Member is responsible for supplying the Vendor with valid tax-exemption certification(s). When ordering, Members must indicate if it is a tax-exempt entity.

C. HOT LIST PRICING. At any time during this Contract, Vendor may offer a specific selection of Equipment, Products, or Services at discounts greater than those listed in the Contract. When Vendor determines it will offer Hot List Pricing, it must be submitted electronically to Sourcewell in a line-item format. Equipment, Products, or Services may be added or removed from the Hot List at any time through a Sourcewell Price and Product Change Form as defined in Article 4 below.

Hot List program and pricing may also be used to discount and liquidate close-out and discontinued Equipment and Products as long as those close-out and discontinued items are clearly identified as such. Current ordering process and administrative fees apply. Hot List Pricing must be published and made available to all Members.

4. PRODUCT AND PRICING CHANGE REQUESTS

Vendor may request Equipment, Product, or Service changes, additions, or deletions at any time. All requests must be made in writing by submitting a signed Sourcewell Price and Product Change Request Form to the assigned Sourcewell Contract Administrator. This form is available from the assigned Sourcewell Contract Administrator. At a minimum, the request must:

- Identify the applicable Sourcewell contract number
- Clearly specify the requested change
- Provide sufficient detail to justify the requested change
- Individually list all Equipment, Products, or Services affected by the requested change, along with the requested change (e.g., addition, deletion, price change)
- Include a complete restatement of pricing documentation in Microsoft Excel with the effective date of the modified pricing, or product addition or deletion. The new pricing restatement must include all Equipment, Products, and Services offered, even for those items where pricing remains unchanged.

A fully executed Sourcewell Price and Product Request Form will be become an amendment to this Contract and be incorporated by reference.

Attachment: Axon Contract 010720 (Police Dept. Axon Enterprise Inc. Contract)

DocuSign Envelope ID: 9D428523-5BE5-448A-9A84-474FCDA7B600

5. MEMBERSHIP, CONTRACT ACCESS, AND MEMBER REQUIREMENTS

A. MEMBERSHIP. Membership in Sourcewell is open to public and nonprofit entities across the United States and Canada; such as municipal, state/province, K-12 and higher education, tribal government, and other public entities.

The benefits of this Contract should be available to all Members that can legally access the Equipment, Products, or Services under this Contract. A Member's authority to access this Contract is determined through its cooperative purchasing, interlocal, or joint powers laws. Any entity accessing benefits of this Contract will be considered a Service Member of Sourcewell during such time of access. Vendor understands that a Member's use of this Contract is at the Member's sole convenience and Members reserve the right to obtain like Equipment, Products, or Services from any other source.

Vendor is responsible for familiarizing its sales and service forces with Sourcewell membership requirements and documentation and will encourage potential members to join Sourcewell. Sourcewell reserves the right to add and remove Members to its roster during the term of this Contract.

B. PUBLIC FACILITIES. Vendor's employees may be required to perform work at government-owned facilities, including schools. Vendor's employees and agents must conduct themselves in a professional manner while on the premises, and in accordance with Member policies and procedures, and all applicable laws.

6. MEMBER ORDERING AND PURCHASE ORDERS

A. PURCHASE ORDERS AND PAYMENT. To access the contracted Equipment, Products, or Services under this Contract, Member must clearly indicate to Vendor that it intends to access this Contract; however, order flow and procedure will be developed jointly between Sourcewell and Vendor. Typically a Member will issue a purchase order directly to Vendor. Members may use their own forms for purchase orders, but it should clearly note the applicable Sourcewell contract number. Members will be solely responsible for payment and Sourcewell will have no liability for any unpaid invoice of any Member.

B. ADDITIONAL TERMS AND CONDITIONS. Additional terms and conditions to a purchase order may be negotiated between a Member and Vendor, such as job or industry-specific requirements, legal requirements (such as affirmative action or immigration status requirements), or specific local policy requirements. Any negotiated additional terms and conditions must never be less favorable to the Member than what is contained in Vendor's Proposal.

C. PERFORMANCE BOND. If requested by a Member, Vendor will provide a performance bond that meets the requirements set forth in the Member's purchase order.

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D. SPECIALIZED SERVICE REQUIREMENTS. In the event that the Member requires service or specialized performance requirements (such as e-commerce specifications, specialized delivery requirements, or other specifications and requirements) not addressed in this Contract, the Member and the Vendor may enter into a separate, standalone agreement, apart from this Contract. Sourcewell, including its agents and employees, will not be made a party to a claim for breach of such agreement.

E. TERMINATION OF PURCHASE ORDERS. Members may terminate a purchase order, in whole or in part, immediately upon notice to Vendor in the event of any of the following events:

1. The Member fails to receive funding or appropriation from its governing body at levels sufficient to pay for the goods to be purchased;
2. Federal or state laws or regulations prohibit the purchase or change the Member's requirements; or
3. Vendor commits any material breach of this Contract or the additional terms agreed to between the Vendor and a Member.

F. GOVERNING LAW AND VENUE. The governing law and venue for any action related to a Member's purchase order will be determined by the Member making the purchase.

7. CUSTOMER SERVICE

A. PRIMARY ACCOUNT REPRESENTATIVE. Vendor will assign an Account Representative to Sourcewell for this Contract and must provide prompt notice to Sourcewell if that person is changed. The Account Representative will be responsible for:

- Maintenance and management of this Contract;
- Timely response to all Sourcewell and Member inquiries; and
- Business reviews to Sourcewell and Members, if applicable.

B. BUSINESS REVIEWS. Vendor must perform a minimum of one business review with Sourcewell per contract year. The business review will cover sales to members, pricing and contract terms, administrative fees, supply issues, customer issues, and any other necessary information.

8. REPORT ON CONTRACT SALES ACTIVITY AND ADMINISTRATIVE FEE PAYMENT

A. CONTRACT SALES ACTIVITY REPORT. Each calendar quarter, Vendor must provide a contract sales activity report (Report) to the Sourcewell Contract Administrator assigned to this Contract. A Report must be provided regardless of the number or amount of sales during that quarter (i.e., if there are no sales, Vendor must submit a report indicating no sales were made).

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The Report must contain the following fields:

- Customer Name (e.g., City of Staples Highway Department);
- Customer Physical Street Address;
- Customer City;
- Customer State;
- Customer Zip Code;
- Customer Contact Name;
- Customer Contact Email Address;
- Customer Contact Telephone Number;
- Sourcewell Assigned Entity/Member Number;
- Item Purchased Description;
- Item Purchased Price;
- Sourcewell Administrative Fee Applied; and
- Date Purchase was invoiced/sale was recognized as revenue by Vendor.

B. ADMINISTRATIVE FEE. In consideration for the support and services provided by Sourcewell, the Vendor will pay an administrative fee to Sourcewell on all Equipment, Products, and Services provided to Members. The Vendor will submit a check payable to Sourcewell for the percentage of administrative fee stated in the Proposal multiplied by the total sales of all Equipment, Products, and Services purchased by Members under this Contract during each calendar quarter. Payments should note the Sourcewell-assigned contract number in the memo and must be mailed to the address above "Attn: Accounts Receivable." Payments must be received no later than forty-five (45) calendar days after the end of each calendar quarter.

Vendor agrees to cooperate with Sourcewell in auditing transactions under this Contract to ensure that the administrative fee is paid on all items purchased under this Contract.

In the event the Vendor is delinquent in any undisputed administrative fees, Sourcewell reserves the right to cancel this Contract and reject any proposal submitted by the Vendor in any subsequent solicitation. In the event this Contract is cancelled by either party prior to the Contract's expiration date, the administrative fee payment will be due no more than thirty (30) days from the cancellation date.

9. AUTHORIZED REPRESENTATIVE

Sourcewell's Authorized Representative is its Chief Procurement Officer.

Vendor's Authorized Representative is the person named in the Vendor's Proposal. If Vendor's Authorized Representative changes at any time during this Contract, Vendor must promptly notify Sourcewell in writing.

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10. ASSIGNMENT, AMENDMENTS, WAIVER, AND CONTRACT COMPLETE

A. ASSIGNMENT. Neither the Vendor nor Sourcewell may assign or transfer any rights or obligations under this Contract without the prior consent of the parties and a fully executed assignment agreement. Such consent will not be unreasonably withheld.

B. AMENDMENTS. Any amendment to this Contract must be in writing and will not be effective until it has been fully executed by the parties.

C. WAIVER. If either party fails to enforce any provision of this Contract, that failure does not waive the provision or the right to enforce it.

D. CONTRACT COMPLETE. This Contract contains all negotiations and agreements between Sourcewell and Vendor. No other understanding regarding this Contract, whether written or oral, may be used to bind either party.

E. RELATIONSHIP OF THE PARTIES. The relationship of the parties is one of independent contractors, each free to exercise judgment and discretion with regard to the conduct of their respective businesses. This Contract does not create a partnership, joint venture, master-servant, principal-agent, or any other relationship.

11. LIABILITY

Vendor must indemnify, save, and hold Sourcewell and its Members, including their agents and employees, harmless from any claims or causes of action, including attorneys' fees, arising out of the performance of this Contract by the Vendor or its agents or employees; this indemnification includes injury or death to person(s) or property alleged to have been caused by some defect in the Equipment, Products, or Services under this Contract to the extent the Equipment, Product, or Service has been used according to its specifications.

12. AUDITS

Sourcewell reserves the right to review the books, records, documents, and accounting procedures and practices of the Vendor relevant to this Contract for a minimum of six (6) years from the end of this Contract. This clause extends to Members as it relates to business conducted by that Member under this Contract.

13. GOVERNMENT DATA PRACTICES

Vendor and Sourcewell must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by or provided to Sourcewell under this Contract and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Vendor under this Contract.

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If the Vendor receives a request to release the data referred to in this article, the Vendor must immediately notify Sourcewell and Sourcewell will assist with how the Vendor should respond to the request.

14. INTELLECTUAL PROPERTY

As applicable, Vendor agrees to indemnify and hold harmless Sourcewell and its Members against any and all suits, claims, judgments, and costs instituted or recovered against Sourcewell or Members by any person on account of the use of any Equipment or Products by Sourcewell or its Members supplied by Vendor in violation of applicable patent or copyright laws.

15. PUBLICITY, MARKETING, AND ENDORSEMENT

A. PUBLICITY. Any publicity regarding the subject matter of this Contract must not be released without prior written approval from the Authorized Representatives. Publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Vendor individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Contract.

B. MARKETING. Any direct advertising, marketing, or offers with Members must be approved by Sourcewell. Materials should be sent to the Sourcewell Contract Administrator assigned to this Contract.

C. ENDORSEMENT. The Vendor must not claim that Sourcewell endorses its Equipment, Products, or Services.

16. GOVERNING LAW, JURISDICTION, AND VENUE

Minnesota law governs this Contract. Venue for all legal proceedings out of this Contract, or its breach, must be in the appropriate state court in Todd County or federal court in Fergus Falls, Minnesota.

17. FORCE MAJEURE

Neither party to this Contract will be held responsible for delay or default caused by acts of God or other conditions that are beyond that party's reasonable control. A party defaulting under this provision must provide the other party prompt written notice of the default.

18. SEVERABILITY

If any provision of this Contract is found to be illegal, unenforceable, or void then both Sourcewell and Vendor will be relieved of all obligations arising under such provisions. If the

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remainder of this Contract is capable of performance, it will not be affected by such declaration or finding and must be fully performed.

19. PERFORMANCE, DEFAULT, AND REMEDIES

A. PERFORMANCE. During the term of this Contract, the parties will monitor performance and address unresolved contract issues as follows:

1. *Notification.* The parties must promptly notify each other of any known dispute and work in good faith to resolve such dispute within a reasonable period of time. If necessary, Sourcewell and the Vendor will jointly develop a short briefing document that describes the issue(s), relevant impact, and positions of both parties.
2. *Escalation.* If parties are unable to resolve the issue in a timely manner, as specified above, either Sourcewell or Vendor may escalate the resolution of the issue to a higher level of management. The Vendor will have thirty (30) calendar days to cure an outstanding issue.
3. *Performance while Dispute is Pending*. Notwithstanding the existence of a dispute, the Vendor must continue without delay to carry out all of its responsibilities under the Contract that are not affected by the dispute. If the Vendor fails to continue without delay to perform its responsibilities under the Contract, in the accomplishment of all undisputed work, any additional costs incurred by Sourcewell and/or its Members as a result of such failure to proceed will be borne by the Vendor.

B. DEFAULT AND REMEDIES. Either of the following constitutes cause to declare this Contract, or any Member order under this Contract, in default:

1. Nonperformance of contractual requirements, or
2. A material breach of any term or condition of this Contract.

Written notice of default and a reasonable opportunity to cure must be issued by the party claiming default. Time allowed for cure will not diminish or eliminate any liability for liquidated or other damages. If the default remains after the opportunity for cure, the non-defaulting party may:

- Exercise any remedy provided by law or equity, or
- Terminate the Contract or any portion thereof, including any orders issued against the Contract.

20. INSURANCE

A. REQUIREMENTS. At its own expense, Vendor must maintain insurance policy(ies) in effect at all times during the performance of this Contract with insurance company(ies) licensed or authorized to do business in the State of Minnesota having an “AM BEST” rating of A- or better, with coverage and limits of insurance not less than the following:

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1. *Workers' Compensation and Employer's Liability.*
Workers' Compensation: As required by any applicable law or regulation.
Employer's Liability Insurance: must be provided in amounts not less than listed below:

Minimum limits:
$500,000 each accident for bodily injury by accident
$500,000 policy limit for bodily injury by disease
$500,000 each employee for bodily injury by disease

2. *Commercial General Liability Insurance.* Vendor will maintain insurance covering its operations, with coverage on an occurrence basis, and must be subject to terms no less broad than the Insurance Services Office ("ISO") Commercial General Liability Form CG0001 (2001 or newer edition). At a minimum, coverage must include liability arising from premises, operations, bodily injury and property damage, independent contractors, products-completed operations including construction defect, contractual liability, blanket contractual liability, and personal injury and advertising injury. All required limits, terms and conditions of coverage must be maintained during the term of this Contract.

Minimum Limits:
$1,000,000 each occurrence Bodily Injury and Property Damage
$1,000,000 Personal and Advertising Injury
$2,000,000 aggregate for Products-Completed operations
$2,000,000 general aggregate

3. *Commercial Automobile Liability Insurance.* During the term of this Contract, Vendor will maintain insurance covering all owned, hired, and non-owned automobiles in limits of liability not less than indicated below. The coverage must be subject to terms no less broad than ISO Business Auto Coverage Form CA 0001 (2010 edition or newer).

Minimum Limits:
$1,000,000 each accident, combined single limit

4. *Umbrella Insurance*. During the term of this Contract, Vendor will maintain umbrella coverage over Workers' Compensation, Commercial General Liability, and Commercial Automobile.

Minimum Limits:
$2,000,000

5. *Professional/Technical, Errors and Omissions, and/or Miscellaneous Liability*. During the term of this Contract, Vendor will maintain coverage for all claims the Vendor may become legally obligated to pay resulting from any actual or alleged negligent act, error, or omission related to Vendor's professional services required under this Contract.

Minimum Limits:
$2,000,000 per claim or event

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$2,000,000 – annual aggregate

6. *Network Security and Privacy Liability Insurance*. During the term of this Contract, Vendor will maintain coverage for network security and privacy liability. The coverage may be endorsed on another form of liability coverage or written on a standalone policy. The insurance must cover claims which may arise from failure of Vendor's security resulting in, but not limited to, computer attacks, unauthorized access, disclosure of not public data – including but not limited to, confidential or private information, transmission of a computer virus, or denial of service.

Minimum limits:
$2,000,000 per occurrence
$2,000,000 annual aggregate

Failure of Vendor to maintain the required insurance will constitute a material breach entitling Sourcewell to immediately terminate this Contract for default.

B. CERTIFICATES OF INSURANCE. Prior to commencing under this Contract, Vendor must furnish to Sourcewell a certificate of insurance, as evidence of the insurance required under this Contract. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or sent to the Sourcewell Contract Administrator assigned to this Contract. The certificates must be signed by a person authorized by the insurer(s) to bind coverage on their behalf. All policies must include there will be no cancellation, suspension, non-renewal, or reduction of coverage without thirty (30) days' prior written notice to the Vendor.

Upon request, Vendor must provide to Sourcewell copies of applicable policies and endorsements, within ten (10) days of a request. Failure to request certificates of insurance by Sourcewell, or failure of Vendor to provide certificates of insurance, in no way limits or relieves Vendor of its duties and responsibilities in this Contract.

C. ADDITIONAL INSURED ENDORSEMENT AND PRIMARY AND NON-CONTRIBUTORY INSURANCE CLAUSE. Vendor agrees to name Sourcewell and its Members, including their officers, agents, and employees, as an additional insured under the Vendor's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or "work" performed by or on behalf of Vendor, and products and completed operations of Vendor. The policy provision(s) or endorsement(s) must further provide that coverage is primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance in force for the additional insureds.

D. WAIVER OF SUBROGATION. Vendor waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the insurance policies required by this Contract or other insurance applicable to the Vendor or its subcontractors. The waiver must apply to all deductibles and/or self-insured retentions applicable to the required or any other insurance

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maintained by the Vendor or its subcontractors. Where permitted by law, Vendor must require similar written express waivers of subrogation and insurance clauses from each of its subcontractors.

E. UMBRELLA/EXCESS LIABILITY. The limits required by this Contract can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies).

F. SELF-INSURED RETENTIONS. Any self-insured retention in excess of $10,000 is subject to Sourcewell's approval.

21. COMPLIANCE

A. LAWS AND REGULATIONS. All Equipment, Products, or Services provided under this Contract must comply fully with applicable federal laws and regulations, and with the laws in the states and provinces in which the Equipment, Products, or Services are sold.

B. LICENSES. Vendor must maintain a valid status on all required federal, state, and local licenses, bonds, and permits required for the operation of the business that the Vendor conducts with Sourcewell and Members.

22. BANKRUPTCY, DEBARMENT, OR SUSPENSION CERTIFICATION

Vendor certifies and warrants that it is not in bankruptcy or that it has previously disclosed in writing certain information to Sourcewell related to bankruptcy actions. If at any time during this Contract Vendor declares bankruptcy, Vendor must immediately notify Sourcewell in writing.

Vendor certifies and warrants that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota, the United States federal government, or any Member. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this Contract. Vendor further warrants that it will provide immediate written notice to Sourcewell if this certification changes at any time.

23. PROVISIONS FOR NON-UNITED STATES FEDERAL ENTITY PROCUREMENTS UNDER UNITED STATES FEDERAL AWARDS OR OTHER AWARDS

Members that use United States federal grant or FEMA funds to purchase goods or services from this Contract may be subject to additional requirements including the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. § 200. Members may also require additional requirements based on specific funding specifications. Within this Article, all references to "federal" should be interpreted to mean the United States federal government. The following list only applies when

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a Member accesses Vendor's Equipment, Products, or Services with United States federal funds.

A. EQUAL EMPLOYMENT OPPORTUNITY. Except as otherwise provided under 41 C.F.R. § 60, all contracts that meet the definition of "federally assisted construction contract" in 41 C.F.R. § 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. §60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 C.F.R. §, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 C.F.R. § 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor." The equal opportunity clause is incorporated herein by reference.

B. DAVIS-BACON ACT, AS AMENDED (40 U.S.C. § 3141-3148). When required by federal program legislation, all prime construction contracts in excess of $2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. § 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. § 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. § 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-federal entity must report all suspected or reported violations to the federal awarding agency. Vendor must be in compliance with all applicable Davis-Bacon Act provisions.

C. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. § 3701-3708). Where applicable, all contracts awarded by the non-federal entity in excess of $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. § 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. § 5). Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction

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work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. This provision is hereby incorporated by reference into this Contract. Vendor certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Vendor must comply with applicable requirements as referenced above.

D. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT. If the federal award meets the definition of "funding agreement" under 37 C.F.R. § 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 C.F.R. § 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency. Vendor certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Vendor must comply with applicable requirements as referenced above.

E. CLEAN AIR ACT (42 U.S.C. § 7401-7671Q.) AND THE FEDERAL WATER POLLUTION CONTROL ACT (33 U.S.C. § 1251-1387). Contracts and subgrants of amounts in excess of $150,000 require the non-federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. § 7401- 7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). Vendor certifies that during the term of this Contract will comply with applicable requirements as referenced above.

F. DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689). A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. §180 that implement Executive Orders 12549 (3 C.F.R. § 1986 Comp., p. 189) and 12689 (3 C.F.R. § 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Vendor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

G. BYRD ANTI-LOBBYING AMENDMENT, AS AMENDED (31 U.S.C. § 1352). Vendors must file any required certifications. Vendors must not have used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award

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covered by 31 U.S.C. § 1352. Vendors must disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the non-federal award. Vendors must file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352).

H. RECORD RETENTION REQUIREMENTS. To the extent applicable, Vendor must comply with the record retention requirements detailed in 2 C.F.R. § 200.333. The Vendor further certifies that it will retain all records as required by 2 C.F.R. § 200.333 for a period of three (3) years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

I. ENERGY POLICY AND CONSERVATION ACT COMPLIANCE. To the extent applicable, Vendor must comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

J. BUY AMERICAN PROVISIONS COMPLIANCE. To the extent applicable, Vendor must comply with all applicable provisions of the Buy American Act. Purchases made in accordance with the Buy American Act must follow the applicable procurement rules calling for free and open competition.

K. ACCESS TO RECORDS (2 C.F.R. § 200.336). Vendor agrees that duly authorized representatives of a federal agency must have access to any books, documents, papers and records of Vendor that are directly pertinent to Vendor's discharge of its obligations under this Contract for the purpose of making audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to Vendor's personnel for the purpose of interview and discussion relating to such documents.

L. PROCUREMENT OF RECOVERED MATERIALS (2 C.F.R. § 200.322). A non-federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. § 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

24. CANCELLATION

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Sourcewell or Vendor may cancel this Contract at any time, with or without cause, upon sixty (60) days' written notice to the other party. However, Sourcewell may cancel this Contract immediately upon discovery of a material defect in any certification made in Vendor's Proposal. Termination of this Contract does not relieve either party of financial, product, or service obligations incurred or accrued prior to termination.

Sourcewell

By: DocuSigned by: Jeremy Schwartz C0FD2A139D06489...

Jeremy Schwartz

Title: Director of Operations & Procurement/CPO

Date: 2/19/2020 | 7:59 PM CST

Axon Enterprise Inc.

By: DocuSigned by: Matt Morstad B8264760BE634B7...

Matt Morstad

Title: VP of Sales Operations

Date: 2/25/2020 | 5:19 PM CST

Approved:

By: DocuSigned by: Chad Coauette 7E42B8F817A64CC...

Chad Coauette

Title: Executive Director/CEO

Date: 2/19/2020 | 8:03 PM CST

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RFP 010720 - Public Safety Video Surveillance Solutions with Related Equipment, Software and Accessories

Vendor Details

Company Name:	Axon Enterprise, Inc.
Does your company conduct business under any other name? If yes, please state:	AZ
Address:	17800 N. 85th Street Scottsdale, Arizona 85255
Contact:	Sales Ops
Email:	contracts@axon.com
Phone:	480-905-2000
Fax:	480-991-0791
HST#:	86-0741227

Submission Details

Created On:	Thursday November 07, 2019 11:59:02
Submitted On:	Monday January 06, 2020 14:07:20
Submitted By:	Sales Ops
Email:	contracts@axon.com
Transaction #:	a4a22ffc-a3fb-4a19-97b1-c7ee7cdcf084
Submitter's IP Address:	74.206.119.243

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Specifications

Table 1: Proposer Identity & Authorized Representatives

Line Item	Question	Response *	
1	Proposer Legal Name (and applicable d/b/a, if any):	Axon Enterprise, Inc.	*
2	Proposer Address:	17800 N 85th St.	*
3	Proposer website address:	www.axon.com	*
4	Proposer's Authorized Representative (name, title, address, email address & phone) (The representative must have authority to sign the "Proposer's Assurance of Compliance" on behalf of the Proposer):	Matt Morstad, VP of Sales Operations 17800 N 85th St. Scottsdale, AZ 85255 800-978-2737	*
5	Proposer's primary contact for this proposal (name, title, address, email address & phone):	Veronica Lorenzen, Proposal Manager 17800 N 85th St., Scottsdale, AZ, 85255 vlorenzen@axon.com, 480-515-6311	*
6	Proposer's other contacts for this proposal, if any (name, title, address, email address & phone):	Allen Sliper, Account Executive 17800 N 85th St., Scottsdale, AZ, 85255 asliper@axon.com, 858-353-3228	

Table 2: Company Information and Financial Strength

Line Item	Question	Response *	

Attachment: Axon Contract 010720 (Police Dept. Axon Enterprise Inc. Contract)

7	Provide a brief history of your company, including your company's core values, business philosophy, and industry longevity related to the requested equipment, products or services.	Since 1993, Axon Enterprise, Inc. has been committed to delivering safe, secure solutions for law enforcement, militaries, and citizens. From our humble beginning as TASER International, Inc. to now, we have worked diligently to develop a network of TASER smart weapons, body cameras, and industry-leading cloud-based evidence management software to help accomplish a singular goal—to protect life. Over this time, we have partnered with more than 7,500 law enforcement agencies to deploy tailored solutions designed to preserve transparency and truth. With 10 offices based in Arizona, Washington, Australia, Canada, Finland, Germany, India, the Netherlands, the United Kingdom, and Vietnam, Axon's team of more than 1,000 employees continue to define smarter policing through the development of industry-leading technology solutions. We are Axon. Axon is a market-driven organization dedicated to solving real problems for law enforcement agencies. We create meaningful value through high-quality products, enhanced technology solutions and extraordinary service. We are proud of the values with which we conduct our business. We instill a culture of morality and good ethical conduct in all our business practices. We have and will continue to uphold the highest levels of business ethics and personal integrity in all types of transactions and interactions, both internally and in dealings with our customers, vendor, suppliers and other business relationships. To this end, our Code of Business Conduct and Ethics Code serves to (a) emphasize the Company's commitment to ethics and compliance with the law; (b) set forth basic standards of ethical and legal behavior; (c) provide reporting mechanisms for known or suspected ethical or legal violations; and (d) help prevent and detect wrongdoing. All employees are required to read and sign our Code of Business Conduct and Ethics policy, which is available on our website https://www.axon.com/legal. Additionally, our employees and business practices are guided by our core values, which are: BE OBSESSED: Walk with the customer as you transform their world. We never want to develop or sell something that you don't want or need. We're obsessed with creating products that solve real problems and add value. If it doesn't benefit you, then we rethink what we're doing. AIM FAR: Think big with a long-term view. We want to reinvent the world to be a safer, better place. We've failed spectacularly a few times, but that's what you get when you aim for the stars. That's our final destination. WIN RIGHT: Win with integrity. We are fiercely competitive and have an unquenchable thirst to win, but we don't think winning and doing the right thing are mutually exclusive. Our challenge is to make them synonymous, and never compromise our integrity. OWN IT: Commit, take action, and deliver. We empower individuals to step up and take initiative. Be an owner and see things through to completion. That's the only way we've been able to succeed as a company, and it's the only way we will continue to grow. JOIN FORCES: Act as one global team. Creating the future is a team sport. When a company scales globally in 40 different markets with multiple technology stacks ranging from wearables and cloud to electronic weapons, you need teamwork. We're one global team committed to an audacious vision. EXPECT CANDOR: Deliver with respect and assume positive intent. Candor gets critical issues elevated, puts truth on the table, and gets us to the right answer faster. How can we be the best version of ourselves and the best company we can be, if we can't offer and be given critical feedback?
8	Provide a detailed description of the products and services that you are offering in your proposal.	Axon is offering a number of products that will fit the needs of Sourcewell members. We have detailed our various offerings under the headers below. AXON EVIDENCE Axon Evidence is a robust end-to-end solution that not only allows agencies to store data, it also enables new workflows for managing and sharing that data securely - from anywhere. Officers and command staff can upload content from Axon and TASER devices or other systems easily, manage it simply with search and retrieval features, and then collaborate effortlessly with prosecutors and other partners by using powerful sharing features. When storage needs increase, the cloud-based system allows agencies to scale instantly and cost-effectively. Within Axon Evidence, access to information is governed by the agency-defined access control system built into the solution. Each Axon Evidence user is assigned a role. Roles determine a user's permissions, which control levels of access to features and functions. Additionally, Axon Evidence provides many security features to secure digital evidence including password complexity requirements, failed login limits, and enforced timeout settings. Multi-factor authentication (MFA) options are also

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configurable for user login and prior to administrative actions. Evidence data is hashed (SHA) to ensure a robust chain of custody. Original evidence data is never changed. All modifications are handled by creating new, derivative files.

Axon Evidence provides users with easy, straightforward methods of searching, reviewing, managing and sharing digital evidence. Axon Evidence uses category types to organized stored video, simplifying the search process for your agency users. All categories are set by your agency to reflect your policies and desired structure. This categorization also facilitates database management by automatically ensuring that only relevant evidence is retained in the system. Every event that is captured and uploaded to Axon Evidence can be assigned a category to determine how long it is retained in the system. Proper categorization is important to ensure that incidents remain in the system for the appropriate amount of time. Categories include policy settings for evidence retention and restricted access for especially sensitive evidence.

Additionally, numerous metadata tags can be applied to evidentiary assets. These metadata fields are included in the searching interface to help you locate the evidence you need quickly and efficiently. ID, title, notes and tags are free text, user-defined values. Custom metadata fields will also be available to narrow search results on the advanced search page.

Axon Evidence features a full redaction suite natively within the application allowing users to redact what can be seen and heard in video evidence files. Axon Evidence never alters the original video evidence file when you create a clip or a redaction. Authorized users will have access to automated redaction and skin blurring redaction. Redaction Studio tools include options for frame-by-frame manual redaction, Spray Paint redaction (manual redaction during playback), real-time object-tracking redaction, and audio file redaction. Editing tools include the ability to create markers and clips, update or add metadata (e.g., notes, title, ID) and create photos from video stills.

Access Lists control internal and external user access to files in Axon Evidence. Each piece of evidence has its own access list, so you can individually manage access as needed. You can set the sharing duration period and the access level to the file shared (e.g., share or download).

Axon Evidence is a turnkey digital evidence management solution, so it acts as a single repository for all your digital evidence. Axon-captured video and digital evidence files (such as crime scene photos, documents and third-party video) can all be managed from one place – Axon Evidence.

AXON BODY 3
The Axon Body 3 is Axon's next-generation body camera - improving upon the simplicity and functionality of its predecessor with improved camera and audio quality, faster offload and recharging, and improved device security and durability. The camera also unlocks significant improvements in officer safety and functionality through greater device intelligence and connectivity.

The Axon Body 3 utilizes a new image sensor and improved microphones to provide the highest quality evidence, especially in low-light environments. Enhanced device intelligence and Axon Signal wireless activation capability allows officers to focus on the situations at hand.

Axon Aware is Axon's new real-time situational awareness technology. The camera is connected to LTE - similar to a cell phone - and can livestream to Axon Evidence instantaneously so that authorized supervisors, incident commanders, real-time crime centers or other designated resources have better information from the field. This LTE capability also opens the door for a wide variety of potential future features, including critical evidence offloading from the field, "find my camera" locator functionality, and much more that will be added in future firmware releases. Other Axon Aware features include real-time alerts and notifications, including gunshot detection. Additional capabilities will be added over time, and Axon Aware itself will also eventually be incorporated into other Axon products.

Axon Aware features require a separate subscription, of which there are two tiers, Axon Aware and Axon Aware+. The specific capabilities within each tier will evolve over time, but the main difference as it relates to policy development is that the Axon Aware+ tier enables livestreaming from all Axon Body 3 cameras, while the Axon Aware tier does not.

How does Axon Aware work in a real-world situation? In the field, let's say an officer gets a call of a domestic disturbance and begins a recording. Back at the station, a supervisor opens the Aware tab in Axon Evidence; the live map shows the officer's GPS marker and other camera details. As the officer arrives on scene, he is confronted by the DV suspect and broadcasts a quick but incomplete radio call. The

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supervisor activates livestreaming and sees the hostile suspect advancing on the officer. The officer is notified through feedback on the device that the video is being livestreamed. The supervisor radios backup to respond Code 3 as she also heads to your location. She broadcasts the description of the assailant to dispatch and other responders. Backup arrives in time to help take the suspect into custody without further incident.

The Axon Body 3 also includes new security features, which provide greater device security for data on the camera, in transit, or in the case that the camera is lost or stolen. The solution allows for faster offload and recharge in comparison to other products on the market.

Other features and benefits of the Axon Body 3 include:
- Improved Video: Provides up to 4x better video quality
- Multi-Microphone Audio: Provides ultra-clear audio recording
- Unmatched Durability: Built to withstand extreme weather
- Full-Shift Battery: Never worry about battery life in the field
- Pre-Event Buffer: Configurable up to 120 seconds with optional audio capture
- Advanced Detection & Wireless Activity: Greater device awareness allows for broader camera activation methods
- High Speed Offload & Charging: Offload evidence and charge quickly
- On- Device Encryption
- Advanced Telemetry: Embedded GPS and accelerometer
- Dock: Dock supports offload and charging of up to eight cameras
- Versatile Mounts: New mount keeps the camera secure without magnets or puncturing shirts

AXON BODY 2
The Axon Body 2 is a self-contained audio-visual body-worn camera unit with no external wires. Numerous mounting options are offered and accommodate uniforms, belts, outerwear including jackets, and tactical and SWAT vests without any alteration to equipment.

The Axon Body 2 was designed specifically for use in tactical policing situations to capture events as seen by the officer. Activation of event recording is simple and accessible, making it easy for officers to operate the device in high-stress situations. Recordings are initiated with a single event button located on the front of the device, so an officer can easily reach it with one hand.

The solution supports a Dock & Walk Workflow. At the end of a shift, officers insert their cameras into the Axon Dock. The dock charges the cameras and updates firmware, while securely uploading videos.

FEATURES & BENEFITS
- HD Video: The industry's best low-light video records in 1080p HD
- Full-shift Battery: Lasts for a full shift (over 12 hours)
- Configurable Pre-Event Buffer: Capture up to 2 minutes before an event
- Dual-Channel Audio: Camera records two audio channels
- Axon Signal Wireless Activation: Cameras start recording automatically based on pre-defined triggers
- Optional Mute: Disable audio in the field to support dual-party consent
- Mobile Applications: Tag and replay videos from the field with Axon View
- RapidLock Mounts: Versatile mounts are designed for versatility and comfort, while keep the camera steady

TECHNICAL SPECIFICATIONS
- Field of View: 143 Degrees
- Recording Capacity: Up to 70 Hours Depending on Resolution
- Video Quality: 30 frames per second; resolution spanning 480p - 1080p
- Battery: Rechargeable lithium-ion polymer battery (3000 mAH capacity)
- Weather Resistance: IEC 60529 IP67 (dust, water); MIL-STD-810G (Salt fog)
- Humidity: 95% non-condensing
- Operating Temperature: -4 °F To 122 °F [-20 °C To 50 °C]
- Rugged: Drop tested from up to 6 Feet – camera is housed in high-impact polymer

AXON FLEX 2
The Axon Flex 2 is a point-of-view camera that provides multiple options for wearing the camera to suit your officers' needs in the field. The 120° field of view lens captures events as experienced by the wearer.

The camera is connected to a controller, which houses the battery, with one cable. The Axon Flex 2 camera can be mounted on Oakley Flak Jacket® glasses, ball caps, uniform collars and epaulettes, a lowrider headband, on a vest, and motorcycle

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and SWAT helmets.

The solution supports a Dock & Walk Workflow. At the end of a shift, officers insert their cameras into the Axon Dock. The dock charges the cameras and updates firmware, while securely uploading videos.

AXON FLEX 2 FEATURES & BENEFITS
- HD Video – The industry's best low-light video records in 1080p HD
- Full-shift Battery – Lasts for over 12 hours covering an entire shift
- Configurable Pre-Event Buffer – Capture up to 2 minutes before an event
- Dual-Channel Audio: Camera records two audio channels
- Axon Signal Wireless Activation – Cameras start recording automatically based on pre-defined triggers
- Optional Mute – Disable audio in the field to support dual-party consent
- Mobile Application – Tag and replay videos with the Axon View mobile app
- RapidLock Mounts – The system uses versatile mounts designed for versatility and comfort, while keep the camera steady

TECHNICAL SPECIFICATIONS
- Field of View – 120 degrees
- Recording Capacity – Up to 70 Hours depending on resolution
- Video Quality – 30 frames per second; resolution spanning 480p to 1080p
- Battery – Rechargeable lithium-ion polymer battery (3600 mAh capacity)
- Weather Resistance – IEC 60529 IP54 (dust, rain); MIL-STD-810G (Salt fog)
- Humidity – 95 percent non-condensing
- Operating Temperature – -4° F to 122° F [-20° C to 50° C]
- Drop Test – Up to 6 feet; devices are housed in high-impact polymer
- Dimensions – Controller: (D1) 0.94 in, (D2) 1.14 in, (W) 2.45 in, (H) 3.0 in; Camera: (L) 2.9 in, (H) 0.75 in, (W) 0.74 in
- Weight – Controller: 4.4 oz., Camera: 0.88 oz

AXON FLEET
Axon Fleet integrates effortlessly with Axon body-worn cameras to optimize functionality and utilizes software driven features to minimize the costs and constraints of excessive hardware components. Axon Fleet 2 is more than just a dash camera; it's part of a powerful platform that connects mobile, cloud, and wearable technologies. The cameras feature wide-angle lenses and HD video to ensure top quality recording.

Axon Fleet includes front and back cameras with features like infrared and zoom. And it offers you things you don't always associate with in-car systems, like simple pricing, over-the-air updates so you never have to worry about manual work, and integrations with Axon's body cameras and evidence management system to save you time. The rotatable front camera's low-profile design and improved mounting maximizes the officer's field of view and provides clear, stable video. Its digital zoom makes license plates readable at up to 30 feet.

Axon solutions simplify your existing processes. As part of the Axon platform, Axon Fleet works seamlessly with Axon body cameras and Axon Evidence to capture the full story. Once uploaded to Axon Evidence, you'll get the full account of an incident by viewing multiple time-synchronized videos on one screen. Securely share and track digital evidence across public safety stakeholders with smart features such as redaction, digital verification, and audit logs.

Axon Fleet includes handsfree camera activation via Axon Signal technology with configurable triggers, including such as light bar activation, door, vehicle speed, acceleration, crash and weapon rack. Focus on the task at hand and spend less time managing technology.

Fleet 2 doesn't include a DVR, saving you precious space in your vehicle. Stream, tag, and replay any camera's videos, plus write notes and upload footage, right from your MDT with the Axon View XL application.

You won't need to spend time categorizing videos - with Auto-Tagging, all Fleet and Axon body camera videos will be tagged automatically using data from your CAD or RMS system. *

Multicam playback allows videos that were recorded by different body-worn and in-car cameras (in the same location and time) to be played back together in Axon Evidence, allowing users to view an incident from multiple vantage points. Since each video can have its own audio feed, the audio selector in the center of the media player controls is used to select which audio track is used during playback.

Axon body-worn and in-car cameras work either as standalone devices or in conjunction with one another. The two systems integrate seamlessly, extending the

Attachment: Axon Contract 010720 (Police Dept. Axon Enterprise Inc. Contract)

overall capabilities of the Axon Evidence ecosystem. This cross functionality allows users to categorize and label video on both Fleet and body cameras from the Axon View XL software application. When uploaded to Axon Evidence metadata added in the field is ingested with the video files.

AXON INTERVIEW
The needs of our law enforcement customers guide our work, as is clearly illustrated in the design of Axon Interview, our in-precinct evidence capture solution. We have found that the challenges faced by our customers center around three things: the quality of evidence captured, the ease of managing that evidence, and the security of data storage and backup.

There is no discounting the importance of quality when it comes to digital evidence capture. Axon and the interview room development team spent countless hours designing a solution to deliver technology that doesn't compromise on quality for the sake of cost or usability. Our cameras are offered in several overt and covert configurations to capture multiple perspectives, and each one will give you the detail and reliability required by your stakeholders for your digital evidence.

The technology infrastructure of the Axon Interview solution is Axon Evidence, a cloud-based digital evidence management software accompanied by built-in onsite redundancy for even more peace of mind. All you need to access a comprehensive evidence management toolkit is an internet browser. Axon Evidence offers powerful data searchability, integrated redaction, transcription services, automatic retention period assignment, unlimited categories, configurable user profiles, and many other advanced features. All activity is tracked by a full audit trail in the CJIS-compliant Axon Evidence platform.

Axon Evidence makes interview recordings more accessible to your agency users, which makes your users more productive. Your evidence can now be uploaded, viewed, clipped, redacted, and shared by any authorized user. You can also live stream from up to four cameras at the same time.

Security is the most important part of managing your evidence. Chain of custody considerations require that your selected technology solution work for you, not against you. The Axon Interview solution keeps your evidence data secure, from capture to courtroom.

Onsite data redundancy ensures that your cameras never miss a moment of critical evidence. Axon Interview leverages your agency's local network to record interviews, using two recording servers. Once the interview is done, the footage will automatically trigger offload to Axon Evidence. Within Axon Evidence, your evidence will be available for your management, retrieval, and sharing within our CJIS-compliant infrastructure.

ACCESSORIES
AXON BODY 3 DOCK
The Axon Body 3 Dock provides a network connection for Axon Body 3 cameras to Axon Evidence, so the cameras can upload evidence and download camera updates. While information is securely transferred to your organization's account, the dock also recharges the camera's battery.

The Axon Body 3 Dock only functions as an Ethernet adapter, an unmanaged network switch, and charger. This allows any Axon Body 3 camera to be docked in any Axon Body 3 Dock, and still connect to your Axon Evidence account to upload video.

There are two types of Axon Body 3 Docks; a 1-Bay and an 8-Bay version.

AXON BODY 2 DOCK
The Axon Body 2 Dock provides a network connection for Axon Body 2 cameras to Axon Evidence, so the cameras can upload evidence and download camera updates. While information is securely transferred to your organization's account, the dock also recharges the camera's battery. At the conclusion of an officer's shift, they will place their Axon camera into the Axon Dock.

- All communication between the dock and Axon Evidence will be conducted over 256-bit AES encryption.
- A SHA-2 cryptographic hash function is applied to each MP4 video captured; this functions as a digital fingerprint for each video captured.
- As the MP4 video file is uploaded, it is broken into small blocks of data. At the completion of each block uploading, a SHA-2 hash function is applied to ensure authenticity and that data has uploaded in its entirety.

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- In the event of an internet service interruption, the upload will resume at the successful block. This includes if an officer must remove their Axon camera from the Dock mid-upload.
- At the completion of the upload, the same method that was used to validate the blocks, a contiguous checksum of the entire file will be evaluated to ensure that the MP4 file has been uploaded successfully and identical to when it was recorded.
- The SHA-2 cryptographic hash function is applied to ensure authenticity and that the complete file has uploaded.
- Once files are verified, they are deleted from the Axon camera.

There are two types of Axon Body 2 Docks; a 1-Bay and a 6-Bay version. Each version comes with a dock core piece, which the bays connect with.

AXON FLEX 2 DOCK

The Axon Flex 2 Dock provides a network connection for Axon Flex 2 cameras to Axon Evidence, so the cameras can upload evidence and download camera updates. While information is securely transferred to your organization's account, the dock also recharges the camera's battery. At the conclusion of an officer's shift, they will place their Axon camera into the Axon Dock.

- All communication between the dock and Axon Evidence will be conducted over 256-bit AES encryption.
- A SHA-2 cryptographic hash function is applied to each MP4 video captured; this functions as a digital fingerprint for each video captured.
- As the MP4 video file is uploaded, it is broken into small blocks of data. At the completion of each block uploading, a SHA-2 hash function is applied to ensure authenticity and that data has uploaded in its entirety.
- In the event of an internet service interruption, the upload will resume at the last successful block. This includes if an officer must remove their Axon camera from the Dock mid-upload.
- At the completion of the upload, the same method that was used to validate the blocks, a contiguous checksum of the entire file will be evaluated to ensure that the MP4 file has been uploaded successfully and identical to when it was recorded.
- The SHA-2 cryptographic hash function is applied to ensure authenticity and that the complete file has uploaded.
- Once files are verified, they are deleted from the Axon camera.

There are two types of Axon Flex 2 Docks; a 1-Bay and a 6-Bay version. Each version comes with a dock core piece, which the bays connect with. The bays contain a slot both for the camera and for the battery.

AXON BODY CAMERA MOUNTS

Axon offers a variety of mounts to suit individual needs. Some mounts are optimized for security in tactical situations (Z-Bracket, Magnet, and Molle Mounts), while others provide more versatility (Shirt Pocket, Clip, and Velcro mounts). The following mounts are designed to be used with the Axon Body 3, the Axon Body 2, or the Axon Flex controller:

- Z-Bracket Mount: The Z-Bracket Mount inserts between the buttons of a shirt. This mount is available in both male and female uniform orientations.
- Magnetic Mount Options: We offer two powerful magnetic mounts to accommodate different uniform attire and give the wearer a broad choice of mounting locations. The Flexible Magnet Mount is intended for lighter-weight uniform shirts, and the Outerwear Magnet Mount is for coats and heavier garments.
- Molle Mount Options: Molle mounts attach to the Molle straps on tactical vests and can withstand >100lbs of retention force. The Single Molle Mount is lighter and more flexible than the Double Molle Mount, which provides more lateral stability.
- Wing Clip Mount: The Wing Clip Mount consists of two pieces that make use of clipping and slot-and-key features to grip the fabric and provide strong retention. The mount is non-magnetic, lightweight, and versatile in placement owing to a hole feature that allows mounting over buttons or zippers. Furthermore, the outer piece can be rotated to the appropriate orientation per surface markings, so that the mount can be worn over single or double layers of fabric. This mount is compatible with a number of type B and C uniforms.
- Shirt Pocket Mounts: We offer the 4" and 6" Shirt Pocket Mounts that attach easily to uniform shirt pockets of various sizes.
- Clip Mount: The Clip Mount is simple in design and easy to fasten. This mount permits numerous mounting locations for non-tactical use.
- Velcro Mount: The Velcro Mount attaches to uniforms and vests with Velcro patches. Note that the back of the mount must be sewn onto or otherwise affixed to the uniform.

The following mounts are designed to be used with the Axon Flex camera portion and offer flexibility:

- Oakley Eyewear Mount: The Flex 2 camera can be attached to Oakley Flak

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Jacket® glasses with the Oakley Eyewear Mount. This mount positions the camera eye-level, designed to capture the officer's direct point-of-view.

- Ball Cap Mount: The Flex 2 camera can be worn with officer headgear, including ball caps, using the magnetic Ball Cap Mount. One magnetic clip is placed on the inside of the cap while the rest of the assembly overlaps on the outside, held securely in place by magnetic force. The camera clips into the outer assembly and sits near the officer's eye-level.
- Lowrider Headband Mount: The Lowrider Headband Mount is a comfortable frame that wraps around the back of the head with a Flex 2 camera clip mounted on the front end. Like the Oakley Eyewear Mount, the headband places the camera at eye-level to capture an officer's true perspective of events.
- Collar Mount: The Collar Mount consists of a magnetic clip with an attached Flex 2 camera clip and a metal collar support bar designed to wrap underneath the collar (around the back of the neck) for stability. The magnetic clip attaches to the shirt collar to mount the camera above shoulder-level.
- Epaulette Mount: If an officer's uniform shirt has epaulettes, the Flex 2 camera can attach to the shirt with the Epaulette Mount. The mount can be positioned to place the camera above or below the epaulette to capture the desired perspective.
- Over Vest Mount: The Over Vest Mount attaches to vests worn in the field. In tactical situations, this mount provides the same level of stability and accessibility as the epaulette mount.
- Helmet Mount: The Helmet Mount attaches the camera to most smooth, hard surfaces, like helmets, using a suction mechanism. The mount can be placed anywhere on the gear that can achieve suction.
- SWAT Mount: SWAT officers know better than anyone that body-worn cameras can be knocked off in highly physical situations. That's why we've developed a mount that secures the full Axon Flex 2 system to a SWAT officer's helmet and arc rails and holds true through intense, highly active incidents. With the SWAT Mount, the Flex 2 camera and controller both attach to the SWAT helmet, consolidating the system on the helmet and avoiding any interference with other gear.

AXON SIGNAL

Axon Signal technology enables Axon cameras to sense nearby events and start recording.

The Axon Signal Vehicle Unit (ASV)—a device installed in the patrol vehicle—broadcasts a beacon to Axon cameras in range when specific events are reported. ASV is included as part of the Axon Fleet in-car solution but can be purchased by separately by agencies if they desire. The following vehicle triggers can be configured by the system to begin recording:

- Light bar/siren activation
- Door sensor
- Exceeding a specified speed
- Rapid acceleration
- Crash detection
- Removing a weapon from the vehicle rack

In addition to the ASV, we offer the following Axon Signal products:

- Axon Signal Performance Power Magazine (SPPM) – The SPPM is an accessory (battery) for TASER conducted energy weapons (CEWs). Using Axon Signal technology, the SPPM activates cameras when the CEW is armed, the trigger is pulled, or the arc is engaged. CEWs are not a part of the scope of this RFP, but as the SPPM integrates with the Axon video solutions, it is being included to ensure our offering meets all Member needs.
- Axon Signal Sidearm – This easy-to-install smart sensor accessory attaches to the outside of most sidearm holsters and activates if a sidearm is removed from the holster. The action of drawing your weapon will trigger surrounding cameras to start the recording process, thus eliminating manual manipulation. That way, your officers can be confident truth and transparency are being upheld through video and audio documentation.

The benefits of Axon Signal products include:

- It's easy – Record events without lifting a finger. This keeps officer focus on critical incidents.
- It tells a story – Collect key information about incidents, from the triggers that activate your camera to the video evidence captured on scene.
- It's reliable – Choose the triggers that activate your camera, so recording starts when your policy says it should.

Axon Signal technology integrates seamlessly into your routine, so you don't have to worry about manually recording, whether you're driving your vehicle, using a TASER CEW, or drawing your firearm.

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9	What are your company's expectations in the event of an award?	Upon notification that Axon has been awarded, we will work expeditiously to complete contract negotiations with Sourcewell. Due to the nature of contract negotiations, an exact timeframe cannot be provided. Once a contract is in place, Axon will begin marketing efforts to promote the Sourcewell Cooperative. We understand the projected value of USD$35 Million. However, we understand that this is projected only, and is not guaranteed. Overall, we hope to partner with Sourcewell to bring our industry-leading law enforcement solutions to more customers by using your cooperative to make the procurement process easier and more transparent for purchasers.	*
10	Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters. Upload supporting documents (as applicable) in the document upload section of your response.	Axon is a publicly traded company; all financial information is available at http://investor.axon.com. NET SALES • Net sales were $420 million and $343.8 million for the years ended December 31, 2018 and 2017, respectively, an increase of $76.2 million. • Net sales were $343.8 million and $268.2 million for the years ended December 31, 2017 and 2016, respectively, an increase of $75.6 million or 28.2%. • Net sales were $268.2 million and $197.9 million for the years ended December 31, 2016 and 2015, respectively, an increase of $70.4 million or 35.6%. • Net sales were $197.9 million and $164.5 million for the years ended December 31, 2015 and 2014 - an increase of $33.4 million or 20.3%. NET INCOME Our net income decreased by $12.1 million to $5.2 million for the year ended December 31, 2017 compared to $17.3 million in 2016. Net income per basic and diluted share was $0.10 for 2017 compared to $0.33 and $0.32 per basic and diluted share, respectively, for 2016. Our net income decreased by $2.6 million to $17.3 million for the year ended December 31, 2016 compared to $19.9 million 2015. Net income per basic and diluted share was $0.33 and $0.32 for 2016, respectively, compared to $0.37 and $0.36 per basic and diluted share for 2015, respectively. Our net income was $19.9 million for the years ended December 31, 2015 and 2014. Net income per basic share was $0.37 and $0.36 per diluted share, respectively, for 2015 compared to $0.38 and $0.37 per basic and diluted share, respectively for 2014. Additionally, we have included our Q3 2019 SEC Quarterly Report and 2018 audited financials in the document upload section. These are the most recently available reports as of this submission.	*
11	What is your US market share for the solutions that you are proposing?	In 2018, Axon held an estimated 22.6% of the US and Canadian market share for police and law enforcement body worn cameras, in-car video, and digital evidence management. Our US market share and Canadian market share are grouped together by IHS Markit, who provided the 2018 report on which this response is based. Axon is bidding or has won every major city deal in the U.S. market with our Axon body-worn camera platform. Since market adoption is moving very rapidly and many agencies are in trial currently, it's very difficult to say what our market share is specifically; but we are certainly the leader in body-worn camera solutions in the United States. Globally, Axon currently works with over 7,500 agencies and has over 397,800 users on our platform.	*
12	What is your Canadian market share, if any?	In 2018, Axon held an estimated 22.6% of the US and Canadian market share for police and law enforcement body worn cameras, in-car video, and digital evidence management. Our US market share and Canadian market share are grouped together by IHS Markit, who provided the 2018 report on which this response is based. Axon is actively engaged in the Canadian market; however, we see adoption lagging the U.S. We anticipate our share to be very strong there in the long term. Axon offers a unique full ecosystem solution that will continue to lead the market. Globally, Axon currently works with over 7,500 agencies and has over 397,800 users on our platform.	*
13	Has your business ever petitioned for bankruptcy protection? If so, explain in detail.	Axon has never petitioned for bankruptcy protection.	*

Attachment: Axon Contract 010720 (Police Dept. Axon Enterprise Inc. Contract)

14	How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer whichever question (either a) or b) just below) best applies to your organization. a) If your company is best described as a distributor/dealer/reseller (or similar entity), provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned? b) If your company is best described as a manufacturer or service provider, describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?	a) N/A b) Axon Sales Representatives play a pivotal role in knowing business needs and applying technological solutions to solve potential challenges. These representatives must have a “business mindset,” that enables them to understand complex challenges and present solutions that might solve these. They are employees of Axon Enterprise, Inc. Some sales representatives work from our main office in Scottsdale, AZ. Others work throughout the United States and globally. Regarding services, Axon Professional Service employees support and install the majority of our products. Axon utilizes ProLogic for some aspects of installation of our Axon Fleet and Axon Interview solutions. Axon handles technical support and repairs for all of its manufactured products.	*
15	If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.	AXON EVIDENCE Axon’s compliance demonstrates our commitment to providing a trustworthy platform and offers customers a way to understand the controls that have been put in place to secure Axon Evidence and their data. Axon holds the following certifications, in partnership with Microsoft Azure, for Axon Evidence. • CJIS Compliant • ISO/IEC 27001:2013 Certified - Information Security Management Standards • ISO/IEC 27018:2014 Certified - Code of Practice for Protecting Personal Data in the Cloud • CALEA Standard 17.5.4 Compliant • SOC 2+ Report • Cloud Security Alliance - CSA STAR Attestation (Level Two) • Cloud Security Alliance - CSA STAR Self-Assessment (Level One) • FedRAMP Joint Authorization Board (JAB) Provisional Authority to Operate (P-ATO) at the Moderate Impact Level (applicable only to the US Federal Region of Axon Evidence). Axon has achieved a FedRAMP Joint Authorization Board (JAB) Provisional Authority to Operate (P-ATO) at the Moderate Impact Level. Axon’s Compliance website (https://www.axon.com/trust/compliance) includes additional information on our security certifications as well as copies of certificates and compliance documentation. AXON BODY CAMERAS Batteries used in Axon body-worn cameras meet the following safety standards. • UL1642 • UL2054 • IEC 62133 AXON FLEET • The Axon Fleet solution is wholly FCC certified, the Axon Fleet camera FCC ID is X4GS00947. • Per the component-based standards as set by Electronic Industries Association (EIA), Axon Fleet utilizes industry standard components, which meet all necessary standards for sale and use in the United States. • Axon Fleet’s communication interfaces are designed to IEEE 802.15.1 and IEEE 802.11 guidelines and is IEC 60529 and IEC55022 compliant. • Axon Fleet has been tested to and meets ISO 16750-2:2012, ISO 17215-1:2014, and ISO 13766:2006. • The system hardware components of the system are low-voltage devices. Axon Fleet batteries comply with UL 1642 and UL 2054. • Axon Fleet batteries are UL 1642 compliant. QUALITY ACCREDIDATIONS MANUFACTURING • ISO 9001 – Axon is accredited to design, develop, manufacture, distribute, and provide services for public safety solutions including, but not limited to digital video recorders and accessories used in the law enforcement industry. These products and services are manufactured and supported according to ISO standards. INFORMATION SECURITY • ISO 27001 – Axon is aligned with the scope of the ISO 27001 certification; the Information Security Management System that governs all customer data that resides in the Axon Evidence application.	*

Attachment: Axon Contract 010720 (Police Dept. Axon Enterprise Inc. Contract)

16	Provide all "Suspension or Disbarment" information that has applied to your organization during the past ten years.	Axon has not been suspended or disbarred in the past ten years.	*
17	Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.	Our included pricing is split into the following subcategories: Axon Flex 2 Camera Hardware and Accessories, Axon Body 2 Camera Hardware and Accessories, Axon Body 2 Camera and Flex 2 Controller Mounts, Axon Body 3 Camera Hardware and Accessories, Axon Signal Hardware and Services, Axon Fleet 2 Package, Axon Fleet 2 Cradlepoint Router Bundle, Axon Fleet 2 Wireless Offload Servers and Installation, Axon Fleet 2 Installation and Professional Services, Axon Interview Room, Axon Dock Hardware, Customer Care Extended Warranty, Axon Evidence Services, and Axon Professional Services.	*

Table 3: Industry Recognition & Marketplace Success

Line Item	Question	Response *	
18	Describe any relevant industry awards or recognition that your company has received in the past five years	• In 2017 Axon won Best Companies AZ 100 Best Arizona Companies Winners List under the Star category: At the height of their powerful success, these companies are masters of their fields, inspiring confidence in customers and employees alike. • TASER won AZ Big Media's Ranking The Best of Arizona Business first place for "Products Made in Arizona" category for the 2017 edition of Ranking Arizona • In 2016, the TASER CEO won the OneNeck IT Solutions Lifetime Achievement Award during the 13th annual 2016 Governor's Celebration of Innovation Awards (GCOI) presented by Avnet • In 2015, TASER announces its largest camera order to date – the London Met will deploy 22,000 body-worn cameras • In 2015, TASER is named in Fortune magazine's list of Fastest Growing Companies in 2015 • In 2015, TASER and Microsoft Azure announce partnership to deliver cloud platform for Law Enforcement	*
19	What percentage of your sales are to the governmental sector in the past three years	In the past three years, approximately 5% of our video solution sales were to the federal/military sector.	*
20	What percentage of your sales are to the education sector in the past three years	In the past three years, approximately 6% of our video solution sales were to the education sector.	*
21	List any state or cooperative purchasing contracts that you hold. What is the annual sales volume for each of these contracts over the past three years?	• NASPO (*was not in effect until Q1 2017): $37,618,180 • National IPA/Omnia Partners: $37,848,888 • National Procurement Partners: $60,017,370.59 • Charlotte Cooperative Purchasing Alliance: $13,102,684 • Texas BuyBoard: $43,191,589 • State of Maryland: $4,830,002 • State of Minnesota: $4,487,809 • State of New Jersey: $3,623,496 • State of Pennsylvania: $2,781,531 • Texas DIR: $21,294,418 Please note the dollar amounts represent the total contract value. Since most Axon sales are for a five-year term, the below values represent the overall contract value of a five-year period and are not fully indicative of sales over the last 3 years.	*
22	List any GSA contracts that you hold. What is the annual sales volume for each of these contracts over the past three years?	Axon does not hold any GSA contracts.	*

Table 4: References/Testimonials

Line Item 23. Supply reference information from three customers who are eligible for Sourcewell membership.

Entity Name *	Contact Name *	Phone Number *	
Burbank Police Department, California	Jason Miller	818-238-5096	*
Gilbert Police Department, Arizona	Noah Baker	480-635-7326	*
Avondale Police Department, Arizona	Lt. Mathew Hintz	623-333-7302	*

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Table 5: Top Five Government or Education Customers

Line Item 24. Provide a list of your top five government, education, or non-profit customers (entity name is optional), including entity type, the state or province the entity is located in, scope of the project(s), size of transaction(s), and dollar volumes from the past three years.

Entity Name	Entity Type *	State / Province *	Scope of Work *	Size of Transactions *	Dollar Volume Past Three Years *	
Chicago Police Department	Government	Illinois - IL	8,500 body-worn cameras, 5,000 CEWs	$40 - $38M	$73M	*
Philadelphia Police Department	Government	Pennsylvania - PA	8,100 body-worn cameras, 2,700 CEWs	$40 - $10M	$24M	*
Los Angeles Police Department	Government	California - CA	8,700 body-worn cameras, 6,700 CEWs	$40- $500K	$5M	*
San Antonio Police Department	Government	Texas - TX	4,900 body-worn cameras, 1,600 CEWs, 6 Interview Cameras	$30 - $300K	$3M	*
San Francisco Police Department	Government	California - CA	4,800 body-worn cameras	$20 - $1.5M	$2M	*

Table 6: Ability to Sell and Deliver Service

Describe your company's capability to meet the needs of Sourcewell Members across the US, and Canada if applicable.Your response should address in detail at least the following areas: locations of your network of sales and service providers, the number of workers (full-time equivalents) involved in each sector, whether these workers are your direct employees (or employees of a third party), and any overlap between the sales and service functions.

Line Item	Question	Response *	

Attachment: Axon Contract 010720 (Police Dept. Axon Enterprise Inc. Contract)

25	Sales force.	Axon directly employs approximately 161 employees in our Sales organization. Some sales representatives work from our main office in Scottsdale, AZ while others work throughout the United States and globally. This ensures that we have qualified Axon employees close to our customers in order to conduct site visits, demonstrations, or to check on customer satisfaction. We take the hiring process seriously, as Axon Sales Representatives play a pivotal role in knowing business needs and applying technological solutions to solve potential challenges. These representatives must have a "business mindset," that enables them to understand complex challenges and present solutions that might solve these. Axon's hiring process intends to identify candidates who can do this effectively. It's our intention to hire people who also derive great satisfaction in helping others solve challenges through technological adoption, implementation, and advancement. Candidates are first phone screened by highly qualified firms who seek top talent from related industries. They are then screened again by a senior member of the Axon team to vet their personal and professional qualifications. During this time, candidates demonstrate how they have successfully learned about past businesses and helped solve their challenges through complex technological solutions. It is expected that candidates can demonstrate success in doing so throughout multiple years of their professional career. The most successful candidates are then invited to Axon headquarters. Throughout the day, they meet five senior members of the Axon team to more deeply validate who they are personally and professionally – personal characteristics, business skill, cultural fit within public safety, organizational fit within Axon. The internal team then debriefs about the candidate's potential fit as a representative of the company, on law enforcement's behalf. If the internal team finds the candidate appropriate in this position, the candidate moves on to preparing and providing a plan for how they are going to work with a number of accounts. This includes an understanding of how they're going to research, engage, understand, and work with each potential agency. They present this to the hiring manager (a Director or Vice President at Axon). If appropriate, candidates move on to the final stage of the review and hiring process. During this final stage, candidates speak directly with the Vice President of the Axon Sales Team or with the Executive Vice President of Global Sales for the organization. During this time, the candidate, once again, reviews their personal and professional qualifications as well as their approach to working within the organization and with public safety agencies. At this time, a decision to extend an offer of employment is made. The multiple steps and many stakeholders in the hiring process are to ensure proper rigor in vetting those who work with the many agencies we have or would like to partner with through a business engagement. The Axon organization is a proud technological partner of many in public safety and looks forward to hiring many more qualified individuals to appropriately work with, understand, and solve challenges within, for, and alongside countless agencies for years to come.	*
26	Dealer network or other distribution methods.	Axon partners with distributors in limited situations. These distributors are not employees of Axon Enterprise, and therefore we are do not know their company employment numbers. Within the United States, we work with a small number of distributors to sell our CEWs, which are not a part of the scope of this RFP. These distributors do not sell our Axon video solutions, which are included in the scope of this agreement In Canada, we partner exclusively with MD Charlton to sell and service CEWs, which are not included in the scope of this RFP. There is some overlap between sales and service function in this case, as MD Charlton assists Axon with processing repairs.	*

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27	Service force.	CUSTOMER SUPPORT Axon has a full customer and technical support division available 24 hours a day, seven days a week. The Technical Support team is based in Scottsdale, Arizona with additional employees in our Melbourne, Australia and Daventry, UK offices. REPAIR (RMA) DEPARTMENT The Return Material Authorization (RMA) department is located at Axon Headquarters in Scottsdale, Arizona. The RMA department prioritizes returned products for analysis and/or repair on a first-in-first-out (FIFO) basis, based on the severity of the complaint (or unless otherwise requested by the agency). The general turn-around-time for a full resolution is less than 30 calendar days from receipt of the returned product. Axon provides agencies with the ability to manage RMA requests within Axon Evidence. Authorized users will be able to create, update, save, submit, and track device returns for their agency in one place. Axon Evidence Device Return Service is integrated with FedEx and return shipping labels are provided at no extra charge. RMAs may also be generated at https://returns.axon.com, although return shipping labels are not available via this method. Upon receipt of the item(s), the RMA department will conduct a failure analysis investigation to determine the root cause of the issue and repair the item if possible. It is at Axon's sole discretion to repair or replace a device as identified in the original manufacturer warranty and/or the extended warranty policy. CUSTOMER SUCCESS MANAGERS (CSM) Throughout the length of their contract, some customers will have a dedicated, in-country Customer Success Manger (CSM). This is determined on the size and location of the customer; Currently the CSM team is operating within the United States only. The team is being expanded, but we do not have an estimated time of implementation in Canada. The CSM will have comprehensive knowledge of a customers' solution and its components, including any applicable custom integrations. The CSM will be available to offer support and escalate any issues or concerns as needed. As a whole, the Axon Support organization directly employs approximately 96 individuals.	*

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28	Describe in detail the process and procedure of your customer service program, if applicable. Include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.	Axon has a full customer service and support division; live phone support is available 24 hours a day, seven days a week. For technical or Customer Support assistance, you may contact a customer service representative at 800-978-2737 (extension 2), or via email at Support@axon.com. Online, email-based support and remote-location troubleshooting are included on an ongoing basis as part of your investment in the Axon ecosystem. Calls are first routed to the Tier 1 technical support team. Through troubleshooting, they can resolve most calls. If at any point an issue needs to be escalated to a higher technical tier, the call may be immediately transferred to a Tier 2 support specialist, or a phone number may be taken for a callback, depending on call volume and issue complexity. The following describes our levels of support available by tiers (based on the nature and criticality of the issue): TIER 1 TECHNICAL SUPPORT - GENERAL HOW-TO QUESTIONS • Frequently asked questions (FAQs) • Product navigation • Feature clarification • Standard queries • Assistance with known solutions TIER 2 TECHNICAL SUPPORT • Advanced Product trouble shooting • Advanced Axon Evidence Configuration • Any Escalated issues from Tier 1 support TIER 3 ENGINEERING SUPPORT • Critical problem or recurring problems rendering the product inoperable or requiring workarounds, bug fixes, testing and/or simulation The targeted response time for critical problems is one business day. Axon's Customer Service team resolved 89.78% of all inquiries and issues in under 24 hours in Q3 of 2019. The targeted resolution time (depending on severity and potential workarounds) is between less than 24 hours to less than two weeks. On average, problem resolution was reached on the initial call or email 95.86% of the time in Q3 2019. Please note that resolution time may vary depending on circumstances. Monthly, the Customer Service and Support team manager evaluates three calls for each team member. This audit checks adherence to policies, troubleshooting ability and customer satisfaction. Team members are evaluated on the scores they receive each month. Additionally, each team member is evaluated on their customer feedback score and the number of cases that remained unresolved after 24 hours. This assesses customer satisfaction and ensures that cases are handled in a timely manner.	*
29	Identify any geographic areas of the United States or Canada that you will NOT be fully serving through the proposed contract.	Axon is able to serve the entire United States and Canada through the proposed contract.	*
30	Identify any Sourcewell Member sectors (i.e., government, education, not-for-profit) that you will NOT be fully serving through the proposed contract. Explain in detail. For example, does your company have only a regional presence, or do other cooperative purchasing contracts limit your ability to promote another contract?	Axon will service all Sourcewell Member sectors covered by the proposed contract.	*
31	Define any specific contract requirements or restrictions that would apply to our Members in Hawaii and Alaska and in US Territories.	Axon does not have any specific contract requirements or restrictions that apply to Members in Hawaii and Alaska.	*

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Table 7: Marketing Plan

Line Item	Question	Response *	
32	Describe your marketing strategy for promoting this contract opportunity. Upload representative samples of your marketing materials (if applicable) in the document upload section of your response.	At this time, Axon does not conduct any marketing efforts specifically related to cooperative contracting. Axon promotes the use of cooperative contracts to its salesforce by utilizing training, webinars, and other internal resources.	*
33	Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.	We use technology and digital data to understand our audiences – broken out by users we have identified as well as anonymous users. The goal we're trying to achieve is converting our paid users to owned users through multiple technologies, such as retargeting, remarketing, email, social media, referral sites, search, and directory sites. We do not sell any user data to 3rd parties. By acquiring this data, we are able to find patterns and "look-a-likes" to better predict user flows and marketing efficiency.	*
34	In your view, what is Sourcewell's role in promoting contracts arising out of this RFP? How will you integrate a Sourcewell-awarded contract into your sales process?	Sourcewell can help promote membership to law enforcement agencies who may not realize they are members. Axon has seen in past interactions that many agencies do not know they are already members of a cooperative. If awarded a Sourcewell contract, Axon would take the following steps to integrate the contract into its sales process: • Announce the award to Axon's US and Canadian sales teams • Add the contract information to Axon's Customer Relationship Management (CRM) tool, Salesforce.com, so that sales reps can easily see all pertinent data • Add information on the contract to upcoming new hire sales trainings	*
35	Are your products or services available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.	Our ecommerce site requires an authorized login and purchase eligibility to access. The platform is intended to make ordering faster, easier, and more efficient. We allow authorized customers to pay by credit card and Purchase Order (when authorized by both agency and Axon to purchase via Purchase Order/invoice). The site customizes product visibility and includes contracted pricing for each agency. The ecommerce site acts as another 'ingestion point' for orders. After the order is placed, it is processed as any other order would. As of today, the ecommerce site only supports the sale of hardware and warranties. We are looking to expand the Axon products we can support drastically within the next year and are also looking to support extended warranties and contracts. The ecommerce site is an added asset to our customers and can enable customers to order items quickly if the sales representative or customer success manager is traveling. The ecommerce team can assist on nearly anything (RMA, invoice questions, contract questions, product questions, tax exemption, etc.) and for all inquiries outside our skill sets, we can ensure your questions get directed to the proper resource quickly.	*

Table 8: Value-Added Attributes

Line Item	Question	Response *	

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36	Describe any product, equipment, maintenance, or operator training programs that you offer to Sourcewell Members. Include details, such as whether training is standard or optional, who provides training, and any costs that apply.	Axon can help Sourcewell members maximize their Axon investment with comprehensive implementation. The Axon Professional Services team consists of a group of highly skilled individuals with in-depth knowledge of all Axon products and Axon Evidence functionality. The full-service professional services package includes a Project Manager who will create a custom project plan to fit the member's needs. Each Professional Services package addresses the vital elements of an agency's solution, starting with system structure and configurations before moving to topics relating to device use and functionality. We have included all our Professional Services offerings in the scope of this Cooperative. Axon sales representatives can help individual members evaluate what plan is right for them during their purchase. Costs are detailed in our price sheets. There are other benefits with the Axon Professional Services offering, such as subject matter experts who consult on best practices for the set-up, configuration, policy and overall program performance for your deployment. These services are optional. However, an agency's program success is three times greater when Professional Services has rendered on-site support, compared to when agencies don't utilize the offering. Our Professional Services Managers focus entirely on on-site and off-site training. Our experienced team can train everyone from officers, administrators, armorers, supervisors, detectives and even prosecutors. During the initial phase of the implementation process, Axon's Professional Services team will assist with the following tasks: • System Set Up and Configuration • Configure categories & custom roles • Troubleshoot IT issues After An initial, limited number of key users, armorer(s) and system administrator(s) should be trained. The size of this contingent depends on agency size or size of the planned full deployment. These officers will serve a number of roles, including final confirmation of system functionality and performance. They will likely provide useful feedback on any localized issues that had not been previously identified. They will provide a demonstration and information platform for their co-worker/future user officers. They typically become a resource when newer users are activated and require training or assistance. Regarding Axon Evidence training, the agency administrator is the starting point for defining security settings, creating custom roles and setting permissions, adding users (User, Administrator, Armorer or any other custom roles), reassigning devices, creating categories and setting retention policies, and several of the other administrative features of the Axon Evidence services. Our team will provide step-by-step explanations and assistance for agency's configuration of security, roles & permissions, categories & retention, and other specific settings for Axon Evidence. Administrators should attend all the training sessions that are decided upon. We will then provide Axon instructor training with the goal of educating instructors who can support the agency's subsequent training needs. Although the cameras, in-car systems, and interview room solution themselves are simple in design and use, a proper introduction to hardware and workflow is essential. The Professional Services training offering provides different options for training, depending on the level of detail and time necessary for users. Axon believes in the philosophy of "Smart Small, Test, Assess, Correct, Go Big". Deploy the key users. Make sure the way you've configured your system integrates smoothly into your workflow. Assess readiness based on evaluation and feedback and make any necessary adjustments. Once you've taken these steps, you're ready to schedule the rest of your user training. During on-site training, our Professional Services team also will provide the member with training documentation, which can be used in future training sessions.
37	Describe any technological advances that your proposed products or services offer.	As a company that strives to advance the efforts of public safety through technology whenever possible, Axon builds each product to be advanced and cutting-edge in its capabilities. Details for each product are provided under the headers below. AXON EVIDENCE Axon Evidence's cloud-based infrastructure means that Sourcewell members do not need to devote personnel to on-premises equipment, maintenance or extensive infrastructure improvements over time. You'll remain on the cutting-edge of evidence management technology with minimal investments in staff and time. • Instantly scale: Your computing power and storage scale automatically, growing with you as you need them. • Instantly share: Your evidence is easily and securely shared with stakeholders (prosecutors, partner agencies, etc.) through the internet, preserving resources which normally would be consumed by manual processes. • Instantly upgrade: Your system receives automatic monthly updates from Axon to deliver the latest features, functionality, and security advances with no effort from your agency. • Guarantee security: Your system maintains compliance with the world's most rigorous

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security standards through ongoing reviews of and upgrades to Axon Evidence's intensive security protocols, which leverage resources from Axon and Microsoft.
• Prevent system failure: Your data is always available because of robust and automated disaster recovery coupled with multiple, geographically separate storage locations.
• Ensure accessibility: Your evidence is always accessible from any device with an internet connection and standard browser subject to IP restrictions dictated by the agency.
• Integrations: Axon Evidence supports integration with Active Directory and Single Sign-On (SSO) allowing users to log in with their agency credentials and uses your network to authenticate users.

Additionally, Axon Evidence is easy to use, with a simple but feature-rich interface and intuitive layout. The dynamic interface automatically adjusts to accommodate a user's role, so they only see what you want them to see, greatly simplifying the user experience.

Axon Evidence integrates with Axon Capture, our free mobile application. Axon Capture streamlines the evidence collection process by harnessing the power of the modern phone to capture digital evidence. Until today, officers have had two options: sacrifice security for convenience, or convenience for security. The application was built specifically for law enforcement to allow officers to capture digital evidence right from the field. The app eliminates the need to carry three separate devices for photo, video, and audio recording. Metadata including ID, titles, evidentiary categories and GPS coordinates can be added to any recordings and synced to your agency's Axon Evidence account right from the scene. Officers can upload files from smartphones in the field to their agency's Axon Evidence account over a data connection or Wi-Fi.

Axon Evidence features Axon Citizen, which is available to Pro-level users of the system. Axon Citizen for Officers facilitates quick, simple, and secure digital evidence collection from individual witnesses. Officers can issue invitations for Axon Citizen evidence submissions through the Axon Capture mobile application or Axon Evidence (via a text message or email). This invitation can include the incident ID, category, and a brief description of the incident. Invitations contain a single-use link through which a witness can upload evidence files for the issuing officer's review. This allows officers to collect information from the public in an efficient manner and associate it correctly with the corresponding GO numbers (applicable to Canadian members) to reduce the volume of unstructured data collected from the public.

Axon can also assist with integrating your CAD or RMS system with Axon Evidence. This allows the system to automatically categorize videos based on the correlated event metadata captured by the respective system. The solution is provider agnostic; categories are queried directly from the database, effectively bypassing the CAD or RMS front-end interface. This automated process does not require an officer to connect a body-worn camera to a computer or smartphone. Any system with an accessible back-end database (SQL DB, etc.) can be integrated with the Axon solution. Often, these reports are already pulled for crime statistics reporting. Auto-Tagging enables automatic tagging of Axon videos with the correct corresponding metadata from the CAD or RMS system. Automatic retention is accomplished through categorization mapping.

Multicam playback in Axon Evidence allows videos that were recorded by different body-worn and in-car cameras (in the same location and time) to be played back together, allowing users to view an incident from multiple vantage points.

Axon Evidence features a full redaction suite natively within the application allowing users with permission the ability to redact what can be seen and heard in video evidence files. Axon Evidence never alters the original video evidence file when you create a clip or a redaction. Note that video redaction is a feature available with Pro Axon Evidence licenses (not available with Basic licenses).

Axon Evidence offers manual redaction (including video and audio), automated redaction and skin blurring redaction. Additionally, a bulk redaction feature is also available to assist with completing FOIA requests.

Available with the Officer Safety Plan (OSP 7+ bundle), Redaction Assistant is a powerful add-on to the standard Axon Evidence Redaction Studio. Redaction Assistant speeds up the redaction process by automating redactions for common objects like faces, license plates, and video screens (e.g., MDT screens). As the results come through in real-time, you can review the redactions—or simply wait to view the results when you're done with other tasks, since Redaction Assistant will stay running even when your computer is off. Redaction Studio allows users to review and approve or discard redaction masks added by Redaction Assistant to ensure videos are edited properly.

Redaction Assistant is Axon's first fully AI-powered product, and our AI Ethics Board has been engaging with us throughout the research and product development process. As a productivity tool that will make law enforcement more efficient and transparent with the public, our experience with launching Redaction Assistant will guide the development of our future AI products.

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AXON BODY 3
The Axon Body 3 is our latest, most advanced body-worn camera offering to date. The Axon Body 3 utilizes a new image sensor and improved microphones to provide the highest quality evidence, especially in low-light environments, with a 146.4° field of view. Enhanced device intelligence and Axon Signal wireless activation allows officers to focus on the situations at hand. New security features provide greater device security for data on the camera, whether in transit or in the case the camera is lost or stolen. The solution allows for faster offload and recharge in comparison to other products on the market, and even supports upload during recording.

An audio algorithm developed in partnership with Nokia dramatically improves the audio captured by the Axon Body 3 camera, compared to its predecessor. We use sophisticated on-board audio processing (Nokia Ozo-based) to conduct wind noise reduction, calculate automatic gain control, and produce a high-quality stereo audio recording. The Axon Body 3 also utilizes advanced low-light technology. A lux rating indicates low-light perception capability, or the level of light required to see an object. The camera has a lux rating of < 0.1 lux; the human eye has a lux rating of approximately 0.1 lux. Additionally, an algorithm designed to minimize blurring in fast-moving, low-light environments ensures high-quality videos.

Battery life has been improved with the Axon Body 3. When a fully depleted battery is recharged using the Axon Dock, the recharge time for 12+ hours of buffering mode is approximately five hours. It should be noted, however, that the battery is designed to last a full 12+ hour shift, and it is unlikely that the battery will fully deplete after one use. Charging a fully depleted battery for approximately three hours will provide an 80% charge. The battery is removable, replaceable, and recyclable.

The camera has four video quality settings with a minimum video resolution of 480p and a maximum video resolution of 1080h. The video resolution, encoding bit rate, frame rate, and video encoding format impact the size of files captured at each setting. The device has 64 GB of non-removable storage to house captured video files. Recording capacity and associated settings are:

- The 480p resolution setting captures video at a rate of 0.9 GB per 60 minutes of video. This setting supports storage of over 46 hours of video.
- The 720l resolution setting captures video at a rate of 1.2 GB per 60 minutes of video. This setting supports storage of approximately 38 hours of video.
- The 720h resolution setting captures video at a rate of 2.0 GB per 60 minutes of video. This setting supports storage of approximately 25 hours of video.
- The 1080h resolution setting captures video at a rate of 4.5 GB per 60 minutes of video. This supports storage of approximately 11 hours of video.

The Axon Body 3 camera integrates with real-time situational awareness technology (Axon Aware), allowing the camera to offload video remotely, live-stream video and audio, and send alerts in real time. The camera is connected to LTE - similar to a cell phone - and can livestream to Axon Evidence instantaneously so that authorized supervisors, incident commanders, real-time crime centers or other designated resources have better information from the field. This LTE capability also opens the door for a wide variety of potential future features, including critical evidence offloading from the field, “find my camera” locator functionality, and much more that will be added in future firmware releases. Other Axon Aware features include real-time alerts and notifications, including gunshot detection.

Imagine a scenario where an officer radios dispatch to inform them that they are struggling with a suspect. With Axon Aware, those not on the scene can view the live footage from the officer’s body camera, to gain situational awareness (which is useful for sharing with officers providing backup). If the suspect returns to their vehicle and speeds away, the remote viewer can access previously recorded footage and capture an image of the suspect’s vehicle or license plate. This image can then be sent to other officers in the area for BOLO alerts.

The Axon Body 3 camera has an embedded GPS chip that sources location data from the device (similar to a cell phone). Additionally, the cameras can log geolocation data by pairing via Bluetooth with a GPS-capable smart device. Axon View, Axon's free mobile application, allows officers to pair their cameras to their smart devices (e.g., iPhones or Android smartphones) in the field. A paired smart device determines its real-world geographic location and securely transmits the geolocation information to the Axon camera. The camera then embeds the information automatically as metadata associated with the video file.

AXON BODY 2
The Axon Body 2 camera’s self-contained design requires no external wires that might interfere with an officer’s activities. Multiple mounting options require no alteration to uniforms and allow officers to adjust the camera’s position. The device’s durability, full-shift battery life, configurable pre-event buffer, and intuitive controls provide officers an effective and reliable evidence capture tool in the field.

The Axon Body 2 camera features an industry-leading continuous recording time of 12 hours at 480p and 720p, and 10 hours at 1080p. The cameras are optimized for every power

Attachment: Axon Contract 010720 (Police Dept. Axon Enterprise Inc. Contract)

consideration to achieve the battery life necessary to support this invaluable capability. GPS data can be captured and stored with each video file by pairing via Bluetooth with a GPS-capable smart device. Axon View, Axon's free mobile application, allows officers to pair their cameras to their smart devices (e.g., iPhones or Android smartphones) in the field. A paired smart device determines its real-world geographic location and securely transmits the geolocation information to the Axon camera. The camera then embeds the information automatically as metadata associated with the video file. When uploaded to Axon Evidence, the system analyzes and retrieves geolocation information from the video files. A mapping function within Axon Evidence then displays in the interface the location of the camera at the time of video capture

AXON FLEX 2
The Axon Flex 2 camera captures events from the officer's perspective. Connected by a single cable to a controller, the camera components do not interfere with an officer's duties. The Axon Flex 2 system offers a wide variety of mounts; the camera can be worn at or near eye-level, and the controller is worn on the torso or beltline for easy access to controls. The device's durability, full-shift battery life, configurable pre-event buffer, and intuitive controls provide an effective, reliable evidence capture tool.

The Axon Flex 2 camera features an industry-leading continuous recording time of 12 hours at 480p and 720p, and 10 hours at 1080p. The cameras are optimized for every power consideration to achieve the battery life necessary to support this invaluable capability. GPS data can be captured and stored with each video file by pairing via Bluetooth with a GPS-capable smart device. Axon View, Axon's free mobile application, allows officers to pair their cameras to their smart devices (e.g., iPhones or Android smartphones) in the field. A paired smart device determines its real-world geographic location and securely transmits the geolocation information to the Axon camera. The camera then embeds the information automatically as metadata associated with the video file. When uploaded to Axon Evidence, the system analyzes and retrieves geolocation information from the video files. A mapping function within Axon Evidence then displays in the interface the location of the camera at the time of video capture

AXON FLEET
Axon solutions simplify your existing processes. As part of the Axon platform, Axon Fleet works seamlessly with Axon body cameras and Axon Evidence to capture the full story. Once uploaded to Axon Evidence, you'll get the full account of an incident by viewing multiple time-synchronized videos on one screen. Securely share and track digital evidence across public safety stakeholders with smart features such as redaction, digital verification, and audit logs.

Axon Fleet includes front and back cameras with features like infrared and zoom. And it offers you things you don't always associate with in-car systems, like simple pricing, over-the-air updates so you never have to worry about manual work, and integrations with Axon's body cameras and evidence management system to save you time. The rotatable front camera's low-profile design and improved mounting maximizes the officer's field of view and provides clear, stable video. Its digital zoom makes license plates readable at up to 30 feet.

Axon Fleet includes handsfree camera activation via Axon Signal technology with configurable triggers, including such as light bar activation, door, vehicle speed, acceleration, crash and weapon rack. Focus on the task at hand and spend less time managing technology.

Fleet 2 doesn't include a DVR, saving you precious space in your vehicle. Stream, tag, and replay any camera's videos, plus write notes and upload footage, right from your MDT with the Axon View XL application.

You won't need to spend time categorizing videos - with Auto-Tagging, all Fleet and Axon body camera videos will be tagged automatically using data from your CAD or RMS system.

Axon body-worn and in-car cameras work either as standalone devices or in conjunction with one another. The two systems integrate seamlessly, extending the overall capabilities of the Axon Evidence ecosystem. This cross functionality allows users to categorize and label video on both Fleet and body cameras from the Axon View XL software application. When uploaded to Axon Evidence metadata added in the field is ingested with the video files.

AXON INTERVIEW
Axon Interview is a state-of-the-art audiovisual recording solution designed for the critical context of the interview room. The Axon Interview solution is revolutionizing interview room technology to give agencies the best of both worlds by providing a local interview room solution that seamlessly integrates with Axon Evidence, Axon's cloud-based, turnkey digital evidence management platform.

The Axon Interview room solution is equipped with one camera and one microphone per room (if desired members can select a two camera per room solution), one touch panel per room, two application servers for redundant recording and all the software required to run the application.

Axon Interview runs on your agency's local network to record interviews. When video

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captured is so critical, your agency cannot trust a straight to cloud platform where a slight loss of connectivity could cause a critical failure. That is why Axon Interview is installed on two recording servers, which both independently and simultaneously grab their own video feed and microphone feed from the source. If one server fails, the second server independently captures everything.

Interviews can be streamed from anywhere on your network, and a 24/7 buffering option allows agencies to capture events even when recording is disengaged. Axon Interview is accessed through intuitive touch screen software that allows agencies to configure their policies directly into the solution. Officers login through the touch panel, enter agency-defined metadata, and start the recording.

Once the interview is complete, the officer can end recording through the touch panel, this will automatically trigger an offload to Axon Evidence. The video will be available for review once it finishes uploading to Axon Evidence. All the powerful categorization, search, and editing functions available in Axon Evidence are now available for your interview room footage.

Instead of managing your own infrastructure and the unpredictable costs of scaling and managing proprietary storage arrays, Axon Evidence offers continual industry best practices and services allowing instantaneous and cost-effective scalability.

Axon Interview is an important expansion of the Axon Platform, adding seamless connectivity to the Axon community of connected customers. Axon Interview was purpose-built with the sole commitment of protecting the truth by capturing the interview every time and with the best video quality possible.

With Axon's solution, finding that key piece of dialogue takes moments, not hours. Users can bookmark, annotate, and comment on footage in real time. Custom metadata categories allow agencies to organize evidence in a way that works for them. Complete chain of custody is maintained and audio and video masking protects attorney-client privileges and ensures defensible evidence. Managing interview footage is simple and smart with Axon Interview.

OTHER INNOVATIONS
Available for both Android and iOS devices, the Axon View mobile application allows officers to playback videos, add tags, and assign a title, ID and categories to a video, while still in the field. Axon View automatically maps video with GPS data and allows real-time tagging of metadata from an officer's smartphone. Before the officer sets foot in the office, the video is assigned and automatically filed under the appropriate retention schedule. Once uploaded to Axon Evidence, the video evidence can be accessed quickly with a simple keyword search.

Axon Docks are multi-purpose hubs for your Axon body-worn cameras. Axon Docks upload captured videos to Axon Evidence while they charge your cameras and automatically install device firmware updates.

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38	Describe any "green" initiatives that relate to your company or to your products or services, and include a list of the certifying agency for each.	We take every action to minimize negative impacts to the environment. Axon recognizes and is fully compliant with all local, state, federal and foreign government requirements including U.S. EPA and O.S.H.A. standards. Axon operates in compliance with ISO 14001, but is not currently certified. Axon is committed to excellence and leadership in protection of the environment. We strive to minimize adverse impact on the air, water, and land through excellence in pollution prevention and waste abatement. By preventing pollution at the source, we save resources, increase operational efficiencies, and maintain a safe and healthy work environment for our employees, visitors, contractors, and neighbors. Axon manages an on-premise waste minimization program. The objective is to reduce the quantity of non-hazardous solid waste produced, recycle materials, and reuse materials when possible. Other green initiatives in the building include in-house recycling and the use of variable-frequency drives on our main exhaust systems and cooling towers, which allow for more efficient methods of using energy. Our Scottsdale office has on-premise xeriscape, which conserves water by eliminating the need for supplemental water from irrigation. Our Scottsdale headquarters and surrounding buildings use 60% and 95% LED lighting, respectively, which produces less heat and uses less energy. We supplement this with having large windows around the offices, which brings in ample natural light and saves electricity. 5 to 10 percent of the plastics we use in manufacturing our products are made of recycled materials. In addition, we substitute non-hazardous or less toxic material in our manufacturing processes when feasible. Examples are: • Substituting an alcohol-based glue accelerator for an aliphatic petroleum-based product • Replacing the gluing system with a less hazardous two-component epoxy In conjunction with the following practices, Axon has invested in re-usable material handling systems, much of which is also recyclable. • Use of corrugated materials exceeding 35% post-consumer recycled content • Use of other packaging materials that contain recycled content and are recyclable in most local programs • Both the printed and corrugated boxes used to ship our products to customers (and the protective foam used in shipping) are recyclable • We promote waste prevention and source reduction by reducing the extent of the packaging and/or offering • To minimize packaging waste on larger orders, 'bulk packaging' was developed • We also employ packaging take-back services and shipping carton return • We reduce and/or eliminate the use of materials which have been bleached with chlorine or chlorine derivatives Axon engages in the following practices that serve to reduce or minimize effects on the environment, including, but not necessarily limited to the following. • Corrugated boxes are broken down and processed for recycling • Offices and dining areas contain recycling bins in addition to trash bins to minimize waste and encourage employee participation in green initiatives • Axon Employee Transportation programs are in place using company supplied vans that reduce congestion on the roadways and carbon monoxide emissions into the environment. • We are compliant with laws pertaining to the use of Conflict Minerals as well as REACH and ROHAS for our EU interactions.	*
39	Identify any third-party issued eco-labels, ratings or certifications that your company has received for the equipment or products included in your Proposal related to energy efficiency or conservation, life-cycle design (cradle-to-cradle), or other green/sustainability factors.	Axon recently migrated to a green IaaS provider, Microsoft Azure; this partnership extends our focus and investment on a sustainable future and that will have positive global impact. Axon does not have any green computing certifications or awards; however, our Infrastructure as a Service provider, has the following practices in place. Datacenters are 100 percent carbon neutral and rely on a larger percentage of wind, solar and hydropower electricity over time. Today roughly 44% of the electricity used by datacenters comes from these sources. The goal is to pass the 50 percent milestone, move to the top 60 percent early in the next decade, and then to keep improving from there.	*
40	Describe any Women or Minority Business Entity (WMBE), Small Business Entity (SBE), or veteran owned business certifications that your company or hub partners have obtained. Upload documentation of certification (as applicable) in the document upload section of your response.	Axon does not hold any WMBE, SBE, or veteran-owned business certifications.	*

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41	What unique attributes does your company, your products, or your services offer to Sourcewell Members? What makes your proposed solutions unique in your industry as it applies to Sourcewell members?	Axon has long made the priorities of law enforcement our own, and their challenges ours to solve. When Members partner with Axon, they're partnering with a team of product experts, security professionals, engineers, technology specialists, and former law enforcement personnel. We are dedicated to pushing the boundaries of technology and are committed to delivering on those efforts, to offer law enforcement the solutions needed to help make the world a safer place. By becoming a part of our Axon Ecosystem made up of connected devices and apps, Members can better position themselves to keep their officers and community safe. Axon provides hardware and software solutions to law enforcement agencies throughout the globe and is proud to work with the following clients to implement the technology used to help increase workflow efficiencies, reduce incidents, and protect the truth. Some of our largest customers include: London Metropolitan Police Service, London UK Los Angeles, CA Police Department Calgary Police Service, AB Charlotte-Mecklenburg, NC Police Department Fort Worth, TX Police Department Dallas, TX Police Department San Diego, CA Police Department Baltimore City, MD Police Department Baltimore County, MD Police Department Memphis, TN Police Department Washington, DC Metropolitan Police Department Denver, CO Police Department Cincinnati, OH Police Department Atlanta, GA Police Department Because our solutions are deployed by thousands of law enforcement agencies across the globe, we are experienced in the development of technology at scale and put a great deal of emphasis on improving our end-user's ease of use. By demonstrating a large investment in research and development—with expenses reaching $76.9 million, $55.4 million, and $30.6 million in 2018, 2017, and 2016, respectively—we are committed to identifying improvements and developing new and innovative solutions. As a member of some of the most prestigious associations across the country, Axon is dedicated to staying involved—and through our participation—we hope to continue building on our understanding of the issues Members face while staying apprised of the conversations effecting the communities they serve. Axon is proud to be a part of the following associations. • The International Association of Chief of Police (IACP) • The Major City Sheriff's Association (MCSA) • The National Organization of Black Law Enforcement Executives (NOBLE) • The FBI National Academy Associates (FBINAA) Once a solution is delivered, most agencies are left asking, what's next? Axon has you covered. Our dedicated customer success and support managers are committed to providing Members with post-sales and post-deployment support. Whether that be troubleshooting assistance, technical support, or help with understanding a new feature, our Customer Success team is here to be your main point of contact and advocate. Through regular communication, our knowledgeable staff can offer Members the support you should expect from a service provider. This support includes: • Notifying customers of Important firmware and hardware updates, identifying bugs, and addressing general issues • Fulfilling hardware refreshes and deployment of new equipment • Conducting Quarterly Business Reviews with customers • Identifying important customer feature requests Our goal is to provide Members with the necessary assistance to help make the most of the solutions you count on every day.	*
42	Identify your ability and willingness to provide your products and services to Sourcewell member agencies in Canada.	Axon is fully able and willing to provide our products and services to Sourcewell member agencies in Canada.	*

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Table 9: Warranty

Describe in detail your manufacturer warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may upload representative samples of your warranty materials (if applicable) in the document upload section of your response in addition to responding to the questions below.

Line Item	Question	Response *	
43	Do your warranties cover all products, parts, and labor?	Axon warrants that its law enforcement hardware products which are manufactured by Axon are free from defects in workmanship and materials for a period of one (1) year from the date of receipt. Axon-manufactured accessories are covered under a limited ninety-day warranty from the date of receipt. Non-Axon manufactured accessories are covered under the manufacturer's warranty. There are extended warranties available as defined in the Axon Master Services and Purchasing Agreement (MSPA). NON-AXON MANUFACTURED PRODUCTS For some solutions we are authorized resellers of hardware (Cradlepoint routers for Axon Fleet, Axis cameras for Axon Interview, etc.). Products that we are authorized to resell abide by the manufacturer's warranty. Further details can be provided upon request.	*
44	Do your warranties impose usage restrictions or other limitations that adversely affect coverage?	Restrictions are outlined in our warranty, which has been included in the uploaded attachments.	*
45	Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?	Our warranties do not cover the expense of technicians' travel time and mileage to perform warranty repairs.	*
46	Are there any geographic regions of the United States (and Canada, if applicable) for which you cannot provide a certified technician to perform warranty repairs? How will Sourcewell Members in these regions be provided service for warranty repair?	Axon will be available 24 hours/7 days per week by phone for emergency technical support for any system outage, and if mutually agreed upon by both parties, we can provide onsite support for local issues. If a site visit is deemed necessary due to an issue (i.e. access point failures or accidental cut wires) and not an Axon or Axon Evidence issue there may be a charge assessed to the agency.	*
47	Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?	Axon will troubleshoot these devices to the best of our ability. If we are unable to resolve the issue and the devices require warranty service, this will be performed by the manufacturer.	*
48	What are your proposed exchange and return programs and policies?	Axon does not allow exchanges or returns. Please see our MSPA for full details.	*
49	Describe any service contract options for the items included in your proposal.	Please refer to the included MSPA.	*

Table 10: Payment Terms and Financing Options

Line Item	Question	Response *	
50	What are your payment terms (e.g., net 10, net 30)?	Payment terms are Net 30.	*
51	Do you provide leasing or financing options, especially those options that schools and governmental entities may need to use in order to make certain acquisitions?	Axon does not offer leasing or financing options. Alternatively, Axon offers a provision in its MSPA which allows for cancellation by the agency if sufficient funds are not appropriated.	*
52	Briefly describe your proposed order process. Include enough detail to support your ability to report quarterly sales to Sourcewell as described in the Contract template. For example, indicate whether your dealer network is included in your response and whether each dealer (or some other entity) will process the Sourcewell Members' purchase orders.	Axon will process orders Axon will accept from Sourcewell members directly, as our distributor network in the United States and Canada does not sell our video products. Our Order Entry team enters orders into our CRM, Salesforce. Reports will be maintained and extracted from Salesforce for quarterly reporting to Sourcewell.	*
53	Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell Members for using this process?	Axon can process via P-card if necessary but prefers ACH payments whenever possible.	*

Table 11: Pricing and Delivery

Provide detailed pricing information in the questions that follow below. Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract as desribed in the RFP, the template Contract, and the Sourcewell Price and Product Change Request Form.

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Line Item	Question	Response *	
54	Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcewell discounted price) on all of the items that you want Sourcewell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. Upload your pricing materials (if applicable) in the document upload section of your response.	Axon is proposing a Schedule Discount for Sourcewell Members. The discount increases as the order quantity increases. Please see question #55 and the document in the pricing materials section for full details.	*
55	Quantify the pricing discount represented by the pricing proposal in this response. For example, if the pricing in your response represents a percentage discount from MSRP or list, state the percentage or percentage range.	Axon is proposing the following discount schedule based on order quantity. This discount schedule applies to Axon manufactured items. This does not apply to items which Axon resells as part of its offerings. Please see the uploaded price sheet, included in the document section. Quantity: 1 • Customer Discount % off MSRP: 0.00% Quantity: 2-99 • Customer Discount % off MSRP: 1.00% Quantity: 100-249 • Customer Discount % off MSRP: 3.00% Quantity: 250-499 • Customer Discount % off MSRP: 5.00% Quantity: 500-999 • Customer Discount % off MSRP: 7.00% Quantity 1000+ • Customer Discount % off MSRP: 10.00%	*
56	Describe any quantity or volume discounts or rebate programs that you offer.	Axon is proposing the following discount schedule based on order quantity. Quantity: 1 • Customer Discount % off MSRP: 0.00% Quantity: 2-99 • Customer Discount % off MSRP: 1.00% Quantity: 100-249 • Customer Discount % off MSRP: 3.00% Quantity: 250-499 • Customer Discount % off MSRP: 5.00% Quantity: 500-999 • Customer Discount % off MSRP: 7.00% Quantity 1000+ • Customer Discount % off MSRP: 10.00%	*
57	Propose a method of facilitating “sourced” products or related services, which may be referred to as “open market” items or “nonstandard options”. For example, you may supply such items “at cost” or “at cost plus a percentage,” or you may supply a quote for each such request.	Axon sells at the sourced party’s MSRP. Discounts may be applied in certain situations on sourced items, on a case-by-case basis.	*
58	Identify any element of the total cost of acquisition that is NOT included in the pricing submitted with your response. This includes all additional charges associated with a purchase that are not directly identified as freight or shipping charges. For example, list costs for items like pre-delivery inspection, installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.	Axon has included all available installation and training options in our pricing. Our sales representatives can discuss options with each Member during the ordering process. We encourage agencies to take advantage of our experienced Professional Services team for installation and training, but it is not mandatory. We offer several options at different price points for agencies at various budgets. If the Member chooses to purchase the Axon router for the Axon Fleet in-car solution, NetCloud and Cradlecare must also be purchased. PRIME NetCloud enables zero-touch deployment and remote management of Multi-WAN branch and in-vehicle routers and IoT gateways. NetCloud Engine enables virtual cloud networking that leverages cloud, Software-Defined Networking (SDN), and Network Function Virtualization (NFV) technologies. Cradlecare includes: • Coverage for all products and services • 12X5 support via email, phone and chat • 24X7 qualified phone support • Advanced Exchange: next day business replacement • Service level targets • Extended warranty for routers for the term of the Cradlecare license • Assigned Enterprise Support Engineer (for deployments of 50 routers or more) • Enterprise engineering resources for network design and best practices implementation • Priority consideration of future feature requests and beta trials	*

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59	If freight, delivery, or shipping is an additional cost to the Sourcewell Member, describe in detail the complete freight, shipping, and delivery program.	Freight, delivery, and shipping are included in our costs.	*
60	Specifically describe freight, shipping, and delivery terms or programs available for Alaska, Hawaii, Canada, or any offshore delivery.	Freight, shipping, and delivery are included for Alaska, Hawaii, and Canada.	*
61	Describe any unique distribution and/or delivery methods or options offered in your proposal.	Axon offers expedited shipping through FedEx upon request.	*

Table 12: Pricing Offered

Line Item	The Pricing Offered in this Proposal is: *	Comments
62	b. the same as the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.	

Table 13: Audit and Administrative Fee

Line Item	Question	Response *	
63	Specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcewell. This process includes ensuring that Sourcewell Members obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to Sourcewell.	Axon utilizes Salesforce.com as its CRM tool and Microsoft Dynamics AX as its enterprise resource-planning tool. When a sales representative provides a customer a quote utilizing the cooperative, the sales representative will select the cooperative contract within Salesforce.com. At the end of the quarter, our Sales Operations team runs a report in Salesforce.com to see all deals that closed the previous quarter for each cooperative that requires reporting. Because a sale could be closed in Salesforce but not actually shipped or invoiced for, we then run that information in Microsoft AX. Microsoft AX allows us to see if the ship date occurred within the reporting quarter and the amount that we invoiced to the customer. Once we have all pertinent data, we put it into an Excel spreadsheet to guide us in reporting the cooperative sales data.	*
64	Identify a proposed administrative fee that you will pay to Sourcewell for facilitating, managing, and promoting the Sourcewell Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See the RFP and template Contract for additional details.)	Axon will pay 2% on the initial shipment or 1% on a multi-year sale.	*

Table 14: Industry Specific Questions

Line Item	Question	Response *	
65	If you are awarded a contract, provide a few examples of internal metrics that will be tracked to measure whether you are having success with the contract.	Axon will track the following internal metrics to measure success with the contract: • The number of agencies who utilize the cooperative • The dollar amount of sales associated with the cooperative • The Length of time takes to update the contract after new products/services are announced by Axon	*
66	Describe, in detail, the video and recording features as it applies to your products. Examples may include activation, buffering, range, resolution, file transfer, etc.	Axon's solutions include our three current models of body cameras, our in-car camera system, and our interview room solution. Their video and recording features are laid out under the headers below. AXON BODY 3 The Axon Body 3 is a camera system incorporating an audio and video recording device. This camera is designed for use in tough environmental conditions encountered in law enforcement, corrections, military, and security activities. The Axon Body 3 camera is designed to record events for secure storage, retrieval, and analysis to the Axon Evidence service. The recorded events are transferred to your storage solution using the Axon Body 3 Dock. Additionally, the Axon View application enables playback of footage on a smart device for review prior to storing the data. The Axon Body 3 utilizes a new image sensor and improved microphones to provide the highest quality evidence, especially in low-light environments. Enhanced device	

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intelligence and Axon Signal wireless activation capability allows officers to focus on the situations at hand. The camera can also be activated by a simple double-tap on the large, easily accessible button on the front of the device.

The pre-event buffer captures up to two minutes of video (depending on agency settings) immediately preceding event recording. The pre-event buffer period is configurable in 30-second increments, from 0-120 seconds at 480p and 720p resolutions, and from 0-90 seconds at 1080p. By default, the pre-event buffer is 30 seconds. Audio recording can be disabled during buffered video recording to accommodate agency evidence collection policies. Audio recording is disabled for pre-event buffering by default.

The camera has four video quality settings with a minimum video resolution of 480p and a maximum video resolution of 1080h. The video resolution, encoding bit rate, frame rate, and video encoding format impact the size of files captured at each setting. The device has 64 GB of non-removable storage to house captured video files. The 480p resolution setting captures video at a rate of 0.9 GB per 60 minutes of video. This setting supports storage of over 46 hours of video. The 720l resolution setting captures video at a rate of 1.2 GB per 60 minutes of video. This setting supports storage of approximately 38 hours of video. The 720h resolution setting captures video at a rate of 2.0 GB per 60 minutes of video. This setting supports storage of approximately 25 hours of video. The 1080h resolution setting captures video at a rate of 4.5 GB per 60 minutes of video. This supports storage of approximately 11 hours of video.

The Axon Body 3 is our first camera to integrate with Axon Aware. Axon Aware is our new real-time situational awareness technology. The camera is connected to LTE - similar to a cell phone - and can livestream to Axon Evidence instantaneously so that authorized supervisors, incident commanders, real-time crime centers or other designated resources have better information from the field. This LTE capability also opens the door for a wide variety of potential future features, including critical evidence offloading from the field, “find my camera” locator functionality, and much more that will be added in future firmware releases. Other Axon Aware features include real-time alerts and notifications, including gunshot detection. Additional capabilities will be added over time, and Axon Aware itself will also eventually be incorporated into other Axon products.

Axon Aware features require a separate subscription, of which there are two tiers, Axon Aware and Axon Aware+. The specific capabilities within each tier will evolve over time, but the main difference as it relates to policy development is that the Axon Aware+ tier enables livestreaming from all Axon Body 3 cameras, while the Axon Aware tier does not.

How does Axon Aware work in a real-world situation? In the field, let’s say an officer gets a call of a domestic disturbance and begins a recording. Back at the station, a supervisor opens the Aware tab in Axon Evidence; the live map shows the officer’s GPS marker and other camera details. As the officer arrives on scene, he is confronted by the DV suspect and broadcasts a quick but incomplete radio call. The supervisor activates livestreaming and sees the hostile suspect advancing on the officer. The officer is notified through feedback on the device that the video is being livestreamed. The supervisor radios backup to respond Code 3 as she also heads to your location. She broadcasts the description of the assailant to dispatch and other responders. Backup arrives in time to help take the suspect into custody without further incident.

The Axon Body 3 also includes a Camera Display, which shows information on camera status and activity. Different information is shown depending on if the Axon Body 3 camera is in the field or in an Axon Dock. If Axon Aware is not enabled, some icons may not be active or displayed. The Status Bar (upper portion of the display) shows the battery capacity, camera pairing information, light status, Stealth mode status, and low battery warnings. The Activity Area (main portion of the display) gives information on camera readiness, recording status, Axon Signal broadcasts, Axon Aware Live Streaming notifications, gunshot detection warnings, and Mute Mode information. At night and in low-light situations, users can use the Select button to backlight the Camera Display. The backlight display can be activated by double-pressing the Select button on the Axon Body 3. This will trigger the Camera Display to light up and remain backlit for two seconds.

The Axon Body 3 also includes new security features, which provide greater device security for data on the camera, in transit, or in the case that the camera is lost or stolen. The solution allows for faster offload and recharge in comparison to other products on the market.

Other features and benefits of the Axon Body 3 include:
- Improved Video: Provides up to 4x better video quality
- Multi-Microphone Audio: Provides ultra-clear audio recording

Attachment: Axon Contract 010720 (Police Dept. Axon Enterprise Inc. Contract)

- Unmatched Durability: Built to withstand extreme weather
- Full-Shift Battery: Never worry about battery life in the field
- Pre-Event Buffer: Configurable up to 120 seconds with optional audio capture
- Advanced Detection & Wireless Activity: Greater device awareness allows for broader camera activation methods
- High Speed Offload & Charging: Offload evidence and charge quickly
- On- Device Encryption
- Advanced Telemetry: Embedded GPS and accelerometer
- Dock: Dock supports offload and charging of up to eight cameras
- Versatile Mounts: New mount keeps the camera secure without magnets or puncturing shirts

AXON BODY 2

The Axon Body 2 was designed specifically for use in tactical policing situations to capture events as seen by the officer. Activation of event recording is simple and accessible, making it easy for officers to operate the device in high-stress situations. Recordings are initiated with a single event button located on the front of the device, so an officer can easily reach it with one hand. The Axon Body 2 can also be activated wirelessly through Axon Signal technology.

The pre-event buffer captures up to two minutes of video (depending on agency settings) immediately preceding event recording. The pre-event buffer period is configurable in 30-second increments, from 0-120 seconds at 480p and 720p resolutions, and from 0-90 seconds at 1080p. By default, the pre-event buffer is 30 seconds. For additional flexibility, a 10-second pre-event buffering option is also available. Audio recording can be disabled during buffered video recording to accommodate agency evidence collection policies. Audio recording is disabled for pre-event buffering by default.

The camera has four video quality settings with a minimum video resolution of 480p and a maximum video resolution of 1080h. The video resolution, encoding bit rate, frame rate, and video encoding format impact the size of files captured at each setting. The device has 64 GB of non-removable storage to house captured video files. The 480p resolution setting captures video at a rate of 0.9 GB per 60 minutes of video. This setting supports storage of over 46 hours of video. The 720l resolution setting captures video at a rate of 1.2 GB per 60 minutes of video. This setting supports storage of approximately 38 hours of video. The 720h resolution setting captures video at a rate of 2.0 GB per 60 minutes of video. This setting supports storage of approximately 25 hours of video. The 1080h resolution setting captures video at a rate of 4.5 GB per 60 minutes of video. This supports storage of approximately 11 hours of video.

The solution supports a Dock & Walk Workflow. At the end of a shift, officers insert their cameras into the Axon Dock. The dock charges the cameras and updates firmware, while securely uploading videos. Videos can also be uploaded via the Evidence Sync desktop client.

FEATURES & BENEFITS

- HD Video: The industry's best low-light video records in 1080p HD
- Full-shift Battery: Lasts for a full shift (over 12 hours)
- Configurable Pre-Event Buffer: Capture up to 2 minutes before an event
- Dual-Channel Audio: Camera records two audio channels
- Axon Signal Wireless Activation: Cameras start recording automatically based on pre-defined triggers
- Optional Mute: Disable audio in the field to support dual-party consent
- Mobile Applications: Tag and replay videos from the field with Axon View
- RapidLock Mounts: Versatile mounts are designed for versatility and comfort, while keep the camera steady

TECHNICAL SPECIFICATIONS

- Field of View: 143 Degrees
- Recording Capacity: Up to 70 Hours Depending on Resolution
- Video Quality: 30 frames per second; resolution spanning 480p - 1080p
- Battery: Rechargeable lithium-ion polymer battery (3000 mAH capacity)
- Weather Resistance: IEC 60529 IP67 (dust, water); MIL-STD-810G (Salt fog)
- Humidity: 95% non-condensing
- Operating Temperature: -4 °F To 122 °F [-20 °C To 50 °C]
- Rugged: Drop tested from up to 6 Feet – camera is housed in high-impact polymer

AXON FLEX 2

The Axon Flex 2 is a point-of-view camera that provides multiple options for wearing the camera to suit your officers' needs in the field. The 120° field of view lens captures events as experienced by the wearer. Activation of event recording is simple and accessible, making it easy for officers to operate the device in high-stress

Attachment: Axon Contract 010720 (Police Dept. Axon Enterprise Inc. Contract)

situations. Recordings are initiated with a single event button located on the front of the controller, so an officer can easily reach it with one hand. The Axon Flex 2 can also be activated wirelessly through Axon Signal technology.

The camera is connected to a controller, which houses the battery, with one cable. The Axon Flex 2 camera can be mounted on Oakley Flak Jacket® glasses, ball caps, uniform collars and epaulettes, a lowrider headband, on a vest, and motorcycle and SWAT helmets.

The pre-event buffer captures up to two minutes of video (depending on agency settings) immediately preceding event recording. The pre-event buffer period is configurable in 30-second increments, from 0-120 seconds at 480p and 720p resolutions, and from 0-90 seconds at 1080p. By default, the pre-event buffer is 30 seconds. For additional flexibility, a 10-second pre-event buffering option is also available. Audio recording can be disabled during buffered video recording to accommodate agency evidence collection policies. Audio recording is disabled for pre-event buffering by default.

The camera has four video quality settings with a minimum video resolution of 480p and a maximum video resolution of 1080h. The video resolution, encoding bit rate, frame rate, and video encoding format impact the size of files captured at each setting. The device has 64 GB of non-removable storage to house captured video files. The 480p resolution setting captures video at a rate of 0.9 GB per 60 minutes of video. This setting supports storage of over 46 hours of video. The 720l resolution setting captures video at a rate of 1.2 GB per 60 minutes of video. This setting supports storage of approximately 38 hours of video. The 720h resolution setting captures video at a rate of 2.0 GB per 60 minutes of video. This setting supports storage of approximately 25 hours of video. The 1080h resolution setting captures video at a rate of 4.5 GB per 60 minutes of video. This supports storage of approximately 11 hours of video. *

The solution supports a Dock & Walk Workflow. At the end of a shift, officers insert their cameras into the Axon Dock. The dock charges the cameras and updates firmware, while securely uploading videos. Videos can also be uploaded via the Evidence Sync desktop client.

AXON FLEX 2 FEATURES & BENEFITS
- HD Video: The industry's best low-light video records in 1080p HD
- Full-shift Battery: Lasts for over 12 hours covering an entire shift
- Configurable Pre-Event Buffer: Capture up to 2 minutes before an event
- Dual-Channel Audio: Camera records two audio channels
- Axon Signal Wireless Activation: Cameras start recording automatically based on pre-defined triggers
- Optional Mute: Disable audio in the field to support dual-party consent
- Mobile Application: Tag and replay videos with the Axon View mobile app
- RapidLock Mounts: The system uses versatile mounts designed for versatility and comfort, while keep the camera steady

TECHNICAL SPECIFICATIONS
- Field of View: 120 degrees
- Recording Capacity: Up to 70 Hours depending on resolution
- Video Quality: 30 frames per second; resolution spanning 480p to 1080p
- Battery: Rechargeable lithium-ion polymer battery (3600 mAh capacity)
- Weather Resistance: IEC 60529 IP54 (dust, rain); MIL-STD-810G (Salt fog)
- Humidity: 95 percent non-condensing
- Operating Temperature: -4° F to 122° F [-20° C to 50° C]
- Drop Test: Up to 6 feet; devices are housed in high-impact polymer
- Dimensions: Controller: (D1) 0.94 in, (D2) 1.14 in, (W) 2.45 in, (H) 3.0 in; Camera: (L) 2.9 in, (H) 0.75 in, (W) 0.74 in
- Weight: Controller: 4.4 oz., Camera: 0.88 oz

AXON FLEET
Axon Fleet integrates effortlessly with Axon body-worn cameras to optimize functionality and utilizes software driven features to minimize the costs and constraints of excessive hardware components. Axon Fleet 2 is more than just a dash camera; it's part of a powerful platform that connects mobile, cloud, and wearable technologies. The cameras feature wide-angle lenses and HD video to ensure top quality recording.

Axon Fleet includes front and back cameras with features like infrared and zoom. And it offers you things you don't always associate with in-car systems, like simple pricing, over-the-air updates so you never have to worry about manual work, and integrations with Axon's body cameras and evidence management system to save you time. The rotatable front camera's low-profile design and improved mounting maximizes the officer's field of view and provides clear, stable video. Its digital zoom makes license plates readable at up to 30 feet.

Attachment: Axon Contract 010720 (Police Dept. Axon Enterprise Inc. Contract)

As part of the Axon platform, Axon Fleet works seamlessly with Axon body cameras and Axon Evidence to capture the full story. Once uploaded to Axon Evidence, multicam playback allows videos that were recorded by different body-worn and in-car cameras (in the same location and time) to be played back together on the same screen, allowing users to view an incident from multiple vantage points. Integration with Axon Evidence means you can securely share and track digital evidence across public safety stakeholders with smart features such as redaction, digital verification, and audit logs.

The cameras have four video quality settings (Low SD, High SD, Low HD, and High HD) with a minimum video resolution of 480p and a maximum video resolution of 1080p. It utilizes a 16:9 aspect ratio at 1080p and 720p, and a 4:3 aspect ratio at 480p. The video resolution, encoding bit rate, frame rate, and video encoding format impact the size of files captured at each setting. The device has 64 GB of non-removable The Low SD setting captures video at a 480p video resolution at a rate of 0.8 GB per 60 minutes of video. This setting supports storage of over 70 hours of video.

The Axon Fleet system supports three different methods of camera activation. Two require manual intervention by the officer, while the third does not. First, officers can use the View XL MDT application to see the current status of each camera and tap the screen to begin a recording. The camera status will then change to “Recording” on the screen. The recording can be ended using this method as well. Secondly, the officer can press the large Event button on the front of each device to manually begin a recording. The camera status will then change to “Recording” on the MDT screen. The recording can be ended using this method as well. Finally, Axon Fleet includes handsfree camera activation via Axon Signal technology with configurable triggers, including such as light bar activation, door, vehicle speed, acceleration, crash and weapon rack. This allows officers to focus on the task at hand and spend less time managing technology. Recordings started via Axon Signal activation must be ended manually via the front button or by using View XL.

The length of the pre-event buffer is configurable from 0-120 seconds (in 30 second increments) at 480p and 720p, and from 0-90 seconds at 1080p. The camera also features configurable on/off audio capture to record the evidence your agency needs. The duration of the pre-event buffer is 30 seconds by default. Cameras can also be configured to record sound as well as video during buffering (sound is not recorded by default during buffering).

Axon body-worn and in-car cameras work either as standalone devices or in conjunction with one another. The two systems integrate seamlessly, extending the overall capabilities of the Axon Evidence ecosystem. This cross functionality allows users to categorize and label video on both Fleet and body cameras from the Axon View XL software application. When uploaded to Axon Evidence metadata added in the field is ingested with the video files.

There are two offload methods available to upload Axon Fleet in-car video to Axon Evidence. Axon Sales Engineers will work with member agencies to evaluate these methods to ensure that the right option for each agency is chosen. Both options allow the cameras to remain in the vehicle via wireless connectivity. Regardless of offload method chosen, the MDT/MDC running Axon View XL must be able to connect to the Internet.

The Axon Fleet system supports wireless offload via LTE/4G networks using an in-car broadband connection. The configuration also reduces the contention on agency Wi-Fi infrastructure, as Axon Evidence is a cloud-hosted service. This offload method is best supported by an unlimited data and unlimited bandwidth plan (without which, video upload will likely be throttled).

Video is offloaded through an available cellular carrier network and the vehicle must have a compatible router capable of simultaneous AP/Client Mode. Axon does not provision, activate or manage carrier SIMs. The MDT/MDC running Axon View XL must be able to connect to the Internet.

Wi-Fi offload is the second method available to agencies. This is an alternative to LTE uploads for customers whose LTE data plan throttles uploads or customers in areas lacking adequate LTE coverage.

A Wireless Offload Server (WOS) is required to facilitate offload via Wi-Fi. The WOS is network appliance that enables multiple concurrent video offloads from the Axon Fleet system leveraging the Axon router's Wi-Fi as a wireless wide area network (WWAN) function through compatible Wi-Fi access points.

When a vehicle is within range of a Wi-Fi access point, the Axon View XL application recognizes the WOS and begins to offload videos from the Axon View XL upload queue to that server. The video offload is done in segments, but, as with LTE

Attachment: Axon Contract 010720 (Police Dept. Axon Enterprise Inc. Contract)

		offloads, the video file is retained on the Axon Fleet camera until successfully transferred. AXON INTERVIEW Axon Interview incorporates high-definition cameras and microphones to help capture the critical events that occur in the interview room. The Axon Interview interface consists of an intuitive and user-friendly touch screen software. The application saves you time and allows you to tag footage with metadata before transferring it to Axon Evidence. Axon Interview uses two recording servers, with both independently capturing their own video feed and microphone feed from the source. If one server fails, the second server captures everything. This redundancy means that you don't have to worry about losing a 15-hour confession because a server crashed. The Axon Interview software is installed on a touch panel and offers an intelligent interface for managing and monitoring interviews. The touch panels will be mounted in front of each interview room and will communicate with the redundant recorders throughout the network. This eliminates the need for additional hardware and pieces of equipment to be installed; streamlining this process saves time and effort. A key feature of the Axon Interview system is the continuous 24/7 recording buffer. Based on configuration, the buffer can capture weeks of continuous audio and video recordings to local storage, protecting agencies from losing important footage if an interviewer forgets to start recording. Agencies also have the ability to fully disable the recording buffer should it be required by local jurisdictional requirements. Please note, by disabling the continuous buffer, any interview footage outside of an active recording session will be lost and the Pre- and Post-Event recording buffer option is also disabled. During recording, tools will allow the user to verify both the video and audio are recording. Other on-screen tools include bookmarks (to easily find key moments from a long interrogation), audio and video masking to protect privacy and an option to lock the screen. The hardware required for Axon Interview includes the following components. • Axis IP Cameras – The solution can support up to two cameras per room; both covert and overt cameras are available. Cameras record at a maximum speed of 50/60 frames per second. • Louroe Microphones - The microphones will be plugged into the cameras and receive their power from there. • Evo Touch Panels - Touch panels will be mounted in front of each interview room and will communicate with the redundant recorders throughout the network. The interview will be started and stopped from the touch panel. • Cisco or HP POE Switches - The cameras will be plugged into a POE switch, receiving their power and communicating with the recording software. 24 port and 8 port POE switches are available. • Orion Redundant Recording Servers - Axon Interview is installed on two recording servers, which both independently and simultaneously grab their own video feed and microphone feed from the source. In the event one server fails, the second server independently captures everything, ensuring you won't lose any footage. The servers can support 12 to 15 cameras per physical location. Axon Interview uses a secure mechanism to offload the interview footage from the local server to the customer's Axon Evidence tenant. All communication between Axon Interview and Axon Evidence is conducted over TLS 1.2 with 256-bit encryption to safeguard data during transfer. Axon Evidence makes interview recordings more accessible to your agency users, which makes your users more productive. Your evidence can now be uploaded, viewed, clipped, redacted, and shared by any authorized user. You can also live stream from up to four cameras at the same time. Thanks to Axon Evidence, all your digital data is now found in one place. For example, you can pair an Axon body-worn camera arrest video with Axon Interview footage of the suspect being brought in for questioning. From capture to courtroom, Interview is part of the Axon platform that lets you track the history of a case in a secure, CJIS-compliant platform. Overall, the solution is highly configurable. Our Axon Sales Engineering team will work with each Member to ensure that the solution we sell is configured to their individual needs.
67	Describe, in detail, the device features specific to your product offering. Examples may include weight, size, weather compatibility, display or monitoring options, connectivity, battery life, etc.	Axon's solutions include our three current models of body cameras, our in-car camera system, and our interview room solution. Their device features are laid out under the headers below. Axon has included further information regarding our offerings in the Additional Documents upload portal. AXON BODY 3

Attachment: Axon Contract 010720 (Police Dept. Axon Enterprise Inc. Contract)

The total weight of the Axon Body 3 is 6.9 oz., inclusive of all integrated fastening for the standard RapidLock mount. The camera measures 1.3" (d) x 1.6" (W) x 3.8" (H). The Axon Body 3 camera is designed to work with a variety of Axon mounts. The various mounts can be used with a wide variety of uniforms and hold the camera to your shirt, patrol vest, jacket, or belt.

In general, the Axon mounting system consists of the attachment piece called the key, that is built on to the back of the camera, and the attachment receiver called the lock, built in to the mount. To lock a camera in place, users insert the key of the camera into the lock of the mount and turn it 90 degrees counterclockwise (when you are looking straight at the mount). To release the camera from the mount, turn the camera 90 degrees clockwise. Mounting options include: Flexible magnet mount, single molle mount, double molle mount, anchor mount, women's z-bracket mount, men's z-bracket mount, large pocket mount, small pocket mount, Velcro mount, belt clip mount, and wing clip mount.

Note: As with any Radio Frequency or electronic device, Axon recommends that you avoid placing your Axon Body 3 camera directly next to your radio to prevent inadvertent radio activation.

The Axon Body 3 camera display is located on the top of the device. The display area is 1.66" (W) x 0/76" (H), with a viewable area of 1.00" (W) x 0.42" (W). The Camera Display shows information on camera status and activity. Different information is shown depending on if the Axon Body 3 camera is in the field or in an Axon Dock. If Axon Aware is not enabled, some icons may not be active or displayed. The Status Bar (upper portion of the display) shows the battery capacity, camera pairing information, light status, Stealth mode status, and low battery warnings. The Activity Area (main portion of the display) gives information on camera readiness, recording status, Axon Signal broadcasts, Axon Aware Live Streaming notifications, gunshot detection warnings, and Mute Mode information. At night and in low-light situations, users can use the Select button to backlight the Camera Display. The backlight display can be activated by double-pressing the Select button on the Axon Body 3. This will trigger the Camera Display to light up and remain backlit for two seconds.

The Axon Body 3 is our first camera to integrate with Axon Aware. Axon Aware is our new real-time situational awareness technology. The camera is connected to LTE - similar to a cell phone - and can livestream to Axon Evidence instantaneously so that authorized supervisors, incident commanders, real-time crime centers or other designated resources have better information from the field. This LTE capability also opens the door for a wide variety of potential future features, including critical evidence offloading from the field, "find my camera" locator functionality, and much more that will be added in future firmware releases. Other Axon Aware features include real-time alerts and notifications, including gunshot detection. Additional capabilities will be added over time, and Axon Aware itself will also eventually be incorporated into other Axon products.

The Axon Body 3 is extremely rugged, securely sealed, water resistant, and shock resistant. The Body 3 camera is a self-contained unit with no fragile moving parts on the exterior. The device is designed for durability and undergoes rigorous testing so users can rely on longer-lasting cameras with fewer failures and a lower overall total cost of ownership.

The Axon Body 2 has an internal, rechargeable, lithium-ion polymer battery with a 3440 mAh capacity. The battery is removeable, replaceable, and recyclable. Under normal usage, the Axon Body 3 camera can provide more than 12 hours of battery life; 11 hours while in Buffering mode, 1 hour while in Recording mode. Additionally, the usage of an Axon Body 3's advanced functions (e.g., livestreaming) will result in greater battery consumption and reduce overall battery life.

When a fully depleted battery is recharged using the Axon Dock, the recharge time for 12+ hours of buffering mode is approximately five (5) hours. It should be noted, however, that the battery is designed to last a full 12+ hour shift, and it is unlikely that the battery will fully deplete after one use. Charging a fully depleted battery for approximately three (3) hours will provide an 80% charge.

The Axon Body 3 has an IEC 60529 IP67 ingress protection (IP) rating. This IP rating means the device is dust-tight and highly resistant to water ingress when submerged at a depth of up to 1 meter for 30 minutes. Sensitive internal components are dependably protected against solid and liquid intrusions.

The Axon Body 3 is tested to and passes MIL-STD-810G Test Methods for vibration, salt fog, and blowing dust resistance. The device operates normally in up to 95% humidity (non-condensing).

The Axon Body 3 is impact certified from a height of 6 feet. The most common

Attachment: Axon Contract 010720 (Police Dept. Axon Enterprise Inc. Contract)

damage to body-worn camera devices results from a drop; the Axon camera's ruggedized high-impact polymer protects against damage from this common occurrence, reducing repair and replacement costs as well as downtime. Further, Axon's numerous mounts are strong enough to hold the camera in place during strenuous activities such as running or fighting.

Axon body-worn cameras have an operating temperature range of −4 °F to 122 °F [−20 °C to 50 °C]. The cameras' ability to withstand extreme temperatures keeps crucial evidence safe and means officers can rely on their cameras' functionality in almost any environment throughout the year.

Axon camera's high-temperature tolerance proves valuable on particularly warm days when storing a device in a vehicle or when responding to incidents involving excessive heat, such as a residential or car fire.

Axon on-officer cameras should not be stored in environments where the temperature is likely to exceed 95 °F (35 °C) (such as under direct sunlight, near heaters, or in a vehicle in extremely hot weather) or exposed to temperatures below −4 °F (−20 °C).

AXON BODY 2
The total weight of the Axon Body 2 is 5.0 oz. (142 grams), inclusive of all integrated fastenings for the standard RapidLock mount. The camera measures 0.94" (D1) x 1.01" (D2) x 2.76" (W) x 3.42" (H). The Axon Body 2 camera is designed to work with a variety of Axon mounts. The various mounts can be used with a wide variety of uniforms and hold the camera to your shirt, patrol vest, jacket, or belt.

In general, the Axon mounting system consists of the attachment piece called the key, that is built on to the back of the camera, and the attachment receiver called the lock, built in to the mount. To lock a camera in place, users insert the key of the camera into the lock of the mount and turn it 90 degrees counterclockwise (when you are looking straight at the mount). To release the camera from the mount, turn the camera 90 degrees clockwise. Mounting options include: Flexible magnet mount, single molle mount, double molle mount, anchor mount, women's z-bracket mount, men's z-bracket mount, large pocket mount, small pocket mount, Velcro mount, belt clip mount, and wing clip mount.

Note: As with any Radio Frequency or electronic device, Axon recommends that you avoid placing your Axon Body 2 camera directly next to your radio to prevent inadvertent radio activation.

The Axon Body 2 has an internal, rechargeable, lithium-ion polymer battery with a 3000 mAh capacity. The battery is removeable, replaceable, and recyclable. Once powered on, Axon cameras have two operating modes. The default mode, or Buffering mode, provides pre-event buffering to capture activities that occur before you activate the Event (recording) mode. When the device is turned on and in Buffering mode, a fully charged battery will last 12+ hours. In Event mode, the battery life varies depending on the recording resolution. Axon cameras have four video quality settings (Low SD, High SD, Low HD, High HD) spanning 480p, 720p and 1080p video resolutions. Axon camera batteries will provide 12+ hours of power when recording time at a resolution of 480p or 720p, and 10+ hours of power when recording at 1080p.

The Axon Body 2 does not have a display screen. However, officers can determine the approximate remaining battery life of the Axon Body 2 by pressing the Battery Status button. The button is located beneath the camera's Event button on the front of the device. The Battery LED ring displays the battery's remaining capacity when the device is in use and during charging. In addition, an officer can find the exact battery percentage remaining on the camera through the Axon View application on a paired smart device. The Axon View application also allows officers to watch videos, add metadata, view remaining recording capacity, and more—all from the field.

The Axon Body 2 is extremely rugged, securely sealed, water resistant, and shock resistant. The camera is a self-contained unit with no fragile moving parts or electronics (like LCD screens) on the exterior. The device is designed for durability and undergoes rigorous testing so users can rely on longer-lasting cameras with fewer failures and a lower overall total cost of ownership.

The Axon Body 2 has an IEC 60529 IP67 ingress protection (IP) rating. This IP rating means the device is dust-tight and highly resistant to water ingress when submerged at a depth of up to 1 meter for 30 minutes. Sensitive internal components are dependably protected against solid and liquid intrusions.

The Axon Body 2 is tested to and passes MIL-STD-810G Test Methods for vibration, salt fog, and blowing dust resistance. The device operates normally in up to 95% humidity (non-condensing).

Attachment: Axon Contract 010720 (Police Dept. Axon Enterprise Inc. Contract)

The Axon Body 2 is impact certified from a height of 6 feet. The most common damage to body-worn camera devices results from a drop; the Axon camera's ruggedized high-impact polymer protects against damage from this common occurrence, reducing repair and replacement costs as well as downtime. Further, Axon's numerous mounts are strong enough to hold the camera in place during strenuous activities such as running or fighting.

Axon body-worn cameras have an operating temperature range of −4 °F to 122 °F [−20 °C to 50 °C]. The cameras' ability to withstand extreme temperatures keeps crucial evidence safe and means officers can rely on their cameras' functionality in almost any environment throughout the year.

Axon camera's high-temperature tolerance proves valuable on particularly warm days when storing a device in a vehicle or when responding to incidents involving excessive heat, such as a residential or car fire.

Long-term storage should be in a climate-controlled environment, less than one month at the highest temperature. Axon body-worn cameras have a charging temperature range of 41 °F to 95 °F [5 °C to 35 °C].

AXON FLEX 2
The Axon Flex 2 camera is 2.9 in (L) x .75 in (H) x .74 in (W) and weighs 0.88 oz. The Axon Flex 2 controller is 3.0 in (H) x 2.45 in (W) x 1.14 in (D) and weighs 4.4 oz.

Axon Flex 2 camera mounts attach to officer uniforms, accessories, and protective gear. The selection of mounts facilitates several point-of-view perspectives.

The following mounts are designed to be used with the Axon Flex camera portion:
- Oakley Eyewear Mount: The Flex 2 camera can be attached to Oakley Flak Jacket® glasses with the Oakley Eyewear Mount. This mount positions the camera at eye-level, designed to capture the officer's direct point-of-view.
- Ball Cap Mount: The Flex 2 camera can be worn with officer headgear, including ball caps, using the magnetic Ball Cap Mount. One magnetic clip is placed on the inside of the cap while the rest of the assembly overlaps on the outside, held securely in place by magnetic force. The camera clips into the outer assembly and sits near the officer's eye-level.
- Lowrider Headband Mount: The Lowrider Headband Mount is a comfortable frame that wraps around the back of the head with a Flex 2 camera clip mounted on the front end. Like the Oakley Eyewear Mount, the headband places the camera at eye-level to capture an officer's true perspective of events.
- Collar Mount: The Collar Mount consists of a magnetic clip with an attached Flex 2 camera clip and a metal collar support bar designed to wrap underneath the collar (around the back of the neck) for stability. The magnetic clip attaches to the shirt collar to mount the camera above shoulder-level.
- Epaulette Mount: If an officer's uniform shirt has epaulettes, the Flex 2 camera can attach to the shirt with the Epaulette Mount. The mount can be positioned to place the camera above or below the epaulette to capture the desired perspective.
- Over Vest Mount: The Over Vest Mount attaches to vests worn in the field. In tactical situations, this mount provides the same level of stability and accessibility as the epaulette mount.
- Helmet Mount: The Helmet Mount attaches the camera to most smooth, hard surfaces, like helmets, using a suction mechanism. The mount can be placed anywhere on the gear that can achieve suction.
- SWAT Mount: SWAT officers know better than anyone that body-worn cameras can be knocked off in highly physical situations. That's why we've developed a mount that secures the full Axon Flex 2 system to a SWAT officer's helmet and holds true through intense, highly active incidents. With the SWAT Mount, the Flex 2 camera and controller both attach to the SWAT helmet, consolidating the system on the helmet and avoiding any interference with other gear.

Axon offers a variety of controller mounts to suit individual needs. Some mounts are optimized for security in tactical situations (Z-Bracket, Magnet, and Molle Mounts), while others provide more versatility (Shirt Pocket, Clip, and Velcro mounts). The following mounts are designed to be used with the Axon Flex controller:
- Z-Bracket Mount: The Z-Bracket Mount inserts between the buttons of a shirt. This mount is available in both male and female uniform orientations.
- Magnetic Mount Options: We offer two powerful magnetic mounts to accommodate different uniform attire and give the wearer a broad choice of mounting locations. The Flexible Magnet Mount is intended for lighter-weight uniform shirts, and the Outerwear Magnet Mount is for coats and heavier garments.
- Molle Mount Options: Molle mounts attach to the Molle straps on tactical vests and can withstand >100lbs of retention force. The Single Molle Mount is lighter and more flexible than the Double Molle Mount, which provides more lateral stability.
- Wing Clip Mount: The Wing Clip Mount consists of two pieces that make use of

Attachment: Axon Contract 010720 (Police Dept. Axon Enterprise Inc. Contract)

clipping and slot-and-key features to grip the fabric and provide strong retention. T mount is non-magnetic, lightweight, and versatile in placement owing to a hole feature that allows mounting over buttons or zippers. Furthermore, the outer piece can be rotated to the appropriate orientation per surface markings, so that the mount can be worn over single or double layers of fabric. This mount is compatible with a number of type B and C uniforms.

- Shirt Pocket Mounts: We offer the 4" and 6" Shirt Pocket Mounts that attach easily to uniform shirt pockets of various sizes.
- Clip Mount: The Clip Mount is simple in design and easy to fasten. This mount permits numerous mounting locations for non-tactical use.
- Velcro Mount: The Velcro Mount attaches to uniforms and vests with Velcro patches. Note that the back of the mount must be sewn onto or otherwise affixed to the uniform.

The Axon Flex 2 controller houses the device's internal, rechargeable, lithium-ion polymer battery. The battery has a 3600 mAh capacity. Once powered on, Axon cameras have two operating modes. The default mode, or Buffering mode, provides pre-event buffering to capture activities that occur before you activate the Event (recording) mode. When the device is turned on and in Buffering mode, a fully charged battery will last 12+ hours. In Event mode, the battery life varies depending on the recording resolution. Axon cameras have four video quality settings (Low SD, High SD, Low HD, High HD) spanning 480p, 720p and 1080p video resolutions. Axon camera batteries will provide 12+ hours of power when recording time at a resolution of 480p or 720p, and 10+ hours of power when recording at 1080p.

The Axon Flex 2 does not have a display screen. However, officers can determine the approximate remaining battery life of the Axon Flex 2 by pressing the Battery Status button. The button is located beneath the camera's Event button on the front of the controller. The Battery LED ring displays the battery's remaining capacity when the device is in use and during charging. In addition, an officer can find the exact battery percentage remaining on the camera through the Axon View application on a paired smart device. The Axon View application also allows officers to watch videos, add metadata, view remaining recording capacity, and more—all from the field.

The Axon Flex 2 is extremely rugged, securely sealed, water resistant, and shock resistant. The Flex 2 system is designed for durability and undergoes rigorous testing so users can rely on longer-lasting cameras with fewer failures and a lower overall total cost of ownership.

The Axon Flex 2 has an IEC 60529 IP54 ingress protection (IP) rating. This IP rating means the Axon Flex 2 camera and controller are dust-protected and safe from ingress of spraying or splashing water from any direction. Sensitive internal components are dependably protected against solid and liquid intrusions.

The Axon Flex 2 is tested to and passes MIL-STD-810G Test Methods for vibration, salt fog, and blowing dust resistance. The system operates normally in up to 95% humidity (non-condensing).

The Axon Flex 2 is impact certified from a height of 6 feet. The most common damage to body-worn camera devices results from a drop; the Flex 2 system's ruggedized high-impact polymer protects against damage from this common occurrence, reducing repair and replacement costs as well as downtime. Further, Axon mounts are strong enough to hold the camera and controller in place during strenuous activities such as running or fighting.

Axon body-worn cameras have an operating temperature range of −4 °F to 122 °F [−20 °C to 50 °C]. The cameras' ability to withstand extreme temperatures keeps crucial evidence safe and means officers can rely on their cameras' functionality in almost any environment throughout the year.

Axon camera's high-temperature tolerance proves valuable on particularly warm days when storing a device in a vehicle or when responding to incidents involving excessive heat, such as a residential or car fire.

Axon camera's high-temperature tolerance proves valuable on particularly warm days when storing a device in a vehicle or when responding to incidents involving excessive heat, such as a residential or car fire.

Long-term storage should be in a climate-controlled environment, less than one month at the highest temperature. Axon body-worn cameras have a charging temperature range of 41 °F to 95 °F [5 °C to 35 °C].

AXON FLEET

The Axon Fleet solution is highly customizable. Axon Sales Engineers will work with member agencies to evaluate options to ensure that the solution fits your needs.

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The dimensions of each Axon Fleet hardware component are provided below (length x width x height).

DIMENSIONS

- Front Camera only: 4.12” x 3.61” x 2.31”
- Front Camera and Mount: 4.12” x 3.61” x 4.79”
- Rear Camera: 1.37” x 5.22” x 1.72”
- Rear Camera Controller: 1.31” x 3.37” x 3.92”
- Axon Power Unit (Battery): 4.54” x 2.98” x 1.63”
- Axon Signal Vehicle Unit: 3.3” x 2.31” x 1.32”
- Cradlepoint Router: 4.6” x 4.5” x 1.2”

WEIGHT

- Front Camera: 6.9 oz
- Front Camera and Mount: 11.8 oz
- Rear Camera: 9.6 oz
- Rear Camera Controller: 3.8 oz
- Axon Power Unit (Battery): 9.8 oz
- Axon Signal Vehicle Unit: 3.23 oz
- Cradlepoint Router: 14 oz

The front-facing Fleet camera has an IEC 60529 IP53 ingress protection (IP) rating (dust, spray). The rear-facing Fleet camera has an IEC 60529 IP54 (dust, spray). Additionally, Axon Fleet cameras are physically hardened to the US Military Standard MIL-STD-810G and are suitable for policing and tactical operations.

All Axon Fleet hardware will operate normally in up to 90% humidity (non-condensing). Spray and humidity testing are performed in house by Axon; dust testing is performed by a third-party.

The Axon Fleet system has passed rigorous shock and vibration testing to simulate an in-car environment in various road and environmental conditions. The system is designed as a rugged solution built to withstand the extreme and dynamic conditions inside of a vehicle. The cameras can withstand a 6-foot drop.

All Axon Fleet cameras and mounts are tested to IACP crash test specifications, including a static pull test with a force corresponding to 50 times their own weight, in at least three different angles to simulate frontal, side, and rear collisions.

The Axon Fleet power unit (battery) essentially acts as both an uninterruptible power source and a standby power supply. The Axon Fleet system uses the vehicle’s electrical system as a power source. If the vehicle’s ignition is shut off, the Axon Fleet power unit supplies power to the camera to allow you to keep recording. With a fully charged power unit, the camera can record over 4 hours without the engine running. The battery will begin recharging when the engine is turned back on. It may take over 3 hours for a depleted battery to fully recharge.

The Cradlepoint router serves as the communication platform inside the vehicle, routing cellular, Wi-Fi, GPS and Metadata for the Axon Fleet system. Please note Axon does not provision, activate, manage or manage carrier SIM cards for routers and does not manage cellular carrier data plans.

The router kit includes the current Cradlepoint router, ethernet cables, GPIO cabling and power cabling. The following hardware must be purchased to use the router.

5-IN-1 ANTENNA

The MULTIMAX FV antenna (manufactured by Airgain) is a full outdoor antenna designed specifically to provide high performance connectivity for Fleet and Public Safety vehicles and assets connecting to almost any vehicular router or modem. This antenna offers two high gain cellular/LTE/MIMO antennas which support LTE Band 14 for FirstNet, two high gain dual band Wi-Fi antennas, and a GNSS antenna inside a single robust and compact housing.

WARRANTY

If the Member chooses to purchase the Axon router, NetCloud and Cradlecare must also be purchased. PRIME NetCloud enables zero-touch deployment and remote management of Multi-WAN branch and in-vehicle routers and IoT gateways. NetCloud Engine enables virtual cloud networking that leverages cloud, Software-Defined Networking (SDN), and Network Function Virtualization (NFV) technologies. Cradlecare includes:

- Coverage for all products and services
- 12X5 support via email, phone and chat
- 24X7 qualified phone support
- Advanced Exchange: next day business replacement
- Service level targets
- Extended warranty for routers for the term of the Cradlecare license
- Assigned Enterprise Support Engineer (for deployments of 50 routers or more)
- Enterprise engineering resources for network design and best practices

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implementation
- Priority consideration of future feature requests and beta trials

AXON INTERVIEW ROOM
The Axon Interview solution is highly configurable. Our Axon Sales Engineering team will work with each Member to ensure that the solution we sell is configured to their individual needs.

The Axon Interview solution can support both overt and covert cameras. The overt cameras most commonly utilized has dimensions of 4.0" x 5.875" and a weight of 1.2 lbs. The covert camera most commonly utilized has dimensions of 1.75" x 0.82" and a weight of 0.75 lbs. The most commonly utilized microphone has dimensions of 2.75" x 4.5" and a weight of 8 oz.

Touch panels will be mounted in front of each interview room and communicate with the redundant recorders throughout the network. The cameras will plug into and draw power from a POE switch to communicate with the recording software. The microphones will plug into and draw power from the cameras. The interview is started and stopped from the touch panel or from a designated PC.

The recording server is capable of storing over 720 hours of video as this is meant as an initial recording point only. At the end of the recording, the video file will automatically begin offloading to the cloud, when the video has been fully offloaded (and authenticated with a cryptographic hash function) the file will automatically purge from the server making room for additional interviews.

Axon Interview uses a secure mechanism to offload the interview footage from the local server to the customer's Axon Evidence tenant. All communication between Axon Interview and Axon Evidence is conducted over TLS 1.2 with 256-bit encryption to safeguard data during transfer.

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68	Describe the training, set-up and installation process.	Preliminary technical assessment and support will be provided by the Axon Pre-Sales Engineer assigned to the Member. This individual is a subject matter expert in embedded systems and networking and knows how to configure our products to best support your desired workflows. The Sales Engineer will also coordinate any additional resource required for your project. Post evaluation by a Sales Engineer, Axon can help Members to maximize their Axon investment with comprehensive implementation. The Axon Professional Services team consists of a group of highly skilled individuals with in-depth knowledge of all Axon products and Axon Evidence functionality. The full-service professional services package includes a Project Manager who will create a custom project plan to fit the member's needs. Each Professional Services package addresses the vital elements of an agency's solution, starting with system structure and configurations before moving to topics relating to device use and functionality. We have included all our Professional Services offerings in the scope of this Cooperative. Axon sales representatives can help individual members evaluate what plan is right for them during their purchase. Costs are included in our price sheets. There are other benefits with the Axon Professional Services offering, such as subject matter experts who consult on best practices for the set-up, configuration, policy and overall program performance for your deployment. These services are optional. However, an agency's program success is three times greater when Professional Services has rendered on-site support, compared to when agencies don't utilize the offering. Our Professional Services Managers focus entirely on on-site and off-site training. Our experienced team can train everyone from officers, administrators, armorers, supervisors, detectives and even prosecutors. During the initial phase of the implementation process, Axon's Professional Services team will assist with the following tasks: • System Set Up and Configuration • Configure categories & custom roles • Troubleshoot IT issues After An initial, limited number of key users, armorer(s) and system administrator(s) should be trained. The size of this contingent depends on agency size or size of the planned full deployment. These officers will serve a number of roles, including final confirmation of system functionality and performance. They will likely provide useful feedback on any localized issues that had not been previously identified. They will provide a demonstration and information platform for their co-worker/future user officers. They typically become a resource when newer users are activated and require training or assistance. Regarding Axon Evidence training, the agency administrator is the starting point for defining security settings, creating custom roles and setting permissions, adding users (User, Administrator, Armorer or any other custom roles), reassigning devices, creating categories and setting retention policies, and several of the other administrative features of the Axon Evidence services. Our team will provide step-by-step explanations and assistance for agency's configuration of security, roles & permissions, categories & retention, and other specific settings for Axon Evidence. Administrators should attend all the training sessions that are decided upon. We will then provide Axon instructor training with the goal of educating instructors who can support the agency's subsequent training needs. Although the cameras, in-car systems, and interview room solution themselves are simple in design and use, a proper introduction to hardware and workflow is essential. The Professional Services training offering provides different options for training, depending on the level of detail and time necessary for users. Axon believes in the philosophy of "Smart Small, Test, Assess, Correct, Go Big". Deploy the key users. Make sure the way you've configured your system integrates smoothly into your workflow. Assess readiness based on evaluation and feedback and make any necessary adjustments. Once you've taken these steps, you're ready to schedule the rest of your user training. During on-site training, our Professional Services team also will provide the member with training documentation, which can be used in future training sessions.	*	

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69	Describe the data storage, analysis, and management features and functionality as it relates to your products.	Each offered solution ingests its footage into Axon Evidence, our DEMs system. Axon Evidence is a robust end-to-end solution that not only allows agencies to store data, it also enables new workflows for managing and sharing that data securely - from anywhere. Officers and command staff can upload content from Axon and TASER devices or other systems easily, manage it simply with search and retrieval features, and then collaborate effortlessly with prosecutors and other partners by using powerful sharing features. When storage needs increase, the cloud-based system allows agencies to scale instantly and cost-effectively. Within Axon Evidence, access to information is governed by the agency-defined access control system built into the solution. Each Axon Evidence user is assigned a role. Roles determine a user's permissions, which control levels of access to features and functions. Additionally, Axon Evidence provides many security features to secure digital evidence including password complexity requirements, failed login limits, and enforced timeout settings. Multi-factor authentication (MFA) options are also configurable for user login and prior to administrative actions. Evidence data is hashed (SHA) to ensure a robust chain of custody. Original evidence data is never changed. All modifications are handled by creating new, derivative files. Axon Evidence provides users with easy, straightforward methods of searching, reviewing, managing and sharing digital evidence. Axon Evidence uses category types to organized stored video, simplifying the search process for your agency users. All categories are set by your agency to reflect your policies and desired structure. This categorization also facilitates database management by automatically ensuring that only relevant evidence is retained in the system. Every event that is captured and uploaded to Axon Evidence can be assigned a category to determine how long it is retained in the system. Proper categorization is important to ensure that incidents remain in the system for the appropriate amount of time. Categories include policy settings for evidence retention and restricted access for especially sensitive evidence. Additionally, numerous metadata tags can be applied to evidentiary assets. These metadata fields are included in the searching interface to help you locate the evidence you need quickly and efficiently. ID, title, notes and tags are free text, user-defined values. Custom metadata fields will also be available to narrow search results on the advanced search page. Axon Evidence features a full redaction suite natively within the application allowing users to redact what can be seen and heard in video evidence files. Axon Evidence never alters the original video evidence file when you create a clip or a redaction. Authorized users will have access to automated redaction and skin blurring redaction. Redaction Studio tools include options for frame-by-frame manual redaction, Spray Paint redaction (manual redaction during playback), real-time object-tracking redaction, and audio file redaction. Editing tools include the ability to create markers and clips, update or add metadata (e.g., notes, title, ID) and create photos from video stills. Access Lists control internal and external user access to files in Axon Evidence. Each piece of evidence has its own access list, so you can individually manage access as needed. You can set the sharing duration period and the access level to the file shared (e.g., share or download). Axon Evidence has eight native system reports that include various sets of file metadata for evaluation and analysis. These reports generate as Microsoft Excel worksheets that allow data grouping, sorting, and additional manipulation through the pivot table function. Advanced reporting and data analysis is possible through the Axon Evidence Partner API, which can pull data into third-party business intelligence tools. Axon Evidence is a turnkey digital evidence management solution, so it acts as a single repository for all your digital evidence. Axon-captured video and digital evidence files (such as crime scene photos, documents and third-party video) can all be managed from one place – Axon Evidence.
70	Describe the availability of mobile applications and mobile access for the solutions included in your proposal?	Axon Evidence can be accessed using a compatible browser installed on a tablet or smartphone. Axon Evidence is written in HTML5 to allow mobile devices to display the site and can be accessed with the following web browsers: • Microsoft Internet Explorer • Google Chrome • Mozilla Firefox • Apple Safari • Microsoft Edge Axon also offers several mobile applications, which are outlined under the headers below. AXON VIEW Using Axon View, a free mobile application, officers can add metadata by tagging evidence with a title, event ID, and category, prior to uploading the file to Axon Evidence. When offload is initiated, the videos stored on the camera upload to Axon

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Evidence with the tag information applied from the Axon View application.

Officers can also view videos stored on the camera using the Axon View app, an officer can pair the Axon camera with a smart device via a Bluetooth and Wi-Fi connection and review videos stored on the camera. Data is not stored on the smart device and cannot be deleted, altered or edited.

Officers can tag videos with the following metadata.
- ID – Case ID of incident
- Title – Titles default to the device type, date and time of the video capture "Axon Body 2 Video 2012-10-13 1447". This field can be updated by the user at the time of capture to display a more specific title (i.e. suspect name or address of incident).
- Category – Allows searching for any category type or to specify any category added by the Agency (i.e. traffic violation or felony arrest). Users can add multiple categories to a given piece of evidence. Axon View pulls the pre-defined categories and retention criteria from the agency's Axon Evidence account. This limits the category assigned to a video or bulk group of videos to one category selection.
- Location - GPS tagging will also be recorded as metadata as long as the application is permitted to access location information from the smart device paired to the camera.

AXON CAPTURE
Axon Capture streamlines the evidence collection process by harnessing the power of the modern phone to capture digital evidence. It allows officers to capture photos, videos, and audio recordings using the technology already in their pocket, with the security and organization to protect truth.

Until today, officers have had two options: sacrifice security for convenience, or convenience for security. The application was built specifically for law enforcement to allow officers to capture digital evidence right from the field. *

The app eliminates the need to carry three separate devices for photo, video, and audio recording. Metadata including ID, titles, evidentiary categories and GPS coordinates can be added to any recordings and synced to your agency's Axon Evidence account right from the scene. Officers can upload files from smartphones in the field to their agency's Axon Evidence account over a data connection or Wi-Fi.

AXON DEVICE MANAGER
We're always looking for ways to increase efficiency across the Axon platform. That's why we developed the Axon Device Manager mobile application to streamline Axon device management tasks. The app allows authorized users to manage device assignments, statuses, and firmware updates for certain Axon devices from their smartphones.

Authorized users log in to the app under their agencies' Axon Evidence instance using their Axon Evidence credentials. The connectivity between the app and Axon Evidence ensures device assignments and updates completed via Axon Device Manager are properly reflected in Axon Evidence.

The Axon Device Manager app assists agencies deploying large numbers of devices by enabling armorers or administrators to complete device management tasks for one or multiple Axon devices in seconds. Axon Device Manager transforms device management processes by starting with the devices themselves, instead of an inventory search and armory or storage room visit.

The Axon Device Manager app is available for download in the App Store for iPhones and the Google Play Store for Android smartphones. The app requires an NFC-compatible smartphone and certain OS versions to operate. Axon Device Manager is currently available through the Google Play Store for Android Devices Version 5.0 and up and through iTunes for iOS 11.0 or later. Compatible with iPhone, iPad, and iPod touch.

Axon Device Manager currently supports the following devices which are included in the scope of the RFP:
- Axon Body 2 camera
- Axon Flex 2 camera
- Axon Signal Sidearm device
- Axon Signal Unit

Firmware upgrades only
Android only
The application will be compatible with all future Axon devices.

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71	Describe your upgrade policies for hardware and software products.	SOFTWARE Axon releases Axon Evidence software upgrades on both a scheduled and nonscheduled basis as required. Axon will release a software update to Axon Evidence during a period of low traffic usage. Software upgrades are “pushed” to Axon Evidence and are immediately available to you as soon as you log on, eliminating the need to perform manual updates. Axon applies these upgrades remotely, so you don’t have to worry about properly integrating or updating your systems. Routine maintenance is scheduled on the fourth Tuesday of each month at 21:00 – 22:00 PST. The latest product features, enhancements and software updates, upgrades, patches and fixes and firmware updates are included as part of your investment in Axon Evidence in the price of software licenses. Patches contain fixes to known issues reported by internal resources or by users at police agencies. There are no additional costs for any software patch or fix deployed. Patch deployment involves minimal or no downtime for the customer’s solution. Updates to firmware supporting Axon cameras and Axon Docks are “pushed” from the internet to the local devices through the Axon Docks (or Evidence Sync) without the need for agency interaction. Firmware updates are released on an as needed basis on average, every 2-3 months. Axon periodically distributes updates for Axon View XL software and Axon Fleet camera firmware. When connected to Axon Evidence, Axon View XL will automatically check for and apply any updated configuration settings every 10 minutes, ensuring the most up-to-date settings are applied to the application and your Axon Fleet cameras. When updates are available, the system automatically downloads the update and displays an Update button showing the update is ready to install. Axon recommends installing updates at the beginning of a shift, as it might take a couple minutes to complete the installation, and the application will close during the update and will automatically reboot once the update is completed. A detailed email is sent to system administrators when new releases, updates or upgrades are made to Axon Evidence, Evidence Sync or Axon hardware. The Release Notes page in Axon Evidence displays links to the release notes containing a summary of features and enhancements for the current and previous releases. The User Guides page displays links to guides that provide detailed information on Axon Evidence features. Release notes and user guides are in PDF format. As updates and features are released, your Customer Success Manager or the Customer Support team will troubleshoot all changes to ensure a successful experience for customers. HARDWARE If a Member agency purchases a Technology Assurance Plan (TAP) package, that makes them eligible for a hardware upgrade during their contract (specific timelines depend on the product and contract details). Axon’s dedicated Customer Support division tracks the TAP timelines for all subscribed agencies. When an agency is entitled to a hardware refresh under the TAP program, Axon will determine which hardware the agency is eligible to receive and contact the agency to coordinate the refreshment. Axon will request that the agency sign a Certificate of Destruction (COD) or initiate a Return Material Authorization (RMA) process on the agency’s behalf for the equipment Axon will replace, depending on the generation/model of the equipment. Then, Axon will ship the new hardware to the agency at no cost. Axon is committed to proactively serving its customers. However, an agency may contact Axon Customer Support at any time to inquire about the initiation or progress of a TAP hardware refresh.	*

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72	Describe the methods adopted to demonstrate that the offered equipment, products, and services comply with applicable federal, state and local laws and policies on data collection, use, management, and retention.	As part of Axon's ISO 27001 certified information security management system (ISMS), our Information Security team performs risk and compliance assessments to identify applicable regulations and statutes. Upon discovering changes, Axon is committed to adhering to them within commercially reasonable timeframes. Axon Evidence is congruent with the guiding principles outlined in the Canadian Community Safety Information Management Strategy (CCSIMS) as developed by the Information and Communications Technology Committee of the CACP. Not only does Axon Evidence streamline efficiency, it allows agencies to integrate their existing solutions or manage third-party data and digital evidence on one interoperable platform. With the features built into Axon's solutions, police services can connect with partner agencies and the Crown, while still maintaining independent Axon Evidence accounts and instances, which allows for easier sharing of information with all the stakeholders involved. Our proposed solution supports the use of data exchanges which conform with standards defined in the National Information Exchange Model (NIEM). The requirement shall be met by the core proposed platform. This capability exists or is being used in-production elsewhere and can be demonstrated. All Axon Evidence APIs utilize JavaScript Object Notation (JSON) per modern standards and for improved performance. Regarding adherence to local laws and policies on data collection, use, management, and retention, it is up to the specific agency to ensure that they follow applicable laws. Axon Evidence allows members to customize the system to fit within local legal parameters.	*

Table 15: Exceptions to Terms, Conditions, or Specifications Form

Line Item 68. **NOTICE**: To identify any exception, or to request any modification, to the Sourcewell template Contract terms, conditions, or specifications, a Proposer must submit the exception or requested modification on the **Exceptions to Terms, Conditions, or Specifications Form** immediately below. The contract section, the specific text addressed by the exception or requested modification, and the proposed modification must be identified in detail. Proposer's exceptions and proposed modifications are subject to review and approval of Sourcewell and will not automatically be included in the contract.

Contract Section	Term, Condition, or Specification	Exception or Proposed Modification
N/A	N/A	Axon respectfully requests that its Master Services and Purchasing Agreement be incorporated as an exhibit into the final contract award. Axon agrees to negotiate with Sourcewell on these terms and condition.

Documents

Ensure your submission document(s) conforms to the following:

1. Documents in PDF format are preferred. Documents in Word, Excel, or compatible formats may also be provided.

2. Documents should NOT have a security password, as Sourcewell may not be able to open the file. It is your sole responsibility to ensure that the uploaded document(s) are not either defective, corrupted or blank and that the documents can be opened and viewed by Sourcewell.

3. Sourcewell may reject any response where any document(s) cannot be opened and viewed by Sourcewell.

4. If you need to upload more than one (1) document for a single item, you should combine the documents into one zipped file. If the zipped file contains more than one (1) document, ensure each document is named, in relation to the submission format item responding to. For example, if responding to the Marketing Plan category save the document as "Marketing Plan."

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- Financial Strength and Stability - Financial Strength and Stability.zip - Thursday January 02, 2020 19:58:15
- Marketing Plan/Samples (optional)
- WMBE/MBE/SBE or Related Certificates (optional)
- Warranty Information (optional)
- Pricing - Sourcewell_Pricing_Final.pdf - Monday January 06, 2020 14:03:05
- Additional Document - Additional Documents.zip - Thursday January 02, 2020 20:03:29

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Proposers Assurance of Comp

PROPOSER ASSURANCE OF COMPLIANCE

PROPOSER'S AFFIDAVIT

The undersigned, authorized representative of the entity submitting the foregoing proposal (the "Proposer"), swears that the following statements are true to the best of his or her knowledge.

1. The Proposer is submitting its proposal under its true and correct name, the Proposer has been properly originated and legally exists in good standing in its state of residence, the Proposer possesses, or will possess before delivering any products and related services, all applicable licenses necessary for such delivery to Sourcewell member agencies. The undersigned affirms that he or she is authorized to act on behalf of, and to legally bind the Proposer to the terms in this Contract.

2. The Proposer, or any person representing the Proposer, has not directly or indirectly entered into any agreement or arrangement with any other vendor or supplier, any official or employee of Sourcewell, or any person, firm, or corporation under contract with Sourcewell, in an effort to influence the pricing, terms, or conditions relating to this RFP in any way that adversely affects the free and open competition for a Contract award under this RFP.

3. The contents of the Proposer's proposal have not been communicated by the Proposer or its employees or agents to any person not an employee or agent of the Proposer and will not be communicated to any such persons prior to the official opening of the proposals.

4. The Proposer has examined and understands the terms, conditions, scope, contract opportunity, specifications request, and other documents in this solicitation and affirms that any and all exceptions have been noted and included with the Proposer's Proposal.

5. The Proposer will, if awarded a Contract, provide to Sourcewell Members the /products and services in accordance with the terms, conditions, and scope of this RFP, with the Proposer-offered specifications, and with the other documents in this solicitation.

6. The Proposer agrees to deliver products and services through valid contracts, purchase orders, or means that are acceptable to Sourcewell Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to Sourcewell Members under an awarded Contract.

7. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.

8. The Proposer understands that Sourcewell will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statute §13.591, Subd. 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals generally become public data. Minnesota Statute §13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.

The Proposer understands that it is the Proposer's duty to protect information that it considers nonpublic, and it agrees to defend and indemnify Sourcewell for reasonable measures that Sourcewell takes to uphold such a data designation.

☑ By checking this box I acknowledge that I am bound by the terms of the Proposer's Affidavit, have the legal authority to submit this Proposal on behalf of the Proposer, and that this electronic acknowledgment has the same legal effect, validity, and enforceability as if I had hand signed the Proposal. This signature will not be denied such legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation. - Matt Morstad, VP, Sales Operations, Axon Enterprise, Inc.

The Proposer declares that there is an actual or potential Conflict of Interest relating to the preparation of its submission, and/or the Proposer foresees an actual or potential Conflict of Interest in performing the contractual obligations contemplated in the bid.

○ **Yes** ◉ **No**

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The Bidder acknowledges and agrees that the addendum/addenda below form part of the Bid Document.

Check the box in the column "**I have reviewed this addendum**" below to acknowledge each of the addenda.

File Name	I have reviewed the below addendum and attachments (if applicable)	Pages
RFP_010720_Public_Safety_Video_Surveillance_Solutions_with_Related_Addendum_5 Fri December 20 2019 10:58 AM	☑	–
RFP 010720_Public Safety Video Surveillance Solutions_Addendum 4 Tue December 17 2019 08:21 AM	☑	–
RFP 010720_Public Safety Video Surveillance Solutions_Addendum 3 Tue December 10 2019 05:55 PM	☑	–
RFP 010720_Public Safety Video Surveillance Solutions_Addendum 2 Fri December 6 2019 04:08 PM	☑	–
RFP 010720_Public Safety Video Surveillance Solutions_Addendum 1 Fri November 15 2019 09:11 AM	☑	–

Attachment: Axon Contract 010720 (Police Dept. Axon Enterprise Inc. Contract)

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Master Services and Purchasing Agreement

This Master Services and Purchasing Agreement ("**Agreement**") is between Axon Enterprise, Inc., a Delaware corporation ("**Axon**"), and the agency on the Quote ("**Agency**"). This Agreement is effective as of the later of the (a) last signature date on this Agreement or (b) signature date on the quote ("**Effective Date**"). Axon and Agency are each a "**Party**" and collectively "**Parties**". This Agreement governs Agency's purchase and use of the Axon Devices and Services detailed in the Quote Appendix ("**Quote**"). The Parties therefore agree as follows:

1 **Term**. This Agreement begins on the Effective Date and continues until terminated pursuant to this Agreement ("**Term**"). Agency may renew this Agreement for an additional 5 years upon execution of a new quote. New devices and services may require additional terms. Axon will not authorize services until Axon receives a signed Quote or accepts a purchase order, whichever is first.

2 **Definitions**.

"**Axon Cloud Services**" means Axon's web services for Axon Evidence, Axon Records, Axon Dispatch, and interactions between Evidence.com and Axon Devices or Axon client software. Axon Cloud Service excludes third-party applications, hardware warranties, and my.evidence.com.

"**Axon Devices**" means all hardware provided by Axon under this Agreement.

"**Quote**" means an offer to sell and is only valid for devices and services on the quote at the specified prices. Any terms within Agency's purchase order in response to a Quote will be void. Orders are subject to prior credit approval. Changes in the deployment estimated ship date may change charges in the Quote. Shipping dates are estimates only. Axon is not responsible for typographical errors in any offer by Axon, and Axon reserves the right to cancel any orders resulting from such errors.

"**Services**" means all services provided by Axon under this Agreement, including software, Axon Cloud Services, and professional services.

3 **Payment**. Axon invoices upon shipment. Payment is due net 30 days from the invoice date. Payment obligations are non-cancelable. Agency will pay invoices without setoff, deduction, or withholding. If Axon sends a past due account to collections, Agency is responsible for collection and attorneys' fees.

4 **Taxes**. Agency is responsible for sales and other taxes associated with the order unless Agency provides Axon a valid tax exemption certificate.

5 **Shipping**. Axon may make partial shipments and ship Devices from multiple locations. All shipments are FOB shipping point via common carrier. Title and risk of loss pass to Agency upon Axon's delivery to the common carrier. Agency is responsible for any shipping charges in the Quote.

6 **Returns**. All sales are final. Axon does not allow refunds or exchanges, except warranty returns or as provided by state or federal law.

7 **Warranty**.

7.1 **Hardware Limited Warranty**. Axon warrants that Axon-manufactured Devices are free from defects in workmanship and materials for 1 year from the date of Agency's receipt, except Signal Sidearm, which Axon warrants for 30 months from the date of Agency's receipt. Axon warrants its Axon-manufactured accessories for 90-days from the date of Agency's receipt. Used conducted energy weapon ("**CEW**") cartridges are deemed to have operated properly. Extended warranties run

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from the expiration of the 1-year hardware warranty through the extended warranty term. Non-Axon manufactured Devices are not covered by Axon's warranty. Agency should contact the manufacturer for support of non-Axon manufactured Devices.

7.2 **Claims**. If Axon receives a valid warranty claim for an Axon manufactured Device during the warranty term, Axon's sole responsibility is to repair or replace the Device with the same or like Device, at Axon's option. A replacement Device will be new or like new. Axon will warrant the replacement Device for the longer of (a) the remaining warranty of the original Device or (b) 90-days from the date of repair or replacement.

If Agency exchanges a device or part, the replacement item becomes Agency's property, and the replaced item becomes Axon's property. Before delivering a Device for service, Agency must upload Device data to Axon Evidence or download it and retain a copy. Axon is not responsible for any loss of software, data, or other information contained in storage media or any part of the Device sent to Axon for service.

7.3 **Spare Devices**. Axon may provide Agency a predetermined number of spare Devices as detailed in the Quote ("**Spare Devices**"). Spare Devices will replace broken or non-functioning units. If Agency utilizes a Spare Device, Agency must return to Axon, through Axon's warranty return process, any broken or non-functioning units. Axon will repair or replace the unit with a replacement Device. Upon termination, Axon will invoice Agency the MSRP then in effect for all Spare Devices provided. If Agency returns the Spare Devices to Axon within 30 days of the invoice date, Axon will issue a credit and apply it against the invoice.

7.4 **Limitations**. Axon's warranty excludes damage related to: (a) failure to follow Device use instructions; (b) Devices used with equipment not manufactured or recommended by Axon; (c) abuse, misuse, or intentional damage to Device; (d) force majeure; (e) Devices repaired or modified by persons other than Axon without Axon's written permission; or (f) Devices with a defaced or removed serial number.

7.4.1 **To the extent permitted by law, the above warranties and remedies are exclusive. Axon disclaims all other warranties, remedies, and conditions, whether oral, written, statutory, or implied. If statutory or implied warranties cannot be lawfully disclaimed, then such warranties are limited to the duration of the warranty described above and by the provisions in this Agreement.**

7.4.2 **Axon's cumulative liability to any Party for any loss or damage resulting from any claim, demand, or action arising out of or relating to any Axon Device or Service will not exceed the purchase price paid to Axon for the Device, or if for Services, the amount paid for such Services over the 12 months preceding the claim. Neither Party will be liable for direct, special, indirect, incidental, punitive or consequential damages, however caused, whether for breach of warranty or contract, negligence, strict liability, tort or any other legal theory**.

8 **Statement of Work**. Certain Axon Devices and Services, including Axon Interview Room, and Axon Fleet, may require a Statement of Work that details Axon's Service deliverables ("**SOW**"). In the event Axon provides an SOW to Agency, Axon is only responsible to perform Services described in the SOW. Additional services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in fees or schedule. The SOW is incorporated into this

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Agreement by reference.

9 **Device Warnings**. See www.axon.com/legal for the most current Axon device warnings.

10 **Design Changes**. Axon may make design changes to any Axon Device or Service without notifying Agency or making the same change to Devices and Services previously purchased by Agency.

11 **Insurance**. Axon will maintain General Liability, Workers' Compensation, and Automobile Liability insurance. Upon request, Axon will supply certificates of insurance.

12 **Indemnification**. Axon will indemnify Agency's officers, directors, and employees ("**Agency Indemnitees**") against all claims, demands, losses, and reasonable expenses arising out of a third-party claim against an Agency Indemnitee resulting from any negligent act, error or omission, or willful misconduct by Axon under this Agreement, except to the extent of Agency's negligence or willful misconduct, or claims under workers compensation.

13 **IP Rights**. Axon owns and reserves all right, title, and interest in Axon devices and services and suggestions to Axon, including all related intellectual property rights. Agency will not cause any Axon proprietary rights to be violated.

14 **IP Indemnification**. Axon will indemnify Agency Indemnitees against all claims, losses, and reasonable expenses from any third-party claim alleging that the use of Axon Devices or Services infringes or misappropriates the third-party's intellectual property rights. Agency must promptly provide Axon with written notice of such claim, tender to Axon the defense or settlement of such claim at Axon's expense and cooperate fully with Axon in the defense or settlement of such claim. Axon's IP indemnification obligations do not apply to claims based on (a) modification of Axon Devices or Services by Agency or a third-party not approved by Axon; (b) use of Axon Devices and Services in combination with hardware or services not approved by Axon; (c) use of Axon Devices and Services other than as permitted in this Agreement; or (d) use of Axon software that is not the most current release provided by Axon.

15 **Agency Responsibilities**. Agency is responsible for (a) Agency's use of Axon Devices; (b) breach of this Agreement or violation of applicable law by Agency or an Agency end user; and (c) a dispute between Agency and a third-party over Agency's use of Axon Devices.

16 **Termination**.

16.1 **For Breach**. A Party may terminate this Agreement for cause if it provides 30 days written notice of the breach to the other Party, and the breach remains uncured at the end of 30 days. If Agency terminates this Agreement due to Axon's uncured breach, Axon will refund prepaid amounts on a prorated basis based on the effective date of termination.

16.2 **By Agency**. If sufficient funds are not appropriated or otherwise legally available to pay the fees, Agency may terminate this Agreement. Agency will deliver notice of termination under this section as soon as reasonably practicable.

16.3 **Effect of Termination**. Upon termination of this Agreement, Agency rights immediately terminate. Agency remains responsible for all fees incurred before the effective date of termination. If Agency purchases Devices for less than the manufacturer's suggested retail price ("**MSRP**") and this Agreement terminates before the end of the Term, Axon will invoice Agency the difference between

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the MSRP for Devices received and amounts paid towards those Devices. If terminating for non-appropriation, Agency may return Devices to Axon within 30 days of termination. MSRP is the standalone price of the individual Device at the time of sale. For bundled Devices, MSRP is the standalone price of all individual components.

17 **Confidentiality**. "**Confidential Information"** means nonpublic information designated as confidential or, given the nature of the information or circumstances surrounding disclosure, should reasonably be understood to be confidential. Each Party will take reasonable measures to avoid disclosure, dissemination, or unauthorized use of the other Party's Confidential Information. Unless required by law, neither Party will disclose the other Party's Confidential Information during the Term and for 5-years thereafter. Axon pricing is Confidential Information and competition sensitive. If Agency is required by law to disclose Axon pricing, to the extent allowed by law, Agency will provide notice to Axon before disclosure. Axon may publicly announce information related to this Agreement.

18 **General**.

18.1 **Force Majeure**. Neither Party will be liable for any delay or failure to perform due to a cause beyond a Party's reasonable control.

18.2 **Independent Contractors**. The Parties are independent contractors. Neither Party has the authority to bind the other. This Agreement does not create a partnership, franchise, joint venture, agency, fiduciary, or employment relationship between the Parties.

18.3 **Third-Party Beneficiaries**. There are no third-party beneficiaries under this Agreement.

18.4 **Non-Discrimination**. Neither Party nor its employees will discriminate against any person based on: race; religion; creed; color; sex; gender identity and expression; pregnancy; childbirth; breastfeeding; medical conditions related to pregnancy, childbirth, or breastfeeding; sexual orientation; marital status; age; national origin; ancestry; genetic information; disability; veteran status; or any class protected by local, state, or federal law.

18.5 **Export Compliance**. Each Party will comply with all import and export control laws and regulations.

18.6 **Assignment**. Neither Party may assign this Agreement without the other Party's prior written consent. Axon may assign this Agreement, its rights, or obligations without consent: (a) to an affiliate or subsidiary; or (b) for purposes of financing, merger, acquisition, corporate reorganization, or sale of all or substantially all its assets. This Agreement is binding upon the Parties respective successors and assigns.

18.7 **Waiver**. No waiver or delay by either Party in exercising any right under this Agreement constitutes a waiver of that right.

18.8 **Severability**. If a court of competent jurisdiction holds any portion of this Agreement invalid or unenforceable, the remaining portions of this Agreement will remain in effect.

18.9 **Survival**. The following sections will survive termination: Payment, Warranty, Device Warnings, Indemnification, IP Rights, and Agency Responsibilities.

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18.10 **Governing Law**. The laws of the state where Agency is physically located, without reference to conflict of law rules, govern this Agreement and any dispute arising from it. The United Nations Convention for the International Sale of Goods does not apply to this Agreement.

18.11 **Notices**. All notices must be in English. Notices posted on Agency's Axon Evidence site are effective upon posting. Notices by email are effective on the sent date of the email. Notices by personal delivery are effective immediately. Contact information for notices:

Axon: Axon Enterprise, Inc.	Agency:
Attn: Legal	Attn:
17800 N. 85th Street	Street Address
Scottsdale, Arizona 85255	City, State, Zip
legal@axon.com	Email

18.12 **Entire Agreement**. This Agreement, including the Appendices and any SOW(s), represents the entire agreement between the Parties. This Agreement supersedes all prior agreements or understandings, whether written or verbal, regarding the subject matter of this Agreement. This Agreement may only be modified or amended in a writing signed by the Parties.

Each representative identified below declares that the representative is authorized to execute this Agreement as of the date of signature.

Axon Enterprise, Inc.	**Agency**
Signature: _____	Signature: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

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Axon Cloud Services Terms of Use Appendix

1 **Definitions**.

"Agency Content" is data uploaded into, ingested by, or created in Axon Cloud Services within Agency's tenant, including media or multimedia uploaded into Axon Cloud Services by Agency. Agency Content includes Evidence but excludes Non-Content Data.

"**Evidence**" is media or multimedia uploaded into Axon Evidence as 'evidence' by an Agency. Evidence is a subset of Agency Content.

"**Non-Content Data**" is data, configuration, and usage information about Agency's Axon Cloud Services tenant, Axon Devices and client software, and users that is transmitted or generated when using Axon Devices. Non-Content Data includes data about users captured during account management and customer support activities. Non-Content Data does not include Agency Content.

2 **Subscription Term**. For Axon Evidence subscriptions, including Fleet 2 Unlimited, the subscription begins after shipment of the applicable Axon Device. If Axon ships the Device in the first half of the month, the start date is the 1st of the following month. If Axon ships the Device in the second half of the month, the start date is the 15th of the following month. For phased deployments, the start date begins on shipment of phase one. For purchases solely of Axon Evidence subscriptions, the start date is the Effective Date. The Axon Evidence subscription term ends upon completion of the Axon Evidence subscription stated in the Quote ("**Axon Evidence Subscription Term**").

3 **Access**. Upon Axon granting Agency a subscription to Axon Cloud Services, Agency may access and use Axon Cloud Services to store and manage Agency Content. Agency may not exceed more end users than the Quote specifies. Axon Air requires an Axon Evidence subscription for each drone operator. For Axon Evidence Lite, Agency may access and use Axon Evidence only to store and manage TASER CEW and TASER CAM data ("**TASER Data**"). Agency may not upload non-TASER Data to Axon Evidence Lite.

4 **Agency Owns Agency Content**. Agency controls and owns all right, title, and interest in Agency Content. Except as outlined herein, Axon obtains no interest in Agency Content, and Agency Content are not business records of Axon. Agency is solely responsible for uploading, sharing, managing, and deleting Agency Content. Axon will have limited access to Agency Content solely for providing and supporting Axon Cloud Services to Agency and Agency end users.

5 **Security**. Axon will implement commercially reasonable and appropriate measures to secure Agency Content against accidental or unlawful loss, access or disclosure. Axon will maintain a comprehensive information security program to protect Axon Cloud Services and Agency Content including logical, physical access, vulnerability, risk, and configuration management; incident monitoring and response; encryption of uploaded digital evidence; security education; and data protection. Axon agrees to the Federal Bureau of Investigation Criminal Justice Information Services Security Addendum.

6 **Agency Responsibilities**. Agency is responsible for (a) ensuring Agency owns Agency Content; (b) ensuring no Agency Content or Agency end user's use of Agency Content or Axon Cloud Services violates this Agreement or applicable laws; and (c) maintaining necessary computer equipment and

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Internet connections for use of Axon Cloud Services. If Agency becomes aware of any violation of this Agreement by an end user, Agency will immediately terminate that end user's access to Axon Cloud Services.

Agency will also maintain the security of end user names and passwords and security and access by end users to Agency Content. Agency is responsible for ensuring the configuration and utilization of Axon Cloud Services meet applicable Agency regulation and standards. Agency may not sell, transfer, or sublicense access to any other entity or person. Agency shall contact Axon immediately if an unauthorized party may be using Agency's account or Agency Content, or if account information is lost or stolen.

7 **Privacy**. Axon will not disclose Agency Content or information about Agency except as compelled by a court or administrative body or required by law or regulation. If Axon receives a disclosure request for Agency Content, Axon will give Agency notice, unless legally prohibited from doing so, to allow Agency to file an objection with the court or administrative body. Agency agrees to allow Axon access to certain information from Agency to (a) perform troubleshooting services upon request or as part of regular diagnostic screening; (b) enforce this Agreement or policies governing the use of Axon Evidence; or (c) perform analytic and diagnostic evaluations of the systems.

8 **Storage**. For Axon Evidence Unlimited, Agency may store unlimited data in Agency's Axon Evidence account only if data originates from Axon Capture or an Axon body-worn camera. For Axon Air Evidence subscriptions, Agency may store unlimited data in Agency's Axon Evidence account only if data originates from an Axon Air device. For Axon Interview Room Unlimited, Agency may store unlimited data in Agency's Axon Evidence account only if data originates from Axon Interview Room hardware. For Axon Fleet Unlimited, Agency may store unlimited data in Agency's Axon Evidence account only if data originates from Axon Fleet hardware.

Axon may charge Agency additional fees for exceeding purchased storage amounts. Axon may place Agency Content that Agency has not viewed or accessed for 6 months into archival storage. Agency Content in archival storage will not have immediate availability and may take up to 24 hours to access.

9 **Location of Storage**. Axon may transfer Agency Content to third-party subcontractors for storage. Axon will determine the locations of data centers for storage of Agency Content. For United States agencies, Axon will ensure all Agency Content stored in Axon Cloud Services remains within the United States. Ownership of Agency Content remains with Agency.

10 **Suspension**. Axon may temporarily suspend Agency's or any end user's right to access or use any portion or all of Axon Cloud Services immediately upon notice, if Agency or end user's use of or registration for Axon Cloud Services may (a) pose a security risk to Axon Cloud Services or any third-party; (b) adversely impact Axon Cloud Services , the systems, or content of any other customer; (c) subject Axon, Axon's affiliates, or any third-party to liability; or (d) be fraudulent.

Agency remains responsible for all fees incurred through suspension. Axon will not delete Agency Content because of suspension, except as specified in this Agreement.

11 **Axon Cloud Services Warranty**. Axon disclaims any warranties or responsibility for data corruption

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or errors before Agency uploads data to Axon Cloud Services.

12 **Axon Cloud Services Restrictions**. Agency and Agency end users (including employees, contractors, agents, officers, volunteers, and directors), may not, or may not attempt to:

12.1. copy, modify, tamper with, repair, or create derivative works of any part of Axon Cloud Services;

12.2. reverse engineer, disassemble, or decompile Axon Cloud Services or apply any process to derive any source code included in Axon Cloud Services, or allow others to do the same;

12.3. access or use Axon Cloud Services with the intent to gain unauthorized access, avoid incurring fees or exceeding usage limits or quotas;

12.4. use trade secret information contained in Axon Cloud Services, except as expressly permitted in this Agreement;

12.5. access Axon Cloud Services to build a competitive device or service or copy any features, functions, or graphics of Axon Cloud Services;

12.6. remove, alter, or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon's or Axon's licensors on or within Axon Cloud Services; or

12.7. use Axon Cloud Services to store or transmit infringing, libelous, or other unlawful or tortious material; to store or transmit material in violation of third-party privacy rights; or to store or transmit malicious code.

13 **After Termination**. Axon will not delete Agency Content for 90-days following termination. There will be no functionality of Axon Cloud Services during these 90-days other than the ability to retrieve Agency Content. Agency will not incur additional fees if Agency downloads Agency Content from Axon Cloud Services during this time. Axon has no obligation to maintain or provide Agency Content after these 90-days and will thereafter, unless legally prohibited, delete all Agency Content. Upon request, Axon will provide written proof that Axon successfully deleted and fully removed all Agency Content from Axon Cloud Services.

14 **Post-Termination Assistance**. Axon will provide Agency with the same post-termination data retrieval assistance that Axon generally makes available to all customers. Requests for Axon to provide additional assistance in downloading or transferring Agency Content, including requests for Axon's data egress service, will result in additional fees and Axon will not warrant or guarantee data integrity or readability in the external system.

15 **U.S. Government Rights**. If Agency is a U.S. Federal department or using Axon Cloud Services on behalf of a U.S. Federal department, Axon Cloud Services is provided as a "commercial item," "commercial computer software," "commercial computer software documentation," and "technical data", as defined in the Federal Acquisition Regulation and Defense Federal Acquisition Regulation Supplement. If Agency is using Axon Cloud Services on behalf of the U.S. Government and these terms fail to meet the U.S. Government's needs or are inconsistent in any respect with federal law, Agency will immediately discontinue use of Axon Cloud Services.

16 **Survival**. Upon any termination of this Agreement, the following sections in this Appendix will survive: Agency Owns Agency Content, Storage, Axon Cloud Services Warranty, and Axon Cloud Services Restrictions.

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AXON

Master Services and Purchasing Agreement

Professional Services Appendix

1 **Utilization of Services**. Agency must use pre-paid professional services as outlined in the Quote and this Appendix within 6 months of the Effective Date.

2 **Body-Worn Camera Full Service (BWC Full Service)**. BWC Full Service includes 4 consecutive days of on-site service and a professional services manager to work with Agency to assess Agency's deployment and determine which on-site services are appropriate. If Agency requires more than 4 consecutive on-site days, additional days are $2,500 per day. BWC Full Service options include:

System set up and configuration • Setup Axon View on smartphones (if applicable) • Configure categories and custom roles based on Agency need • Register cameras to Agency domain • Troubleshoot IT issues with Axon Evidence and Axon Dock ("**Dock**") access • One on-site session included
Dock configuration • Work with Agency to decide the ideal location of Docks and set configurations on Dock • Authenticate Dock with Axon Evidence using admin credentials from Agency • On-site assistance, not to include physical mounting of docks
Best practice implementation planning session • Provide considerations for the establishment of video policy and system operations best practices based on Axon's observations with other agencies • Discuss the importance of entering metadata in the field for organization purposes and other best practice for digital data management • Provide referrals of other agencies using the Axon camera devices and Axon Evidence • Recommend rollout plan based on review of shift schedules
System Admin and troubleshooting training sessions Step-by-step explanation and assistance for Agency's configuration of security, roles & permissions, categories & retention, and other specific settings for Axon Evidence
Axon instructor training (Train the Trainer) Training for Agency's in-house instructors who can support Agency's Axon camera and Axon Evidence training needs after Axon has fulfilled its contractual on-site obligations
Evidence sharing training Tailored workflow instruction for Investigative Units on sharing Cases and Evidence with local prosecuting agencies
End user go-live training and support sessions • Assistance with device set up and configuration • Training on device use, Axon Evidence, and Evidence Sync
Implementation document packet Axon Evidence administrator guides, camera implementation guides, network setup guide, sample policies, and categories & roles guide
Post go-live review

3 **Body-Worn Camera 1-Day Service (BWC 1-Day)**. BWC 1-Day includes one day of on-site Services and a professional services manager to work closely with Agency to assess Agency's deployment and determine which Services are appropriate. If Agency requires more than 1 day of on-site Services, additional on-site assistance is $2,500 per day. The BWC 1-Day options include:

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System set up and configuration (Remote Support) • Setup Axon Mobile on smartphones (if applicable) • Configure categories & custom roles based on Agency need • Troubleshoot IT issues with Axon Evidence and Axon Dock ("**Dock**") access
Dock configuration • Work with Agency to decide the ideal location of Dock setup and set configurations on Dock • Authenticate Dock with Axon Evidence using "Administrator" credentials from Agency • Does not include physical mounting of docks
Axon instructor training (Train the Trainer) Training for Agency's in-house instructors who can support Agency's Axon camera and Axon Evidence training needs after Axon's has fulfilled its contracted on-site obligations
End user go-live training and support sessions • Assistance with device set up and configuration • Training on device use, Axon Evidence, and Evidence Sync
Implementation document packet Axon Evidence administrator guides, camera implementation guides, network setup guide, sample policies, and categories & roles guide

4 **Body-Worn Camera Virtual 1-Day Service (BWC Virtual)**. BWC Virtual includes all items in the BWC 1-Day Service Package, except one day of on-site services.

5 **CEW Services Packages**. CEW Services Packages are detailed below:

System set up and configuration • Configure Axon Evidence categories & custom roles based on Agency need. • Troubleshoot IT issues with Axon Evidence. • Register users and assign roles in Axon Evidence. • **For the CEW Full Service Package**: On-site assistance included • **For the CEW Starter Package:** Virtual assistance included
Dedicated Project Manager Assignment of specific Axon representative for all aspects of planning the rollout (Project Manager). Ideally, Project Manager will be assigned to Agency 4–6 weeks before rollout
Best practice implementation planning session to: • Provide considerations for the establishment of CEW policy and system operations best practices based on Axon's observations with other agencies • Discuss the importance of entering metadata and best practices for digital data management • Provide referrals to other agencies using TASER CEWs and Axon Evidence • **For the CEW Full Service Package:** On-site assistance included • **For the CEW Starter Package:** Virtual assistance included
System Admin and troubleshooting training sessions On-site sessions providing a step-by-step explanation and assistance for Agency's configuration of security, roles & permissions, categories & retention, and other specific settings for Axon Evidence
Axon Evidence Instructor training • Provide training on the Axon Evidence to educate instructors who can support Agency's subsequent Axon Evidence training needs.

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• **For the CEW Full Service Package:** Training for up to 3 individuals at Agency • **For the CEW Starter Package:** Training for up to 1 individual at Agency
TASER CEW inspection and device assignment Axon's on-site professional services team will perform functions check on all new TASER CEW Smart weapons and assign them to a user on Axon Evidence.
Post go-live review **For the CEW Full Service Package**: On-site assistance included. **For the CEW Starter Package**: Virtual assistance included.

6 **Smart Weapon Transition Service**. The Smart Weapon Transition Service includes:

Archival of CEW Firing Logs Axon's on-site professional services team will upload CEW firing logs to Axon Evidence from all TASER CEW Smart Weapons that Agency is replacing with newer Smart Weapon models.
Return of Old Weapons Axon's on-site professional service team will ship all old weapons back to Axon's headquarters. Axon will provide Agency with a Certificate of Destruction

*Note: CEW Full Service packages for TASER 7 include Smart Weapon Transition Service instead of 1-Day Device Specific Instructor Course.

7 **Signal Sidearm Installation Service**. If Agency purchases Signal Sidearm Installation Service, Axon will provide one day of on-site Services and one professional services manager and will cover the installation of up 100 Signal Sidearm devices per package purchased. Agency is responsible for providing an appropriate work area and ensuring all holsters that will have Signal Sidearm installed onto them are available on the agreed-upon installation date(s). Installation includes:

Removal of existing connection screws that affix a holster to a holster mount
Proper placement of the Signal Sidearm Mounting Plate between the holster and the mount
Reattachment of the holster to the mount using appropriate screws
Functional testing of Signal Sidearm device

8 **Out of Scope Services**. Axon is only responsible to perform the professional services described in the Quote and this Appendix. Any additional professional services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in the charges or schedule.

9 **Delivery of Services**. Axon personnel will work Monday through Friday, 8:30 a.m. to 5:30 p.m., except holidays. Axon will perform all on-site tasks over a consecutive timeframe. Axon will not charge Agency travel time by Axon personnel to Agency premises as work hours.

10 **Access Computer Systems to Perform Services**. Agency authorizes Axon to access relevant Agency computers and networks, solely for performing the Services. Axon will work to identify as soon as reasonably practicable resources and information Axon expects to use and will provide an initial itemized list to Agency. Agency is responsible for and assumes the risk of any problems, delays, losses, claims, or expenses resulting from the content, accuracy, completeness, and consistency of all data, materials, and information supplied by Agency.

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11 **Site Preparation**. Axon will provide a hardcopy or digital copy of current user documentation for the Devices ("**User Documentation**"). User Documentation will include all required environmental specifications for the professional Services and Devices to operate per the Device User Documentation. Before installation of Devices (whether performed by Agency or Axon), Agency must prepare the location(s) where Devices are to be installed ("**Installation Site**") per the environmental specifications in the Device User Documentation. Following installation, Agency must maintain the Installation Site per the environmental specifications. If Axon modifies Device User Documentation for any Devices under this Agreement, Axon will provide the update to Agency when Axon generally releases it.

12 **Acceptance**. When Axon completes professional Services, Axon will present an acceptance form ("**Acceptance Form**") to Agency. Agency will sign the Acceptance Form acknowledging completion. If Agency reasonably believes Axon did not complete the professional Services in substantial conformance with this Agreement, Agency must notify Axon in writing of the specific reasons for rejection within 7 calendar days from delivery of the Acceptance Form. Axon will address the issues and re-present the Acceptance Form for signature. If Axon does not receive the signed Acceptance Form or written notification of reasons for rejection within 7 calendar days of delivery of the Acceptance Form, Axon will deem Agency to have accepted the professional Services.

13 **Agency Network**. For work performed by Axon transiting or making use of Agency's network, Agency is solely responsible for maintenance and functionality of the network. In no event will Axon be liable for loss, damage, or corruption of Agency's network from any cause.

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Technology Assurance Plan Appendix

If Technology Assurance Plan ("**TAP**") or a bundle including TAP is on the Quote, this appendix applies.

1 **Term**. TAP begins after shipment of Devices covered under TAP. If Axon ships Devices in the first half of the month, TAP starts the 1st of the following month. If Axon ships Devices in the second half of the month, TAP starts the 15th of the following month. ("**TAP Term**").

2 **TAP Warranty**. The TAP warranty is an extended warranty that starts at the end of the 1-year Hardware Limited Warranty.

3 **Officer Safety Plan Standard**. The Officer Safety Plan Standard ("**OSP Standard**") includes Axon Evidence Unlimited, TAP for Axon body-worn camera ("**BWC**") and Axon Dock, one TASER X2 or X26P CEW with a 4-year extended warranty, one CEW battery, and one CEW holster. Agency must purchase OSP for 5 years ("**OSP Term**"). At any time during the OSP Term, Agency may choose to receive the X2 or X26P CEW, battery and holster by providing a $0 purchase order.

4 **Officer Safety Plan 7**. Both the Officer Safety Plan 7 ("**OSP 7**") and Officer Safety Plan 7 Plus ("**OSP 7 Plus**") include Axon Evidence Unlimited, TAP for Axon BWC and Axon Dock, TASER 7 Certification Plan, Axon Records, and Axon Aware. OSP 7 Plus also includes Axon Aware Plus, Signal Sidearm, Auto-Tagging, Axon Performance, Axon Redaction Assistant, and Axon Citizen for Communities. Both bundles are subject to additional terms for services in their bundle. Agency must purchase an OSP 7 subscription for every TASER 7 CEW user. Agency must accept delivery of the TASER 7 CEW and accessories as soon as available from Axon. Some offerings in the OSP 7 bundles may not be generally available at the time of Agency's OSP 7 purchase. Axon will not provide a refund, credit, or additional discount beyond what is in the Quote due to a delay of availability or Agency's election not to utilize any portion of an OSP 7 bundle.

Axon Records is the software-as-a-service product that is generally available at the time Agency purchases an OSP 7 bundle. During the Term, you will be entitled to receive Axon's Update and Upgrade releases on an if-and-when available basis.

An "Update" is a generally available release of Axon Records that Axon makes available from time to time. An Upgrade includes (i) new versions of Axon Records that enhance features and functionality, as solely determined by Axon; and/or (ii) new versions of Axon Records that provide additional features or perform additional functions. Upgrades exclude new products that Axon introduces and markets as distinct products or applications.

New or additional Axon products and applications, as well as any Axon professional services needed to configure Axon Records, are not included in the OSP 7 bundle. The Axon Records subscription will begin upon the start of the OSP 7 Term and end at the end of the OSP 7 Term, as defined below.

5 **OSP 7 Term**. OSP 7 begins after Axon ships the Axon Body 3 or TASER 7 hardware to Agency. If Axon ships in the first half of the month, OSP 7 starts the 1st of the following month. If Axon ships in the second half of the month, OSP 7 starts the 15th of the following month. For phased deployments, each phase has its own start and end date based on the phase's first shipment per the above. OSP 7 runs for 5 years from the OSP 7 start date ("**OSP 7 Term**").

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6 **TAP BWC Upgrade**. If Agency purchased 3 years of Axon Evidence Unlimited or TAP as a standalone and makes all payments, Axon will provide Agency a new Axon BWC 3 years after TAP starts ("**BWC Upgrade**"). If Agency purchases 5 years of Axon Evidence Unlimited, an OSP, or TAP as a standalone and makes all payments, Axon will provide Agency a BWC Upgrade 2.5 and 5 years after TAP starts. If Agency purchased TAP as a standalone, Axon will provide a BWC Upgrade that is the same or like Device, at Axon's option. Axon makes no guarantee the BWC Upgrade will utilize the same accessories or Axon Dock. If Agency purchased Axon Evidence Unlimited or an OSP, Agency may choose a new BWC of Agency's choice.

7 **TAP Dock Upgrade**. If Agency purchased 3 years of Dock TAP and makes all payments, Axon will provide Agency a new Axon Dock 3 years after TAP starts ("**Dock Upgrade**"). If Agency purchases 5 years of Axon Evidence Unlimited, an OSP, or Dock TAP and makes all payments, Axon will provide Agency a Dock Upgrade 2.5 and 5 years after TAP starts. The Dock Upgrade at year 2.5 will only include a new Axon Dock bay configuration unless a new Axon Dock core is required for BWC compatibility. If Agency originally purchased a single-bay Axon Dock, the Dock Upgrade will be a single-bay Axon Dock model that is the same or like Device, at Axon's option. If Agency originally purchased a multi-bay Axon Dock, the Dock Upgrade will be a multi-bay Axon Dock that is the same or like Device, at Axon's option.

8 **Upgrade Delay**. Axon may ship the BWC and Dock Upgrades at year 2.5 without prior confirmation from Agency unless the Parties agree in writing otherwise at least 90 days in advance. Axon may ship the second BWC and Dock Upgrade 60 days before the end of the Term without prior confirmation from Agency.

9 **Upgrade Change**. If Agency wants to change Device models for the offered BWC or Dock Upgrade, Agency must pay the price difference between the MSRP for the offered BWC or Dock Upgrade and the MSRP for the model desired. If the model Agency desires has an MSRP less than the MSRP of the offered BWC Upgrade or Dock Upgrade, Axon will not provide a refund. The MSRP is the MSRP in effect at the time of the upgrade.

10 **Return of Original Device**. If Axon provides a warranty replacement 6 months before the date of a BWC Upgrade or Dock Upgrade, the replacement is the upgrade. Within 30 days of receiving a BWC or Dock Upgrade, Agency must return the original Devices to Axon or destroy the Devices and provide a certificate of destruction to Axon including serial numbers for the destroyed Devices. If Agency does not return or destroy the Devices, Axon will deactivate the serial numbers for the Devices received by Agency.

11 **Termination**. If Agency's payment for TAP, OSP, or Axon Evidence is more than 30 days past due, Axon may terminate TAP or OSP. Once TAP or OSP terminates for any reason:

11.1. TAP and OSP coverage terminates as of the date of termination and no refunds will be given.

11.2. Axon will not and has no obligation to provide the Upgrade Models.

11.3. Agency must make any missed payments due to the termination before Agency may purchase any future TAP or OSP.

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TASER 7 Appendix

This TASER 7 Appendix applies to Agency's TASER 7, OSP 7, or OSP 7 Plus purchase from Axon.

1 **Term**. If Agency purchases TASER 7 as part of OSP 7 or 7 Plus, TASER 7 starts on the OSP 7 start date. Otherwise, the start date is based on shipment of TASER 7 hardware. If Axon ships TASER 7 hardware in the first half of the month, TASER 7 starts the 1st of the following month. If Axon ships TASER 7 hardware in the second half of the month, TASER 7 starts the 15th of the following month ("**TASER 7 Start Date**"). TASER 7 will end upon completion of the associated TASER 7 subscription in the Quote ("**TASER 7 Term**"). For phased deployments, each phase will have its own 60-month term, with start dates as described above.

2 **Unlimited Duty Cartridge Plan**. If the Quote includes "**Unlimited Duty Cartridge Plan**", Agency must purchase the plan for each CEW user. A CEW user includes officers that use a CEW in the line of duty and those that only use a CEW for training. Agency may not resell cartridges received. Axon will only replace cartridges used in the line of duty.

3 **Training**. If the Quote includes a training voucher, Agency must use the voucher within 1 year of issuance, or the voucher will be void. Axon will issue Agency a voucher annually beginning on the TASER 7 Start Date. The voucher has no cash value. Agency cannot exchange it for another device or service. Unless stated in the Quote, the voucher does not include travel expenses and will be Agency's responsibility. If the Quote includes Axon Online Training or Virtual Reality Content (collectively, "**Training Content**"), Agency may access Training Content. Axon will deliver all Training Content electronically.

4 **Extended Warranty**. If the Quote includes a TASER 7 plan (TASER 7 Basic - Upfront Plus Subscription, TASER 7 Basic - Subscription, or TASER 7 Certification), extended warranty coverage is included for the TASER CEW, dock and core, and rechargeable battery as described in the Hardware Limited Warranty. The extended warranty coverage begins on the TASER 7 Start Date and continues for the TASER 7 Term.

5 **Trade-in**. If a trade-in discount is on the Quote, Agency must return used hardware and accessories associated with the discount ("**Trade-In Units**") to Axon. Agency must ship batteries via ground shipping. Axon will pay shipping costs of the return. If Axon does not receive Trade-In Units within the timeframe below, Axon will invoice Agency the value of the trade-in discount. Agency may not destroy Trade-In Units and receive a trade-in discount.

Agency Size	Days to Return from TASER 7 Start Date
Less than 100 officers	30 days
100 to 499 officers	90 days
500+ officers	180 days

6 **Subscription Term**. The TASER 7 Axon Evidence Subscription Term begins on the TASER 7 or OSP 7 Start Date.

7 **Access Rights**. Upon Axon granting Agency a TASER 7 Axon Evidence subscription, Agency may access and use Axon Evidence for the storage and management of data from TASER 7 CEW devices

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during the TASER 7 Axon Evidence Subscription Term. Agency may not upload any non-TASER 7 data or any other files to Axon Evidence. Agency may not exceed the number of end users than the Quote specifies.

8 **Privacy.** Axon will not disclose Agency Content or any information about Agency except as compelled by a court or administrative body or required by any law or regulation. Axon will give notice if any disclosure request is received for Agency Content, so Agency may file an objection with the court or administrative body. Agency acknowledges and agrees that Axon may access Agency Content to: (a) perform troubleshooting services upon request or as part of Axon's maintenance or diagnostic screenings; (b) enforce this Agreement or policies governing use of Axon Evidence; (c) generate aggregated data, excluding information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual (collectively, "**PII**"), to improve, analyze, support, and operate Axon's current and future devices and services.

9 **Termination**. If payment for TASER 7 is more than 30 days past due, Axon may terminate Agency's TASER 7 plan by notifying Agency. Upon termination for any reason, then as of the date of termination:

9.1. TASER 7 extended warranties and access to Training Content will terminate. No refunds will be given.

9.2. Axon will invoice Agency the remaining MSRP for TASER 7 products received before termination. If terminating for non-appropriations, Axon will not invoice Agency if Agency returns the CEW, rechargeable battery, holster, dock, core, training suits, and unused cartridges to Axon within 30 days of the date of termination.

9.3. Agency will be responsible for payment of any missed payments due to the termination before being allowed to purchase any future TASER 7 plan.

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Axon Auto-Tagging Appendix

1 **Scope.** Axon Auto-Tagging consists of the development of a module to allow Axon Evidence to interact with Agency's Computer-Aided Dispatch ("**CAD**") or Records Management Systems ("**RMS**"). This allows end users to auto-populate Axon video meta-data with a case ID, category, and location-based on data maintained in Agency's CAD or RMS. Agency must purchase Axon Auto-Tagging for every Axon Evidence user in Agency, even if the user does not have an Axon body camera.

2 **Support**. For thirty days after completing Auto-Tagging Services, Axon will provide up to 5 hours of remote support at no additional charge. Axon will provide free support due to a change in Axon Evidence, so long as long as Agency maintains an Axon Evidence and Auto-Tagging subscription. Axon will not provide support if a change is required because Agency changes its CAD or RMS.

3 **Changes**. Axon is only responsible to perform the Services in this Appendix. Any additional Services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in fees or schedule.

4 **Agency Responsibilities**. Axon's performance of Auto-Tagging Services requires Agency to:

- **4.1.** Make available relevant systems, including Agency's current CAD or RMS, for assessment by Axon (including remote access if possible);
- **4.2.** Make required modifications, upgrades or alterations to Agency's hardware, facilities, systems and networks related to Axon's performance of Auto-Tagging Services;
- **4.3.** Provide access to the premises where Axon is performing Auto-Tagging Services, subject to Agency safety and security restrictions, and allow Axon to enter and exit the premises with laptops and materials needed to perform Auto-Tagging Services;
- **4.4.** Provide all infrastructure and software information (TCP/IP addresses, node names, network configuration) necessary for Axon to provide Auto-Tagging Services;
- **4.5.** Promptly install and implement any software updates provided by Axon;
- **4.6.** Ensure that all appropriate data backups are performed;
- **4.7.** Provide assistance, participation, and approvals in testing Auto-Tagging Services;
- **4.8.** Provide Axon with remote access to Agency's Axon Evidence account when required;
- **4.9.** Notify Axon of any network or machine maintenance that may impact the performance of the module at Agency; and
- **4.10.** Ensure reasonable availability of knowledgeable staff and personnel to provide timely, accurate, complete, and up-to-date documentation and information to Axon.

5 **Access to Systems**. Agency authorizes Axon to access Agency's relevant computers, network systems, and CAD or RMS solely for performing Auto-Tagging Services. Axon will work diligently to identify as soon as reasonably practicable resources and information Axon expects to use and will provide an initial list to Agency. Agency is responsible for and assumes the risk of any problems, delays, losses, claims, or expenses resulting from the content, accuracy, completeness, and consistency of all data, materials, and information supplied by Agency.

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Axon Fleet Appendix

1 **Agency Responsibilities**. Agency must ensure its infrastructure and vehicles adhere to the minimum requirements to operate Axon Fleet as established by Axon during the on-site assessment at Agency and in any technical qualifying questions. If Agency's representations are inaccurate, the Quote is subject to change.

2 **CradlePoint**. If Agency purchases CradlePoint Enterprise Cloud Manager, Agency will comply with CradlePoint's end user license agreement. The term of the CradlePoint license may differ from the Axon Evidence Subscription. CradlePoint installation is outside the scope of this Agreement. If Agency requires CradlePoint support, Agency will contact CradlePoint directly.

3 **Third-party Installer**. If Agency (a) installs Axon Fleet and related hardware without "train the trainer" Services from Axon; (b) does not follow instructions provided by Axon during train the trainer; or (c) uses a third-party to install the hardware (collectively, "**Third-party Installer**"), Axon will not be responsible for Third-party Installer's failure to follow instructions relating to installation and use of Axon Fleet. Axon will not be liable for the failure of Axon Fleet hardware to operate per Axon's specifications or damage to Axon Fleet hardware due to a Third-party Installer. Axon may charge Agency if Axon is required to (a) replace hardware damaged by Third-party Installer; (b) provide extensive remote support; or (c) send Axon personnel to Agency to replace hardware damaged by Third-party Installer.

4 **Wireless Offload Software.**

4.1. **License Grant**. Axon grants Agency a non-exclusive, royalty-free, worldwide, perpetual license to use Wireless Offload Software ("**WOS**"). "Use" means storing, loading, installing, or executing WOS solely for data communication with Axon Devices for the number of licenses purchased. The WOS term begins upon the start of the Axon Evidence Subscription.

4.2. **Restrictions**. Agency may not: (a) modify, alter, tamper with, repair, or create derivative works of WOS; (b) reverse engineer, disassemble, or decompile WOS, apply any process to derive the source code of WOS, or allow others to do so; (c) access or use WOS to avoid incurring fees or exceeding usage limits; (d) copy WOS in whole or part; (e) use trade secret information contained in WOS; (f) resell, rent, loan or sublicense WOS; (g) access WOS to build a competitive device or service or copy any features, functions or graphics of WOS; or (h) remove, alter or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon or Axon's licensors on or within WOS.

4.3. **Updates**. If Agency purchases WOS maintenance, Axon will make updates and error corrections to WOS ("**WOS Updates**") available electronically via the Internet or media as determined by Axon. Agency is responsible for establishing and maintaining adequate Internet access to receive WOS Updates and maintaining computer equipment necessary for use of WOS. The Quote will detail the maintenance term.

4.4. **WOS Support**. Upon request by Axon, Agency will provide Axon with access to Agency's store and forward servers solely for troubleshooting and maintenance.

5 **Wireless Microphone**. The Axon Fleet Wireless Microphone subscription is a 5-year term. If this Agreement terminates for any reason before the end of the 5 years, Agency must pay the remaining MSRP for the Wireless Microphone, or if terminating for non-appropriations, return the Wireless

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Microphone to Axon.

6 **Fleet 2 Unlimited**. Both Fleet 2 Unlimited and Fleet 2 Unlimited 60 require a 5-year term. Both offerings provide a 4-year extended warranty on Axon Fleet camera hardware.

7 **Fleet 2 Unlimited Upgrade**. For Axon Fleet 2 Unlimited, 5-years after the start of the Axon Evidence Subscription associated with Agency's Axon Fleet Purchase, Axon will provide Agency a new front and new rear Axon Fleet camera that is the same or like Device, at Axon's sole option ("**Axon Fleet Upgrade"**). Axon Fleet 2 Unlimited 60 is not eligible to receive an Axon Fleet Upgrade.

After Agency makes the fifth Axon Fleet Unlimited payment, Agency may elect to receive the Axon Fleet Upgrade anytime in the fifth year of the Axon Evidence Subscription associated with Agency's Axon Fleet Purchase. If Agency would like to change models for the Axon Fleet Upgrade, Agency must pay the difference between the MSRP for the offered Axon Fleet Upgrade and the MSRP for the model desired. The MSRP is the MSRP in effect at the time of the upgrade. Agency is responsible for the removal of previously installed hardware and installation of the Axon Fleet Upgrade.

Within 30 days of receiving the Axon Fleet Upgrade, Agency must return the original Devices to Axon or destroy the Devices and provide a certificate of destruction to Axon, including serial numbers of the destroyed Devices. If Agency does not destroy or return the Devices to Axon, Axon will deactivate the serial numbers for the Devices received by Agency.

8 **Fleet Unlimited Termination.** If Agency's payment for any Axon Fleet Unlimited program or Axon Evidence is more than 30 days past due, Axon may terminate Axon Fleet Unlimited. Once Axon Fleet Unlimited terminates for any reason, then:

8.1. Axon Fleet Unlimited coverage terminates, and no refunds will be given.

8.2. Axon will not and has no obligation to provide the Axon Fleet Upgrade Models.

8.3. Agency will be responsible for payment of any missed payments due to the termination before being allowed to purchase any future Axon Fleet Unlimited.

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Axon Aware Appendix

This Axon Aware Appendix applies to both Axon Aware and Axon Aware Plus. Axon Aware Plus includes Axon Aware.

1 **Axon Aware Subscription Term**. If Agency purchases Axon Aware as part of a bundled offering, the Axon Aware subscription begins on the later of the (1) start date of that bundled offering, or (2) date Axon provisions Axon Aware to Agency.

If Agency purchases Axon Aware as a standalone, the Axon Aware subscription begins the later of the (1) date Axon provisions Axon Aware to Agency, or (2) first day of the month following the Effective Date.

The Axon Aware subscription term will end upon the completion of the Axon Evidence Subscription associated with Axon Aware.

2 **Scope of Axon Aware**. The scope of Axon Aware is to assist Agency with real-time situational awareness during critical incidents to improve officer safety, effectiveness, and awareness. In the event Agency uses Axon Aware outside this scope, Axon may initiate good-faith discussions with Agency on upgrading Agency's Axon Aware to better meet Agency's needs.

3 **LTE Requirements**. Axon Aware is only available and usable with an LTE enabled body-worn camera. Axon is not liable if Agency utilizes the LTE device outside of the coverage area or if the LTE carrier is unavailable. LTE coverage is only available in the United States, including any U.S. territories. Axon may utilize a carrier of Axon's choice to provide LTE service. Axon may change LTE carriers during the Term without Agency's consent.

4 **Axon Aware Service Limitations**. Agency acknowledges that LTE service is made available only within the operating range of the networks. Service may be temporarily refused, interrupted, or limited because of: (a) facilities limitations; (b) transmission limitations caused by atmospheric, terrain, other natural or artificial conditions adversely affecting transmission, weak batteries, system overcapacity, movement outside a service area or gaps in coverage in a service area and other causes reasonably outside of the carrier's control such as intentional or negligent acts of third parties that damage or impair the network or disrupt service; or (c) equipment modifications, upgrades, relocations, repairs, and other similar activities necessary for the proper or improved operation of service.

Partner networks are made available as-is and the carrier makes no warranties or representations as to the availability or quality of roaming service provided by carrier partners, and the carrier will not be liable in any capacity for any errors, outages, or failures of carrier partner networks. Agency expressly understands and agrees that it has no contractual relationship whatsoever with the underlying wireless service provider or its affiliates or contractors and Agency is not a third-party beneficiary of any agreement between Axon and the underlying carrier.

5 **Termination**. Upon termination of this Agreement, or if Agency stops paying for Axon Aware or bundles that include Axon Aware, Axon will end LTE service.

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Add-on Services Appendix

This Appendix applies to Axon Citizen for Communities, Axon Redaction Studio, and Axon Performance.

1 **Subscription Term**. If Agency purchases Axon Citizen for Communities, Axon Redaction Studio, or Axon Performance as part of a bundled offering, the subscription begins on the later of the (1) start date of that bundled offering, or (2) date Axon provisions Axon Citizen for Communities, Axon Redaction Studio, or Axon Performance to Agency.

If Agency purchases Axon Citizen for Communities, Axon Redaction Studio, or Axon Performance as a standalone, the subscription begins the later of the (1) date Axon provisions Axon Citizen for Communities, Axon Redaction Studio, or Axon Performance to Agency, or (2) first day of the month following the Effective Date.

The subscription term will end upon the completion of the Axon Evidence Subscription associated with the add-on.

2 **Axon Citizen Storage**. For Axon Citizen, Agency may store an unlimited amount of data submitted through the public portal ("**Portal Content**"), within Agency's Axon Evidence instance. The post-termination provisions outlined in the Axon Evidence Terms of Use Appendix also apply to Portal Content.

3 **Performance Auto-Tagging Data**. In order to provide Axon Performance to Agency, Axon will need to store call for service data from Agency's CAD or RMS.

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Axon Commander™ Software Appendix

1. **License**. Axon owns all executable instructions, images, icons, sound, and text in Commander. All rights are reserved to Axon. Axon grants a non-exclusive, royalty-free, worldwide right and license to use Commander. "Use" means storing, loading, installing, or executing Commander exclusively for data communication with an Axon Device. Agency may use Commander in a networked environment on computers other than the computer it installs Commander on, so long as each execution of Commander is for data communication with an Axon Device. Agency may make copies of Commander for archival purposes only. Agency shall retain all copyright, trademark, and proprietary notices in Commander on all copies or adaptations.

2. **Term**. The Quote will detail the duration of the Commander license, as well as any maintenance. The term will begin upon installation of Commander by Axon.

3. **License Restrictions**. All licenses will immediately terminate if Agency does not comply with any term of this Agreement. Agency may not use Commander for any purpose other than as expressly permitted by this Agreement. Agency may not:

3.1 modify, tamper with, repair, or otherwise create derivative works of Commander;

3.2 reverse engineer, disassemble, or decompile Commander or apply any process to derive the source code of Commander, or allow others to do the same;

3.3 access or use Commander to avoid incurring fees or exceeding usage limits or quotas;

3.4 copy Commander in whole or part, except as expressly permitted in this Agreement;

3.5 use trade secret information contained in Commander;

3.6 resell, rent, loan or sublicense Commander;

3.7 access Commander to build a competitive device or service or copy any features, functions or graphics of Commander; or

3.8 remove, alter or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon or Axon's licensors on or within Commander or any copies of Commander.

4. **Support**. Axon may make available updates and error corrections ("**Updates**") to Commander. Axon will provide Updates electronically via the Internet or media as determined by Axon. Agency is responsible for establishing and maintaining adequate access to the Internet to receive Updates. Agency is responsible for maintaining the computer equipment necessary to use Commander. Axon may provide technical support of a prior release/version of Commander for 6 months from when Axon made the subsequent release/version available.

5. **Termination**. Axon may terminate Agency's license immediately for Agency's failure to comply with any of the terms in this Agreement. Upon termination, Agency must immediately destroy Commander, including all copies, adaptations and merged portions in any form.

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Axon Application Programming Interface Appendix

1 **Definitions**.

"**API Client**" means the software that acts as the interface between Agency's computer and the server, which is already developed or to be developed by Agency.

"**API Interface**" means software implemented by Agency to configure Agency's independent API Client Software to operate in conjunction with the API Service for Agency's authorized Use.

"**Axon Evidence Partner API, API or AXON API**" (collectively "**API Service**") means Axon's API which provides a programmatic means to access data in Agency's Axon Evidence account or integrate Agency's Axon Evidence account with other systems.

"**Use**" means any operation on Agency's data enabled by the supported API functionality.

2 **Purpose and License**.

2.1. Agency may use API Service and data made available through API Service, in connection with an API Client developed by Agency. Axon may monitor Agency's use of API Service to ensure quality, improve Axon devices and services, and verify compliance with this Agreement. Agency agrees to not interfere with such monitoring or obscure from Axon Agency's use of API Service. Agency will not use API Service for commercial use.

2.2. Axon grants Agency a non-exclusive, non-transferable, non-sublicensable, worldwide, revocable right and license during the Term to use API Service, solely for Agency's Use in connection with Agency's API Client.

2.3. Axon reserves the right to set limitations on Agency's use of the API Service, such as a quota on operations, to ensure stability and availability of Axon's API. Axon will use reasonable efforts to accommodate use beyond the designated limits.

3 **Configuration**. Agency will work independently to configure Agency's API Client with API Service for Agency's applicable Use. Agency will be required to provide certain information (such as identification or contact details) as part of the registration. Registration information provided to Axon must be accurate. Agency will inform Axon promptly of any updates. Upon Agency's registration, Axon will provide documentation outlining API Service information.

4 **Agency Responsibilities**. When using API Service, Agency and its end users may not:

4.1. use API Service in any way other than as expressly permitted under this Agreement;

4.2. use in any way that results in, or could result in, any security breach to Axon;

4.3. perform an action with the intent of introducing any viruses, worms, defect, Trojan horses, malware, or any items of a destructive nature to Axon Devices and Services;

4.4. interfere with, modify, disrupt or disable features or functionality of API Service or the servers or networks providing API Service;

4.5. reverse engineer, decompile, disassemble, or translate or attempt to extract the source code from API Service or any related software;

4.6. create an API Interface that functions substantially the same as API Service and offer it for use by third parties;

4.7. provide use of API Service on a service bureau, rental or managed services basis or permit other individuals or entities to create links to API Service;

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4.8. frame or mirror API Service on any other server, or wireless or Internet-based device;

4.9. make available to a third-party, any token, key, password or other login credentials to API Service;

4.10. take any action or inaction resulting in illegal, unauthorized or improper purposes; or disclose Axon's API manual.

5 **API Content**. All content related to API Service, other than Agency Content or Agency's API Client content, is considered Axon's API Content, including:

5.1. the design, structure and naming of API Service fields in all responses and requests;

5.2. the resources available within API Service for which Agency takes actions on, such as evidence, cases, users, or reports; and

5.3. the structure of and relationship of API Service resources; and

5.4. the design of API Service, in any part or as a whole.

6 **Prohibitions on API Content**. Neither Agency nor its end users will use API content returned from the API Interface to:

6.1. scrape, build databases, or otherwise create permanent copies of such content, or keep cached copies longer than permitted by the cache header;

6.2. copy, translate, modify, create a derivative work of, sell, lease, lend, convey, distribute, publicly display, or sublicense to any third-party;

6.3. misrepresent the source or ownership; or

6.4. remove, alter, or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices).

7 **API Updates**. Axon may update or modify the API Service from time to time ("**API Update**"). Agency is required to implement and use the most current version of API Service and to make any applicable changes to Agency's API Client required as a result of such API Update. API Updates may adversely affect how Agency's API Client access or communicate with API Service or the API Interface. Each API Client must contain means for Agency to update API Client to the most current version of API Service. Axon will provide support for 1 year following the release of an API Update for all depreciated API Service versions.

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Advanced User Management Appendix

1 **Scope**. Advanced User Management allows Agency to (a) utilize bulk user creation and management, (b) automate user creation and management through System for Cross-domain Identity Management ("**SCIM**"), and (c) automate group creation and management through SCIM.

2 **Pricing.** Agency must purchase Advanced User Management for every Axon Evidence user in Agency, even if the user does not have an Axon body camera.

3 **Advanced User Management Configuration**. Agency will work independently to configure Agency's Advanced User Management for Agency's applicable Use. Upon request, Axon will provide general guidance to Agency, including documentation that details the setup and configuration process.

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Axon Channel Services Appendix

1 **Definitions**.

"**Axon Digital Evidence Management System**" means Axon Evidence or Axon Commander, as specified in the attached Channel Services Statement of Work.

"**Active Channel**" means a third-party system that is continuously communicating with an Axon Digital Evidence Management System.

"**Inactive Channel**" means a third-party system that will have a one-time communication to an Axon Digital Evidence Management System.

2 **Scope**. Agency currently has a third-party system or data repository from which Agency desires to share data with Axon Digital Evidence Management. Axon will facilitate the transfer of Agency's third-party data into an Axon Digital Evidence Management System or the transfer of Agency data out of an Axon Digital Evidence Management System as defined in the Channel Services Statement of Work ("**Channel Services SOW**"). Channel Services will not delete any Agency Content. Agency is responsible for verifying all necessary data is migrated correctly and retained per Agency policy.

3 **Changes**. Axon is only responsible to perform the Services described in this Appendix and Channel Services SOW. Any additional services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in the charges or schedule

4 **Purpose and Use**. Agency is responsible for verifying Agency has the right to share data from and provide access to third-party system as it relates to the Services described in this Appendix and the Channel Services SOW. For Active Channels, Agency is responsible for any changes to a third-party system that may affect the functionality of the channel service. Any additional work required for the continuation of the Service may require additional fees. An Axon Field Engineer may require access to Agency's network and systems to perform the Services described in the Channel Services SOW. Agency is responsible for facilitating this access per all laws and policies applicable to Agency.

5 **Project Management**. Axon will assign a Project Manager to work closely with Agency's project manager and project team members and will be responsible for completing the tasks required to meet all contract deliverables on time and budget.

6 **Warranty.** Axon warrants that it will perform the Channel Services in a good and workmanlike manner.

7 **Monitoring**. Axon may monitor Agency's use of Channel Services to ensure quality, improve Axon devices and services, prepare invoices based on the total amount of data migrated, and verify compliance with this Agreement. Agency agrees not to interfere with such monitoring or obscure from Axon Agency's use of channel services.

8 **Agency's Responsibilities.** Axon's successful performance of the Channel Services requires Agency:

8.1. Make available its relevant systems for assessment by Axon (including making these

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systems available to Axon via remote access);

8.2. Provide access to the building facilities and where Axon is to perform the Channel Services, subject to safety and security restrictions imposed by the Agency (including providing security passes or other necessary documentation to Axon representatives performing the Channel Services permitting them to enter and exit Agency premises with laptop personal computers and any other materials needed to perform the Channel Services);

8.3. Provide all necessary infrastructure and software information (TCP/IP addresses, node names, and network configuration) for Axon to provide the Channel Services;

8.4. Ensure all appropriate data backups are performed;

8.5. Provide Axon with remote access to the Agency's network and third-party systems when required for Axon to perform the Channel Services;

8.6. Notify Axon of any network or machine maintenance that may impact the performance of the Channel Services; and

8.7. Ensure the reasonable availability by phone or email of knowledgeable staff, personnel, system administrators, and operators to provide timely, accurate, complete, and up-to-date documentation and information to Axon (these contacts are to provide background information and clarification of information required to perform the Channel Services).

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VIEVU Data Migration Appendix

1 **Scope**. Agency currently has legacy data in the VIEVU Solution from which Agency desires to move to Axon Evidence. Axon will work with Agency to copy legacy data from the VIEVU solution into Axon Evidence ("**Migration**"). Before Migration, Agency and Axon will work together to develop a Statement of Work ("**Migration SOW**") to detail all deliverables and responsibilities. The Migration will require the availability of Agency resources. Such resources will be identified in the SOW. On-site support during Migration is not required. Upon Agency's request, Axon will provide on-site support for an additional fee. Any request for on-site support will need to be pre-scheduled and is subject to Axon's resource availability.

A small amount of unexposed data related to system information will not be migrated from the VIEVU solution to Axon Evidence. Upon request, some of this data can be manually exported before Migration and provided to Agency. The Migration SOW will provide further detail.

2 **Changes**. Axon is only responsible to perform the Services described in this Appendix and Migration SOW. Any additional services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in the charges or schedule.

3 **Project Management**. Axon will assign a Project Manager to work closely with Agency's project manager and project team members and will be responsible for completing the tasks required to meet all contract deliverables on time and budget.

4 **Downtime**. There may be downtime during the Migration. The duration of the downtime will depend on the amount of data that Agency is migrating. Axon will work with Agency to minimize any downtime. Any VIEVU mobile application will need to be disabled upon Migration.

5 **Functionality Changes**. Due to device differences between the VIEVU solution and the Axon's Axon Evidence solution, there may be functionality gaps that will not allow for all migrated data to be displayed the same way in the user interface after Migration

6 **Acceptance**. Once the Migration is complete, Axon will notify Agency and an acceptance form. Agency is responsible for verifying that the scope of the project has been completed and all necessary data is migrated correctly and retained per Agency policy. Agency will have 90 days to provide Axon acceptance that the Migration was successful, or Axon will deem the Migration accepted.

6.1. In the event Agency does not accept the Migration, Agency agrees to notify the Axon within a reasonable time. Agency also agrees to allow Axon a reasonable time to resolve any issue.

6.2. In the event Agency does not provide the Axon written rejection of the Migration during these 90 days, Agency may be charged for additional monthly storage costs.

6.3. After Agency provides acceptance of the Migration, the Axon will delete all data from the VIEVU solution 90 days after the Migration.

7 **Post-Migration**. After Migration, the VIEVU solution may not be supported and updates may not be provided. Axon may end of life the VIEVU solution in the future. If Agency elects to maintain data

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within the VIEVU solution, Axon will provide Agency 90 days' notice before ending support for the VIEVU solution.

8 **Warranty.** Axon warrants that it will perform the Migration in a good and workmanlike manner.

9 **Monitoring**. Axon may monitor Agency's use of Migration to ensure quality, improve Axon devices and services, prepare invoices based on the total amount of data migrated, and verify compliance with this Agreement. Agency agrees not to interfere with such monitoring or obscure from Axon Agency's use of Migration.

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Axon Support Engineer Appendix

1 **Axon Support Engineer Payment.** Axon will invoice for Axon Support Engineer ("**ASE**") services, as outlined in the Quote, when the Axon Support Engineer commences work on-site at Agency.

2 **Full-Time ASE Scope of Services.**

2.1. A Full-Time ASE will work on-site four (4) days per week.

2.2. Agency's Axon sales representative and Axon's Agency Success team will work with Agency to define its support needs and ensure the Full-Time ASE has skills to align with those needs. There may be up to a 6-month waiting period before the Full-Time ASE can work on-site, depending upon Agency's needs and availability of a Full-Time ASE.

2.3. The purchase of Full-Time ASE Services includes 2 complimentary Axon Accelerate tickets per year of the Agreement, so long as the ASE has started work at Agency, and Agency is current on all payments for the Full-Time ASE Service.

The Full-Time ASE Service options are listed below:

Ongoing System Set-up and Configuration • Assisting with assigning cameras and registering docks • Maintaining Agency's Axon Evidence account • Connecting Agency to "Early Access" programs for new devices
Account Maintenance • Conducting on-site training on new features and devices for Agency leadership team(s) • Thoroughly documenting issues and workflows and suggesting new workflows to improve the effectiveness of the Axon program • Conducting weekly meetings to cover current issues and program status
Data Analysis • Providing on-demand Axon usage data to identify trends and insights for improving daily workflows • Comparing Agency's Axon usage and trends to peers to establish best practices • Proactively monitoring the health of Axon equipment and coordinating returns when needed
Direct Support • Providing on-site, tier 1 and tier 2 technical support for Axon devices • Proactively monitoring the health of Axon equipment • Creating and monitoring RMAs on-site • Providing Axon app support • Monitoring and testing new firmware and workflows before they are released to Agency's production environment
Agency Advocacy • Coordinating bi-annual voice of customer meetings with Axon's Device Management team • Recording and tracking Agency feature requests and major bugs

3 **Regional ASE Scope of Services**

3.1. A Regional ASE will work on-site for 3 consecutive days per quarter. Agency must schedule the on-site days at least 2 weeks in advance. The Regional ASE will also be available by phone and email during regular business hours up to 8 hours per week.

3.2. There may be up to a 6-month waiting period before Axon assigns a Regional ASE to Agency, depending upon the availability of a Regional ASE.

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3.3. The purchase of Regional ASE Services includes 2 complimentary Axon Accelerate tickets per year of the Agreement, so long as the ASE has started work at Agency and Agency is current on all payments for the Regional ASE Service.

The Regional ASE service options are listed below:

Account Maintenance • Conducting remote training on new features and devices for Agency's leadership • Thoroughly documenting issues and workflows and suggesting new workflows to improve the effectiveness of the Axon program • Conducting weekly conference calls to cover current issues and program status • Visiting Agency quarterly (up to 3 consecutive days) to perform a quarterly business review, discuss Agency's goals for your Axon program, and continue to ensure a successful deployment of Axon devices
Direct Support • Providing remote, tier 1 and tier 2 technical support for Axon devices • Creating and monitoring RMAs remotely
Data Analysis • Providing quarterly Axon usage data to identify trends and program efficiency opportunities • Comparing an Agency's Axon usage and trends to peers to establish best practices • Proactively monitoring the health of Axon equipment and coordinating returns when needed
Agency Advocacy • Coordinating bi-yearly Voice of Agency meetings with Device Management team • Recording and tracking Agency feature requests and major bugs

4 **Out of Scope Services.** The ASE is responsible to perform only the Services described in this Appendix. Any additional Services discussed or implied that are not defined explicitly in this Appendix will be considered out of the scope.

5 **ASE Leave Time**. The ASE will be allowed up 7 days of sick leave and up to 15 days of vacation time per each calendar year. The ASE will work with Agency to coordinate any time off and will provide Agency with at least 2 weeks' notice before utilizing any vacation days.

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Redaction Services Appendix

1 **Scope**. Each month of Axon Redaction Service, Agency may utilize up to the number of redacted videos included on the Quote, or the maximum number of hours, whichever comes first. In order to be considered one video, a video an Agency submits to Axon for redaction must be less than 1 hour. If a video is longer than 1 hour, it will be rounded up to the next hour. For example, if Agency submits a video for redaction and that video is 150 minutes, the video will be considered 3 hours. Agency may not rollover unused redactions and hours from one month to the next.

2 **Agency Responsibilities**.

2.1. **Access**. Agency will create an account for Axon within Agency's Axon Evidence tenant. Agency must provision Axon to have only permission to view and redact videos identified for redaction. Upon completion of work or on a periodic basis in alignment with Agency's policy, Agency must manage or disable Axon's access within Agency's Axon Evidence tenant.

2.2. **Policy**. Agency is responsible for providing Axon Agency's standard policy regarding redaction ("**Redaction Policy**"). The Redaction Policy should identify typical objects and audio that need to be redacted from video. Axon will redact videos per the Redaction Policy unless otherwise instructed in writing.

3 **Submission**. Agency will identify video for redaction and will submit requests to redactionservices@axon.com. Axon will redact the video according to the Redaction Policy within 72 hours. The redaction will be performed using Axon Evidence's Redaction Studio.

4 **Security**. Axon will use CJIS certified employees to perform all redaction services. Axon employees will perform all redactions in a CJIS compliant room.

5 **Acceptance of Redacted Video**. Upon completing the redaction, Axon will assign the redacted video to Agency. Agency will review the video within 5 business days of receipt and notify Axon of any required changes. If changes are necessary, Axon will perform such changes within 48 hours of notification. In the event Agency does not notify Axon of any requested changes within 5 business days of receipt of the redacted video, Axon will deem the redacted video accepted by Agency.

6 **Changes**. Axon is only responsible to perform the Services in this Appendix. Any additional Services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in fees or schedule.

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AMENDMENT #1
TO
CONTRACT #010720-AXN

THIS AMENDMENT is by and between **Sourcewell** and **Axon Enterprise Inc.** (Vendor).

Vendor was awarded a Sourcewell Contract for Public Safety Video Surveillance Solutions with Related Equipment, Software and Accessories effective February 25, 2020, through February 21, 2024, relating to the provision of services by Vendor and to Sourcewell and its Members (Original Agreement).

The parties agree that certain terms within the Original Agreement will be updated and amended and only to the extent as hereunder provided.

IN CONSIDERATION OF the mutual covenants and agreements described in this Amendment, the parties agree as follows:

1. This Amendment is effective upon the date of the last signature below.

2. Vendor has updated its Master Services and Purchasing Agreement to Version 9.0, dated 4/17/20. All references to the Master Services and Purchasing Agreement should be read to mean Version 9.0, which is attached and incorporated.

Remainder of page intentionally left blank.

Attachment: Axon Contract 010720 (Police Dept. Axon Enterprise Inc. Contract)

Except as amended by this Amendment, the Original Agreement remains in full force and effect.

Sourcewell

By: DocuSigned by: Jeremy Schwartz C0FD2A139D06489...
Authorized Signature

Jeremy Schwartz
Name – Printed

Title: Director of Operations & Procurement/CPO

Date: 6/13/2020 | 11:32 PM CDT

Axon Enterprise Inc.

By: DocuSigned by: Chris Kirby A3368A04C8124A8...
Authorized Signature

Chris Kirby
Name – Printed

Title: VP, Sales

Date: 6/12/2020 | 4:27 PM CDT

Sourcewell–APPROVED:

By: DocuSigned by: Chad Coauette 7E42B8F817A64CC...
Authorized Signature

Chad Coauette
Name – Printed

Title: Executive Director/CEO

Date: 6/14/2020 | 2:38 PM CDT

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Master Services and Purchasing Agreement

This Master Services and Purchasing Agreement ("**Agreement**") is between Axon Enterprise, Inc., a Delaware corporation ("**Axon**"), and the agency on the Quote ("**Agency**"). This Agreement is effective as of the later of the (a) last signature date on this Agreement or (b) signature date on the Quote ("**Effective Date**"). Axon and Agency are each a "**Party**" and collectively "**Parties**". This Agreement governs Agency's purchase and use of the Axon Devices and Services detailed in the Quote Appendix ("**Quote**"). It is the intent of the Parties that this Agreement act as a master agreement governing all subsequent purchases by Agency for the same Axon products and services in the Quote, and all such subsequent quotes accepted by Agency shall be also incorporated into this Agreement by reference as a Quote. The Parties therefore agree as follows:

1 **Definitions**.

"**Axon Cloud Services**" means Axon's web services for Axon Evidence, Axon Records, Axon Dispatch, and interactions between Evidence.com and Axon Devices or Axon client software. Axon Cloud Service excludes third-party applications, hardware warranties, and my.evidence.com.

"**Axon Devices**" means all hardware provided by Axon under this Agreement.

"**Quote**" means an offer to sell and is only valid for devices and services on the quote at the specified prices. Any terms within Agency's purchase order in response to a Quote will be void. Orders are subject to prior credit approval. Changes in the deployment estimated ship date may change charges in the Quote. Shipping dates are estimates only. Axon is not responsible for typographical errors in any offer by Axon, and Axon reserves the right to cancel any orders resulting from such errors.

"**Services**" means all services provided by Axon under this Agreement, including software, Axon Cloud Services, and professional services.

2 **Term**. This Agreement begins on the Effective Date and continues until all subscriptions hereunder have expired or have been terminated ("**Term**").

All subscriptions including Axon Evidence, Axon Fleet, Officer Safety Plans, Technology Assurance Plans, and TASER 7 plans begin after shipment of the applicable Axon Device. If Axon ships the Device in the first half of the month, the start date is the 1st of the following month. If Axon ships the Device in the second half of the month, the start date is the 15th of the following month. For purchases solely of Axon Evidence subscriptions, the start date is the Effective Date. Each subscription term ends upon completion of the subscription stated in the Quote ("**Subscription Term**").

Upon completion of the Subscription Term, the Subscription Term will automatically renew for an additional 5 years ("**Renewal Term**"). For purchase of TASER 7 as a standalone, Axon may increase pricing to its then-current list pricing for any Renewal Term. For all other purchases, Axon may increase pricing on all line items in the Quote up to 3% at the beginning of each year of the Renewal Term. New devices and services may require additional terms. Axon will not authorize services until Axon receives a signed Quote or accepts a purchase order, whichever is first.

3 **Payment**. Axon invoices upon shipment. Payment is due net 30 days from the invoice date. Payment obligations are non-cancelable. Agency will pay invoices without setoff, deduction, or withholding. If Axon sends a past due account to collections, Agency is responsible for collection and attorneys' fees.

4 **Taxes**. Agency is responsible for sales and other taxes associated with the order unless Agency provides Axon a valid tax exemption certificate.

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5 **Shipping**. Axon may make partial shipments and ship Devices from multiple locations. All shipments are FOB shipping point via common carrier. Title and risk of loss pass to Agency upon Axon's delivery to the common carrier. Agency is responsible for any shipping charges in the Quote.

6 **Returns**. All sales are final. Axon does not allow refunds or exchanges, except warranty returns or as provided by state or federal law.

7 **Warranty**.

7.1 **Hardware Limited Warranty**. Axon warrants that Axon-manufactured Devices are free from defects in workmanship and materials for 1 year from the date of Agency's receipt, except Signal Sidearm, which Axon warrants for 30 months from the date of Agency's receipt. Axon warrants its Axon-manufactured accessories for 90-days from the date of Agency's receipt. Used conducted energy weapon ("**CEW**") cartridges are deemed to have operated properly. Extended warranties run from the expiration of the 1-year hardware warranty through the extended warranty term. Non-Axon manufactured Devices are not covered by Axon's warranty. Agency should contact the manufacturer for support of non-Axon manufactured Devices.

7.2 **Claims**. If Axon receives a valid warranty claim for an Axon manufactured Device during the warranty term, Axon's sole responsibility is to repair or replace the Device with the same or like Device, at Axon's option. A replacement Device will be new or like new. Axon will warrant the replacement Device for the longer of (a) the remaining warranty of the original Device or (b) 90-days from the date of repair or replacement.

If Agency exchanges a device or part, the replacement item becomes Agency's property, and the replaced item becomes Axon's property. Before delivering a Device for service, Agency must upload Device data to Axon Evidence or download it and retain a copy. Axon is not responsible for any loss of software, data, or other information contained in storage media or any part of the Device sent to Axon for service.

7.3 **Spare Devices**. Axon may provide Agency a predetermined number of spare Devices as detailed in the Quote ("**Spare Devices**"). Spare Devices will replace broken or non-functioning units. If Agency utilizes a Spare Device, Agency must return to Axon, through Axon's warranty return process, any broken or non-functioning units. Axon will repair or replace the unit with a replacement Device. Upon termination, Axon will invoice Agency the MSRP then in effect for all Spare Devices provided. If Agency returns the Spare Devices to Axon within 30 days of the invoice date, Axon will issue a credit and apply it against the invoice.

7.4 **Limitations**. Axon's warranty excludes damage related to: (a) failure to follow Device use instructions; (b) Devices used with equipment not manufactured or recommended by Axon; (c) abuse, misuse, or intentional damage to Device; (d) force majeure; (e) Devices repaired or modified by persons other than Axon without Axon's written permission; or (f) Devices with a defaced or removed serial number.

7.4.1 **To the extent permitted by law, the above warranties and remedies are exclusive. Axon disclaims all other warranties, remedies, and conditions, whether oral, written, statutory, or implied. If statutory or implied warranties cannot be lawfully disclaimed, then such warranties are limited to the duration of the warranty described above and by the provisions in this Agreement.**

7.4.2 **Axon's cumulative liability to any Party for any loss or damage resulting from any claim, demand, or action arising out of or relating to any Axon Device or Service will**

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not exceed the purchase price paid to Axon for the Device, or if for Services, the amount paid for such Services over the 12 months preceding the claim. Neither Party will be liable for direct, special, indirect, incidental, punitive or consequential damages, however caused, whether for breach of warranty or contract, negligence, strict liability, tort or any other legal theory.

8 **Statement of Work**. Certain Axon Devices and Services, including Axon Interview Room, Axon Channel Services, and Axon Fleet, may require a Statement of Work that details Axon's Service deliverables ("**SOW**"). In the event Axon provides an SOW to Agency, Axon is only responsible to perform Services described in the SOW. Additional services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in fees or schedule. The SOW is incorporated into this Agreement by reference.

9 **Device Warnings**. See www.axon.com/legal for the most current Axon device warnings.

10 **Design Changes**. Axon may make design changes to any Axon Device or Service without notifying Agency or making the same change to Devices and Services previously purchased by Agency.

11 **Bundled Offerings**. Some offerings in bundled offerings may not be generally available at the time of Agency's purchase. Axon will not provide a refund, credit, or additional discount beyond what is in the Quote due to a delay of availability or Agency's election not to utilize any portion of an Axon bundle.

12 **Insurance**. Axon will maintain General Liability, Workers' Compensation, and Automobile Liability insurance. Upon request, Axon will supply certificates of insurance.

13 **Indemnification**. Axon will indemnify Agency's officers, directors, and employees ("**Agency Indemnitees**") against all claims, demands, losses, and reasonable expenses arising out of a third-party claim against an Agency Indemnitee resulting from any negligent act, error or omission, or willful misconduct by Axon under this Agreement, except to the extent of Agency's negligence or willful misconduct, or claims under workers compensation.

14 **IP Rights**. Axon owns and reserves all right, title, and interest in Axon devices and services and suggestions to Axon, including all related intellectual property rights. Agency will not cause any Axon proprietary rights to be violated.

15 **IP Indemnification**. Axon will indemnify Agency Indemnitees against all claims, losses, and reasonable expenses from any third-party claim alleging that the use of Axon Devices or Services infringes or misappropriates the third-party's intellectual property rights. Agency must promptly provide Axon with written notice of such claim, tender to Axon the defense or settlement of such claim at Axon's expense and cooperate fully with Axon in the defense or settlement of such claim. Axon's IP indemnification obligations do not apply to claims based on (a) modification of Axon Devices or Services by Agency or a third-party not approved by Axon; (b) use of Axon Devices and Services in combination with hardware or services not approved by Axon; (c) use of Axon Devices and Services other than as permitted in this Agreement; or (d) use of Axon software that is not the most current release provided by Axon.

16 **Agency Responsibilities**. Agency is responsible for (a) Agency's use of Axon Devices; (b) breach of this Agreement or violation of applicable law by Agency or an Agency end user; and (c) a dispute between Agency and a third-party over Agency's use of Axon Devices.

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17 Termination.

17.1 For Breach. A Party may terminate this Agreement for cause if it provides 30 days written notice of the breach to the other Party, and the breach remains uncured at the end of 30 days. If Agency terminates this Agreement due to Axon's uncured breach, Axon will refund prepaid amounts on a prorated basis based on the effective date of termination.

17.2 By Agency. If sufficient funds are not appropriated or otherwise legally available to pay the fees, Agency may terminate this Agreement. Agency will deliver notice of termination under this section as soon as reasonably practicable.

17.3 Effect of Termination. Upon termination of this Agreement, Agency rights immediately terminate. Agency remains responsible for all fees incurred before the effective date of termination. If Agency purchases Devices for less than the manufacturer's suggested retail price ("**MSRP**") and this Agreement terminates before the end of the Term, Axon will invoice Agency the difference between the MSRP for Devices received and amounts paid towards those Devices. Only if terminating for non-appropriation, Agency may return Devices to Axon within 30 days of termination. MSRP is the standalone price of the individual Device at the time of sale. For bundled Devices, MSRP is the standalone price of all individual components.

18 Confidentiality. "**Confidential Information**" means nonpublic information designated as confidential or, given the nature of the information or circumstances surrounding disclosure, should reasonably be understood to be confidential. Each Party will take reasonable measures to avoid disclosure, dissemination, or unauthorized use of the other Party's Confidential Information. Unless required by law, neither Party will disclose the other Party's Confidential Information during the Term and for 5-years thereafter. Axon pricing is Confidential Information and competition sensitive. If Agency is required by law to disclose Axon pricing, to the extent allowed by law, Agency will provide notice to Axon before disclosure. Axon may publicly announce information related to this Agreement.

19 General.

19.1 Force Majeure. Neither Party will be liable for any delay or failure to perform due to a cause beyond a Party's reasonable control.

19.2 Independent Contractors. The Parties are independent contractors. Neither Party has the authority to bind the other. This Agreement does not create a partnership, franchise, joint venture, agency, fiduciary, or employment relationship between the Parties.

19.3 Third-Party Beneficiaries. There are no third-party beneficiaries under this Agreement.

19.4 Non-Discrimination. Neither Party nor its employees will discriminate against any person based on race; religion; creed; color; sex; gender identity and expression; pregnancy; childbirth; breastfeeding; medical conditions related to pregnancy, childbirth, or breastfeeding; sexual orientation; marital status; age; national origin; ancestry; genetic information; disability; veteran status; or any class protected by local, state, or federal law.

19.5 Export Compliance. Each Party will comply with all import and export control laws and regulations.

19.6 Assignment. Neither Party may assign this Agreement without the other Party's prior written consent. Axon may assign this Agreement, its rights, or obligations without consent: (a) to an affiliate or subsidiary; or (b) for purposes of financing, merger, acquisition, corporate reorganization,

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or sale of all or substantially all its assets. This Agreement is binding upon the Parties respective successors and assigns.

19.7 **Waiver**. No waiver or delay by either Party in exercising any right under this Agreement constitutes a waiver of that right.

19.8 **Severability**. If a court of competent jurisdiction holds any portion of this Agreement invalid or unenforceable, the remaining portions of this Agreement will remain in effect.

19.9 **Survival**. The following sections will survive termination: Payment, Warranty, Device Warnings, Indemnification, IP Rights, and Agency Responsibilities.

19.10 **Governing Law**. The laws of the state where Agency is physically located, without reference to conflict of law rules, govern this Agreement and any dispute arising from it. The United Nations Convention for the International Sale of Goods does not apply to this Agreement.

19.11 **Notices**. All notices must be in English. Notices posted on Agency's Axon Evidence site are effective upon posting. Notices by email are effective on the sent date of the email. Notices by personal delivery are effective immediately. Contact information for notices:

Axon: Axon Enterprise, Inc.	Agency:
Attn: Legal	Attn:
17800 N. 85th Street	Street Address
Scottsdale, Arizona 85255	City, State, Zip
legal@axon.com	Email

19.12 **Entire Agreement**. This Agreement, including the Appendices and any SOW(s), represents the entire agreement between the Parties. This Agreement supersedes all prior agreements or understandings, whether written or verbal, regarding the subject matter of this Agreement. This Agreement may only be modified or amended in a writing signed by the Parties.

Each representative identified below declares they have been expressly authorized to execute this Agreement as of the date of signature.

Axon Enterprise, Inc.	**Agency**
Signature: _____	Signature: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

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Axon Cloud Services Terms of Use Appendix

1 **Definitions**.

"Agency Content" is data uploaded into, ingested by, or created in Axon Cloud Services within Agency's tenant, including media or multimedia uploaded into Axon Cloud Services by Agency. Agency Content includes Evidence but excludes Non-Content Data.

"**Evidence**" is media or multimedia uploaded into Axon Evidence as 'evidence' by an Agency. Evidence is a subset of Agency Content.

"**Non-Content Data**" is data, configuration, and usage information about Agency's Axon Cloud Services tenant, Axon Devices and client software, and users that is transmitted or generated when using Axon Devices. Non-Content Data includes data about users captured during account management and customer support activities. Non-Content Data does not include Agency Content.

"**Personal Data**" means any information relating to an identified or identifiable natural person. An identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person.

2 **Access**. Upon Axon granting Agency a subscription to Axon Cloud Services, Agency may access and use Axon Cloud Services to store and manage Agency Content. Agency may not exceed more end users than the Quote specifies. Axon Air requires an Axon Evidence subscription for each drone operator. For Axon Evidence Lite, Agency may access and use Axon Evidence only to store and manage TASER CEW and TASER CAM data ("**TASER Data**"). Agency may not upload non-TASER Data to Axon Evidence Lite.

3 **Agency Owns Agency Content**. Agency controls and owns all right, title, and interest in Agency Content. Except as outlined herein, Axon obtains no interest in Agency Content, and Agency Content are not business records of Axon. Agency is solely responsible for uploading, sharing, managing, and deleting Agency Content. Axon will have limited access to Agency Content solely for providing and supporting Axon Cloud Services to Agency and Agency end users.

4 **Security**. Axon will implement commercially reasonable and appropriate measures to secure Agency Content against accidental or unlawful loss, access or disclosure. Axon will maintain a comprehensive information security program to protect Axon Cloud Services and Agency Content including logical, physical access, vulnerability, risk, and configuration management; incident monitoring and response; encryption of uploaded digital evidence; security education; and data protection. Axon agrees to the Federal Bureau of Investigation Criminal Justice Information Services Security Addendum.

5 **Agency Responsibilities**. Agency is responsible for (a) ensuring Agency owns Agency Content; (b) ensuring no Agency Content or Agency end user's use of Agency Content or Axon Cloud Services violates this Agreement or applicable laws; and (c) maintaining necessary computer equipment and Internet connections for use of Axon Cloud Services. If Agency becomes aware of any violation of this Agreement by an end user, Agency will immediately terminate that end user's access to Axon

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Cloud Services.

Agency will also maintain the security of end user names and passwords and security and access by end users to Agency Content. Agency is responsible for ensuring the configuration and utilization of Axon Cloud Services meet applicable Agency regulation and standards. Agency may not sell, transfer, or sublicense access to any other entity or person. Agency shall contact Axon immediately if an unauthorized party may be using Agency's account or Agency Content, or if account information is lost or stolen.

6 **Privacy**. Axon will not disclose Agency Content or information about Agency except as compelled by a court or administrative body or required by law or regulation. If Axon receives a disclosure request for Agency Content, Axon will give Agency notice, unless legally prohibited from doing so, to allow Agency to file an objection with the court or administrative body. Agency agrees to allow Axon access to certain information from Agency to (a) perform troubleshooting services upon request or as part of regular diagnostic screening; (b) enforce this Agreement or policies governing the use of Axon Evidence; or (c) perform analytic and diagnostic evaluations of the systems.

7 **Axon Body 3 Wi-Fi Positioning**. Axon Body 3 cameras offers a feature to enhance location services where GPS/GNSS signals may not be available, for instance, within buildings or underground. Agency administrators can manage their choice to use this service within the administrative features of Axon Cloud Services. If Agency chooses to use this service, Axon must also enable the usage of the feature for Agency's Axon Cloud Services tenant. Agency will not see this option with Axon Cloud Services unless Axon has enabled Wi-Fi Positioning for Agency's Axon Cloud Services tenant. When Wi-Fi Positioning is enabled by both Axon and Agency, Non-Content and Personal Data will be sent to Skyhook Holdings, Inc. ("**Skyhook"**) to facilitate the Wi-Fi Positioning functionality. Data controlled by Skyhook is outside the scope of the Axon Cloud Services Privacy Policy and is subject to the Skyhook Services Privacy Policy.

8 **Storage**. For Axon Unlimited Device Storage subscriptions, Agency may store unlimited data in Agency's Axon Evidence account only if data originates from Axon Capture or the applicable Axon Device. Axon may charge Agency additional fees for exceeding purchased storage amounts. Axon may place Agency Content that Agency has not viewed or accessed for 6 months into archival storage. Agency Content in archival storage will not have immediate availability and may take up to 24 hours to access.

9 **Location of Storage**. Axon may transfer Agency Content to third-party subcontractors for storage. Axon will determine the locations of data centers for storage of Agency Content. For United States agencies, Axon will ensure all Agency Content stored in Axon Cloud Services remains within the United States. Ownership of Agency Content remains with Agency.

10 **Suspension**. Axon may temporarily suspend Agency's or any end user's right to access or use any portion or all of Axon Cloud Services immediately upon notice, if Agency or end user's use of or registration for Axon Cloud Services may (a) pose a security risk to Axon Cloud Services or any third-party; (b) adversely impact Axon Cloud Services , the systems, or content of any other customer; (c) subject Axon, Axon's affiliates, or any third-party to liability; or (d) be fraudulent.

Agency remains responsible for all fees incurred through suspension. Axon will not delete Agency

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Content because of suspension, except as specified in this Agreement.

11 **Axon Cloud Services Warranty**. Axon disclaims any warranties or responsibility for data corruption or errors before Agency uploads data to Axon Cloud Services.

12 **Axon Records**. Axon Records is the software-as-a-service product that is generally available at the time Agency purchases an OSP 7 bundle. During Agency's Axon Records Subscription Term, Agency will be entitled to receive Axon's Update and Upgrade releases on an if-and-when available basis.

An "**Update**" is a generally available release of Axon Records that Axon makes available from time to time. An "**Upgrade**" includes (i) new versions of Axon Records that enhance features and functionality, as solely determined by Axon; and/or (ii) new versions of Axon Records that provide additional features or perform additional functions. Upgrades exclude new products that Axon introduces and markets as distinct products or applications.

New or additional Axon products and applications, as well as any Axon professional services needed to configure Axon Records, are not included. If Agency purchases Axon Records as part of a bundled offering, the Axon Record subscription begins on the later of the (1) start date of that bundled offering, or (2) date Axon provisions Axon Records to Agency.

13 **Axon Cloud Services Restrictions**. Agency and Agency end users (including employees, contractors, agents, officers, volunteers, and directors), may not, or may not attempt to:

- **13.1** copy, modify, tamper with, repair, or create derivative works of any part of Axon Cloud Services;
- **13.2** reverse engineer, disassemble, or decompile Axon Cloud Services or apply any process to derive any source code included in Axon Cloud Services, or allow others to do the same;
- **13.3** access or use Axon Cloud Services with the intent to gain unauthorized access, avoid incurring fees or exceeding usage limits or quotas;
- **13.4** use trade secret information contained in Axon Cloud Services, except as expressly permitted in this Agreement;
- **13.5** access Axon Cloud Services to build a competitive device or service or copy any features, functions, or graphics of Axon Cloud Services;
- **13.6** remove, alter, or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon's or Axon's licensors on or within Axon Cloud Services; or
- **13.7** use Axon Cloud Services to store or transmit infringing, libelous, or other unlawful or tortious material; to store or transmit material in violation of third-party privacy rights; or to store or transmit malicious code.

14 **After Termination**. Axon will not delete Agency Content for 90-days following termination. There will be no functionality of Axon Cloud Services during these 90-days other than the ability to retrieve Agency Content. Agency will not incur additional fees if Agency downloads Agency Content from Axon Cloud Services during this time. Axon has no obligation to maintain or provide Agency Content after these 90-days and will thereafter, unless legally prohibited, delete all Agency Content. Upon request, Axon will provide written proof that Axon successfully deleted and fully removed all Agency Content from Axon Cloud Services.

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15 **Post-Termination Assistance**. Axon will provide Agency with the same post-termination data retrieval assistance that Axon generally makes available to all customers. Requests for Axon to provide additional assistance in downloading or transferring Agency Content, including requests for Axon's data egress service, will result in additional fees and Axon will not warrant or guarantee data integrity or readability in the external system.

16 **U.S. Government Rights**. If Agency is a U.S. Federal department or using Axon Cloud Services on behalf of a U.S. Federal department, Axon Cloud Services is provided as a "commercial item," "commercial computer software," "commercial computer software documentation," and "technical data", as defined in the Federal Acquisition Regulation and Defense Federal Acquisition Regulation Supplement. If Agency is using Axon Cloud Services on behalf of the U.S. Government and these terms fail to meet the U.S. Government's needs or are inconsistent in any respect with federal law, Agency will immediately discontinue use of Axon Cloud Services.

17 **Survival**. Upon any termination of this Agreement, the following sections in this Appendix will survive: Agency Owns Agency Content, Storage, Axon Cloud Services Warranty, and Axon Cloud Services Restrictions.

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Professional Services Appendix

1 **Utilization of Services**. Agency must use professional services as outlined in the Quote and this Appendix within 6 months of the Effective Date.

2 **Body-Worn Camera Full Service (BWC Full Service)**. BWC Full Service includes advance remote project planning and configuration support and up to 4 consecutive days of on-site service and a professional services manager to work with Agency to assess Agency's deployment and determine which on-site services are appropriate. If Agency requires more than 4 consecutive on-site days, Agency must purchase additional days. BWC Full Service options include:

System set up and configuration • Instructor-led setup of Axon View on smartphones (if applicable) • Configure categories and custom roles based on Agency need • Register cameras to Agency domain • Troubleshoot IT issues with Axon Evidence and Axon Dock ("**Dock**") access • One on-site session included
Dock configuration • Work with Agency to decide the ideal location of Docks and set configurations on Dock • Authenticate Dock with Axon Evidence using admin credentials from Agency • On-site assistance, not to include physical mounting of docks
Best practice implementation planning session • Provide considerations for the establishment of video policy and system operations best practices based on Axon's observations with other agencies • Discuss the importance of entering metadata in the field for organization purposes and other best practice for digital data management • Provide referrals of other agencies using the Axon camera devices and Axon Evidence • Recommend rollout plan based on review of shift schedules
System Admin and troubleshooting training sessions Step-by-step explanation and assistance for Agency's configuration of security, roles & permissions, categories & retention, and other specific settings for Axon Evidence
Axon instructor training (Train the Trainer) Training for Agency's in-house instructors who can support Agency's Axon camera and Axon Evidence training needs after Axon has fulfilled its contractual on-site obligations
Evidence sharing training Tailored workflow instruction for Investigative Units on sharing Cases and Evidence with local prosecuting agencies
End user go-live training and support sessions • Assistance with device set up and configuration • Training on device use, Axon Evidence, and Evidence Sync
Implementation document packet Axon Evidence administrator guides, camera implementation guides, network setup guide, sample policies, and categories & roles guide
Post go-live review

3 **Body-Worn Camera Starter Service (BWC Starter)**. BWC Starter includes advance remote project planning and configuration support and one day of on-site Services and a professional services manager to work closely with Agency to assess Agency's deployment and determine which Services

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are appropriate. If Agency requires more than 1 day of on-site Services, Agency must purchase additional on-site Services. The BWC Starter options include:

System set up and configuration (Remote Support) • Instructor-led setup of Axon View on smartphones (if applicable) • Configure categories & custom roles based on Agency need • Troubleshoot IT issues with Axon Evidence and Axon Dock ("**Dock**") access
Dock configuration • Work with Agency to decide the ideal location of Dock setup and set configurations on Dock • Authenticate Dock with Axon Evidence using "Administrator" credentials from Agency • Does not include physical mounting of docks
Axon instructor training (Train the Trainer) Training for Agency's in-house instructors who can support Agency's Axon camera and Axon Evidence training needs after Axon's has fulfilled its contracted on-site obligations
End user go-live training and support sessions • Assistance with device set up and configuration • Training on device use, Axon Evidence, and Evidence Sync
Implementation document packet Axon Evidence administrator guides, camera implementation guides, network setup guide, sample policies, and categories & roles guide

4 **Body-Worn Camera Virtual 1-Day Service (BWC Virtual)**. BWC Virtual includes all items in the BWC Starter Service Package, except one day of on-site services.

5 **CEW Services Packages**. CEW Services Packages are detailed below:

System set up and configuration • Configure Axon Evidence categories & custom roles based on Agency need. • Troubleshoot IT issues with Axon Evidence. • Register users and assign roles in Axon Evidence. • **For the CEW Full Service Package**: On-site assistance included • **For the CEW Starter Package**: Virtual assistance included
Dedicated Project Manager Assignment of specific Axon representative for all aspects of planning the rollout (Project Manager). Ideally, Project Manager will be assigned to Agency 4–6 weeks before rollout
Best practice implementation planning session to include: • Provide considerations for the establishment of CEW policy and system operations best practices based on Axon's observations with other agencies • Discuss the importance of entering metadata and best practices for digital data management • Provide referrals to other agencies using TASER CEWs and Axon Evidence • **For the CEW Full Service Package:** On-site assistance included • **For the CEW Starter Package:** Virtual assistance included
System Admin and troubleshooting training sessions On-site sessions providing a step-by-step explanation and assistance for Agency's configuration of security, roles & permissions, categories & retention, and other specific settings for Axon Evidence

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Axon Evidence Instructor training • Provide training on the Axon Evidence to educate instructors who can support Agency's subsequent Axon Evidence training needs. • **For the CEW Full Service Package:** Training for up to 3 individuals at Agency • **For the CEW Starter Package:** Training for up to 1 individual at Agency
TASER CEW inspection and device assignment Axon's on-site professional services team will perform functions check on all new TASER CEW Smart weapons and assign them to a user on Axon Evidence.
Post go-live review **For the CEW Full Service Package**: On-site assistance included. **For the CEW Starter Package**: Virtual assistance included.

6 **Smart Weapon Transition Service**. The Smart Weapon Transition Service includes:

Archival of CEW Firing Logs Axon's on-site professional services team will upload CEW firing logs to Axon Evidence from all TASER CEW Smart Weapons that Agency is replacing with newer Smart Weapon models.
Return of Old Weapons Axon's on-site professional service team will ship all old weapons back to Axon's headquarters. Axon will provide Agency with a Certificate of Destruction

*Note: CEW Full Service packages for TASER 7 include Smart Weapon Transition Service instead of 1-Day Device Specific Instructor Course.

7 **Signal Sidearm Installation Service**. If Agency purchases Signal Sidearm Installation Service, Axon will provide one day of on-site Services and one professional services manager and will cover the installation of up 100 Signal Sidearm devices per package purchased. Agency is responsible for providing an appropriate work area and ensuring all holsters that will have Signal Sidearm installed onto them are available on the agreed-upon installation date(s). Installation includes:

Removal of existing connection screws that affix a holster to a holster mount
Proper placement of the Signal Sidearm Mounting Plate between the holster and the mount
Reattachment of the holster to the mount using appropriate screws
Functional testing of Signal Sidearm device

8 **Out of Scope Services**. Axon is only responsible to perform the professional services described in the Quote and this Appendix. Any additional professional services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in the charges or schedule.

9 **Delivery of Services**. Axon personnel will work Monday through Friday, 8:30 a.m. to 5:30 p.m., except holidays. Axon will perform all on-site tasks over a consecutive timeframe. Axon will not charge Agency travel time by Axon personnel to Agency premises as work hours.

10 **Access Computer Systems to Perform Services**. Agency authorizes Axon to access relevant Agency computers and networks, solely for performing the Services. Axon will work to identify as soon as reasonably practicable resources and information Axon expects to use and will provide an initial itemized list to Agency. Agency is responsible for and assumes the risk of any problems,

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delays, losses, claims, or expenses resulting from the content, accuracy, completeness, and consistency of all data, materials, and information supplied by Agency.

11 **Site Preparation**. Axon will provide a hardcopy or digital copy of current user documentation for the Devices ("**User Documentation**"). User Documentation will include all required environmental specifications for the professional Services and Devices to operate per the Device User Documentation. Before installation of Devices (whether performed by Agency or Axon), Agency must prepare the location(s) where Devices are to be installed ("**Installation Site**") per the environmental specifications in the Device User Documentation. Following installation, Agency must maintain the Installation Site per the environmental specifications. If Axon modifies Device User Documentation for any Devices under this Agreement, Axon will provide the update to Agency when Axon generally releases it. If Axon modifies Device User Documentation for any Devices under this Agreement, Axon will provide the update to Agency when Axon generally releases it

12 **Acceptance**. When Axon completes professional Services, Axon will present an acceptance form ("**Acceptance Form**") to Agency. Agency will sign the Acceptance Form acknowledging completion. If Agency reasonably believes Axon did not complete the professional Services in substantial conformance with this Agreement, Agency must notify Axon in writing of the specific reasons for rejection within 7 calendar days from delivery of the Acceptance Form. Axon will address the issues and re-present the Acceptance Form for signature. If Axon does not receive the signed Acceptance Form or written notification of reasons for rejection within 7 calendar days of delivery of the Acceptance Form, Axon will deem Agency to have accepted the professional Services.

13 **Agency Network**. For work performed by Axon transiting or making use of Agency's network, Agency is solely responsible for maintenance and functionality of the network. In no event will Axon be liable for loss, damage, or corruption of Agency's network from any cause.

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Technology Assurance Plan Appendix

If Technology Assurance Plan ("**TAP**") or a bundle including TAP is on the Quote, this appendix applies.

1 **TAP Warranty**. The TAP warranty is an extended warranty that starts at the end of the 1-year Hardware Limited Warranty.

2 **Officer Safety Plan**. If Agency purchases an Officer Safety Plan ("**OSP**"), Agency will receive the deliverables detailed in the Quote. Agency must accept delivery of the TASER CEW and accessories as soon as available from Axon.

3 **OSP 7 Term**. OSP 7 begins after Axon ships the Axon Body 3 or TASER 7 hardware to Agency. If Axon ships in the first half of the month, OSP 7 starts the 1st of the following month. If Axon ships in the second half of the month, OSP 7 starts the 15th of the following month ("**OSP 7 Term**").

4 **TAP BWC Upgrade**. If Agency has no outstanding payment obligations and purchased TAP, Axon will provide Agency a new Axon body-worn camera ("**BWC Upgrade**") as scheduled in the Quote. If Agency purchased TAP Axon will provide a BWC Upgrade that is the same or like Device, at Axon's option. Axon makes no guarantee the BWC Upgrade will utilize the same accessories or Axon Dock.

5 **TAP Dock Upgrade**. If Agency has no outstanding payment obligations and purchased TAP, Axon will provide Agency a new Axon Dock as scheduled in the Quote ("**Dock Upgrade**"). Accessories associated with any Dock Upgrades are subject to change at Axon discretion. Dock Upgrades will only include a new Axon Dock bay configuration unless a new Axon Dock core is required for BWC compatibility. If Agency originally purchased a single-bay Axon Dock, the Dock Upgrade will be a single-bay Axon Dock model that is the same or like Device, at Axon's option. If Agency originally purchased a multi-bay Axon Dock, the Dock Upgrade will be a multi-bay Axon Dock that is the same or like Device, at Axon's option.

6 **Upgrade Delay**. Axon may ship the BWC and Dock Upgrades as scheduled in the Quote without prior confirmation from Agency unless the Parties agree in writing otherwise at least 90 days in advance. Axon may ship the final BWC and Dock Upgrade as scheduled in the Quote 60 days before the end of the Subscription Term without prior confirmation from Agency.

7 **Upgrade Change**. If Agency wants to change Device models for the offered BWC or Dock Upgrade, Agency must pay the price difference between the MSRP for the offered BWC or Dock Upgrade and the MSRP for the model desired. If the model Agency desires has an MSRP less than the MSRP of the offered BWC Upgrade or Dock Upgrade, Axon will not provide a refund. The MSRP is the MSRP in effect at the time of the upgrade.

8 **Return of Original Device**. Within 30 days of receiving a BWC or Dock Upgrade, Agency must return the original Devices to Axon or destroy the Devices and provide a certificate of destruction to Axon including serial numbers for the destroyed Devices. If Agency does not return or destroy the Devices, Axon will deactivate the serial numbers for the Devices received by Agency.

9 **Termination**. If Agency's payment for TAP, OSP, or Axon Evidence is more than 30 days past due, Axon may terminate TAP or OSP. Once TAP or OSP terminates for any reason:

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9.1 TAP and OSP coverage terminate as of the date of termination and no refunds will be given.

9.2 Axon will not and has no obligation to provide the Upgrade Models.

9.3 Agency must make any missed payments due to the termination before Agency may purchase any future TAP or OSP.

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TASER 7 Appendix

This TASER 7 Appendix applies to Agency's TASER 7, OSP 7, or OSP 7 Plus purchase from Axon.

1 **Duty Cartridge Replenishment Plan**. If the Quote includes "**Duty Cartridge Replenishment Plan**", Agency must purchase the plan for each CEW user. A CEW user includes officers that use a CEW in the line of duty and those that only use a CEW for training. Agency may not resell cartridges received. Axon will only replace cartridges used in the line of duty.

2 **Training**. If the Quote includes a training voucher, Agency must use the voucher within 1 year of issuance, or the voucher will be void. Axon will issue Agency a voucher annually beginning on the start of the TASER Subscription Term. The voucher has no cash value. Agency cannot exchange it for another device or service. Unless stated in the Quote, the voucher does not include travel expenses and will be Agency's responsibility. If the Quote includes Axon Online Training or Virtual Reality Content Empathy Development for Autism/Schizophrenia (collectively, "**Training Content**"), Agency may access Training Content. Axon will deliver all Training Content electronically.

3 **Extended Warranty**. If the Quote includes an extended warranty, the extended warranty coverage period warranty will be for a 5-year term, which includes the hardware manufacturer's warranty plus the 4-year extended term.

4 **Trade-in**. If the Quote contains a discount on CEW-related line items, including items related to OSP, then that discount may only be applied as a trade-in credit, and Agency must return used hardware and accessories associated with the discount ("**Trade-In Units**") to Axon. Agency must ship batteries via ground shipping. Axon will pay shipping costs of the return. If Axon does not receive Trade-In Units within the timeframe below, Axon will invoice Agency the value of the trade-in credit. Agency may not destroy Trade-In Units and receive a trade-in credit.

Agency Size	Days to Return from Start Date of TASER 7 Subscription
Less than 100 officers	30 days
100 to 499 officers	90 days
500+ officers	180 days

5 **TASER 7 Subscription Term**. The TASER 7 Subscription Term for a standalone TASER 7 purchase begins on shipment of the TASER 7 hardware. The TASER 7 Subscription Term for OSP 7 begins on the OSP 7 Start date.

6 **Access Rights**. Upon Axon granting Agency a TASER 7 Axon Evidence subscription, Agency may access and use Axon Evidence for the storage and management of data from TASER 7 CEW devices during the TASER 7 Subscription Term. Agency may not upload any non-TASER 7 data or any other files to Axon Evidence. Agency may not exceed the number of end users than the Quote specifies.

7 **Privacy.** Axon will not disclose Agency Content or any information about Agency except as compelled by a court or administrative body or required by any law or regulation. Axon will give notice if any disclosure request is received for Agency Content, so Agency may file an objection

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with the court or administrative body. Agency acknowledges and agrees that Axon may access Agency Content to: (a) perform troubleshooting services upon request or as part of Axon's maintenance or diagnostic screenings; (b) enforce this Agreement or policies governing use of Axon Evidence; (c) generate aggregated data, excluding information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual (collectively, "**PII**"), to improve, analyze, support, and operate Axon's current and future devices and services.

8 **Termination**. If payment for TASER 7 is more than 30 days past due, Axon may terminate Agency's TASER 7 plan by notifying Agency. Upon termination for any reason, then as of the date of termination:

8.1 TASER 7 extended warranties and access to Training Content will terminate. No refunds will be given.

8.2 Axon will invoice Agency the remaining MSRP for TASER 7 products received before termination. If terminating for non-appropriations, Axon will not invoice Agency if Agency returns the CEW, rechargeable battery, holster, dock, core, training suits, and unused cartridges to Axon within 30 days of the date of termination.

8.3 Agency will be responsible for payment of any missed payments due to the termination before being allowed to purchase any future TASER 7 plan.

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Axon Auto-Tagging Appendix

1 **Scope.** Axon Auto-Tagging consists of the development of a module to allow Axon Evidence to interact with Agency's Computer-Aided Dispatch ("**CAD**") or Records Management Systems ("**RMS**"). This allows end users to auto-populate Axon video meta-data with a case ID, category, and location-based on data maintained in Agency's CAD or RMS.

2 **Support**. For thirty days after completing Auto-Tagging Services, Axon will provide up to 5 hours of remote support at no additional charge. Axon will provide free support due to a change in Axon Evidence, so long as long as Agency maintains an Axon Evidence and Auto-Tagging subscription. Axon will not provide support if a change is required because Agency changes its CAD or RMS.

3 **Changes**. Axon is only responsible to perform the Services in this Appendix. Any additional Services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in fees or schedule.

4 **Agency Responsibilities**. Axon's performance of Auto-Tagging Services requires Agency to:

- **4.1** Make available relevant systems, including Agency's current CAD or RMS, for assessment by Axon (including remote access if possible);
- **4.2** Make required modifications, upgrades or alterations to Agency's hardware, facilities, systems and networks related to Axon's performance of Auto-Tagging Services;
- **4.3** Provide access to the premises where Axon is performing Auto-Tagging Services, subject to Agency safety and security restrictions, and allow Axon to enter and exit the premises with laptops and materials needed to perform Auto-Tagging Services;
- **4.4** Provide all infrastructure and software information (TCP/IP addresses, node names, network configuration) necessary for Axon to provide Auto-Tagging Services;
- **4.5** Promptly install and implement any software updates provided by Axon;
- **4.6** Ensure that all appropriate data backups are performed;
- **4.7** Provide assistance, participation, and approvals in testing Auto-Tagging Services;
- **4.8** Provide Axon with remote access to Agency's Axon Evidence account when required;
- **4.9** Notify Axon of any network or machine maintenance that may impact the performance of the module at Agency; and
- **4.10** Ensure reasonable availability of knowledgeable staff and personnel to provide timely, accurate, complete, and up-to-date documentation and information to Axon.

5 **Access to Systems**. Agency authorizes Axon to access Agency's relevant computers, network systems, and CAD or RMS solely for performing Auto-Tagging Services. Axon will work diligently to identify as soon as reasonably practicable resources and information Axon expects to use and will provide an initial list to Agency. Agency is responsible for and assumes the risk of any problems, delays, losses, claims, or expenses resulting from the content, accuracy, completeness, and consistency of all data, materials, and information supplied by Agency.

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Axon Fleet Appendix

1 **Agency Responsibilities**. Agency must ensure its infrastructure and vehicles adhere to the minimum requirements to operate Axon Fleet as established by Axon during the on-site assessment at Agency and in any technical qualifying questions. If Agency's representations are inaccurate, the Quote is subject to change.

2 **Cradlepoint**. If Agency purchases Cradlepoint Enterprise Cloud Manager, Agency will comply with Cradlepoint's end user license agreement. The term of the Cradlepoint license may differ from the Axon Evidence Subscription. Cradlepoint installation is outside the scope of this Agreement. If Agency requires Cradlepoint support, Agency will contact Cradlepoint directly.

3 **Third-party Installer**. Axon will not be liable for the failure of Axon Fleet hardware to operate per specifications if such failure results from installation not performed by, or as directed by Axon.

4 **Wireless Offload Server.**

4.1 **License Grant**. Axon grants Agency a non-exclusive, royalty-free, worldwide, perpetual license to use Wireless Offload Srever ("**WOS**"). "Use" means storing, loading, installing, or executing WOS solely for data communication with Axon Devices for the number of licenses purchased. The WOS term begins upon the start of the Axon Evidence Subscription.

4.2 **Restrictions**. Agency may not: (a) modify, alter, tamper with, repair, or create derivative works of WOS; (b) reverse engineer, disassemble, or decompile WOS, apply any process to derive the source code of WOS, or allow others to do so; (c) access or use WOS to avoid incurring fees or exceeding usage limits; (d) copy WOS in whole or part; (e) use trade secret information contained in WOS; (f) resell, rent, loan or sublicense WOS; (g) access WOS to build a competitive device or service or copy any features, functions or graphics of WOS; or (h) remove, alter or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon or Axon's licensors on or within WOS.

4.3 **Updates**. If Agency purchases WOS maintenance, Axon will make updates and error corrections to WOS ("**WOS Updates**") available electronically via the Internet or media as determined by Axon. Agency is responsible for establishing and maintaining adequate Internet access to receive WOS Updates and maintaining computer equipment necessary for use of WOS. The Quote will detail the maintenance term.

4.4 **WOS Support**. Upon request by Axon, Agency will provide Axon with access to Agency's store and forward servers solely for troubleshooting and maintenance.

5 **Axon Vehicle Software.**

5.1 **License Grant**. Axon grants Agency a non-exclusive, royalty-free, worldwide, perpetual license to use ViewXL or Dashboard (collectively, "Axon Vehicle Software".) "Use" means storing, loading, installing, or executing Axon Vehicle Software solely for data communication with Axon Devices. The Axon Vehicle Software term begins upon the start of the Axon Evidence Subscription.

5.2 **Restrictions**. Agency may not: (a) modify, alter, tamper with, repair, or create derivative works of Axon Vehicle Software; (b) reverse engineer, disassemble, or decompile Axon Vehicle Software, apply any process to derive the source code of Axon Vehicle Software, or allow others to do so; (c) access or use Axon Vehicle Software to avoid incurring fees or

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exceeding usage limits; (d) copy Axon Vehicle Software in whole or part; (e) use trade secret information contained in Axon Vehicle Software; (f) resell, rent, loan or sublicense Axon Vehicle Software; (g) access Axon Vehicle Software to build a competitive device or service or copy any features, functions or graphics of Axon Vehicle Software; or (h) remove, alter or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon or Axon's licensors on or within Axon Vehicle Software.

6 **Axon Fleet Unlimited Upgrade**. If Agency has no outstanding payment obligations and has purchased the Axon Fleet Technology Assurance Plan ("**Axon Fleet TAP**"), Axon will provide Agency with the same or like model of Axon Fleet hardware ("If Agency has no outstanding payment obligations and has purchased the "Fleet Technology Assurance Plan" ("**Axon Fleet TAP**"), Axon will provide Agency with the same or like model of Axon Fleet hardware ("**Axon Fleet Upgrade**") as schedule on the Quote") as schedule on the Quote

If Agency would like to change models for the Axon Fleet Upgrade, Agency must pay the difference between the MSRP for the offered Axon Fleet Upgrade and the MSRP for the model desired. The MSRP is the MSRP in effect at the time of the upgrade. Agency is responsible for the removal of previously installed hardware and installation of the Axon Fleet Upgrade.

Within 30 days of receiving the Axon Fleet Upgrade, Agency must return the original Devices to Axon or destroy the Devices and provide a certificate of destruction to Axon, including serial numbers of the destroyed Devices. If Agency does not destroy or return the Devices to Axon, Axon will deactivate the serial numbers for the Devices received by Agency.

7 **Privacy**. Privacy. Axon will not disclose Agency Content or any information about Agency except as compelled by a court or administrative body or required by any law or regulation. Axon will give notice if any disclosure request is received for Agency Content, so Agency may file an objection with the court or administrative body. Agency acknowledges and agrees that Axon may access Agency Content to: (a) perform troubleshooting services upon request or as part of Axon's maintenance or diagnostic screenings; (b) enforce this Agreement or policies governing use of Axon Evidence; (c) generate aggregated data, excluding information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual (collectively, "**PII**"), to improve, analyze, support, and operate Axon's current and future devices and services.

8 **Axon Fleet Unlimited Termination.** If Agency's payment for any Axon Fleet Unlimited program or Axon Evidence is more than 30 days past due, Axon may terminate Axon Fleet Unlimited. Once Axon Fleet Unlimited terminates for any reason, then:

8.1 Axon Fleet Subscription coverage terminates, and no refunds will be given.

8.2 Axon will not and has no obligation to provide the Axon Fleet Upgrade Models.

8.3 Agency will be responsible for payment of any missed payments due to the termination before being allowed to purchase any future Axon Fleet TAP.

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Axon Aware Appendix

This Axon Aware Appendix applies to both Axon Aware and Axon Aware Plus.

1 **Axon Aware Subscription Term**. If Agency purchases Axon Aware as part of a bundled offering, the Axon Aware subscription begins on the later of the (1) start date of that bundled offering, or (2) date Axon provisions Axon Aware to Agency.

If Agency purchases Axon Aware as a standalone, the Axon Aware subscription begins the later of the (1) date Axon provisions Axon Aware to Agency, or (2) first day of the month following the Effective Date.

The Axon Aware subscription term will end upon the completion of the Axon Evidence Subscription associated with Axon Aware.

2 **Scope of Axon Aware**. The scope of Axon Aware is to assist Agency with real-time situational awareness during critical incidents to improve officer safety, effectiveness, and awareness. In the event Agency uses Axon Aware outside this scope, Axon may initiate good-faith discussions with Agency on upgrading Agency's Axon Aware to better meet Agency's needs.

3 **LTE Requirements**. Axon Aware is only available and usable with an LTE enabled body-worn camera. Axon is not liable if Agency utilizes the LTE device outside of the coverage area or if the LTE carrier is unavailable. LTE coverage is only available in the United States, including any U.S. territories. Axon may utilize a carrier of Axon's choice to provide LTE service. Axon may change LTE carriers during the Term without Agency's consent.

4 **Axon Aware Service Limitations**. Agency acknowledges that LTE service is made available only within the operating range of the networks. Service may be temporarily refused, interrupted, or limited because of: (a) facilities limitations; (b) transmission limitations caused by atmospheric, terrain, other natural or artificial conditions adversely affecting transmission, weak batteries, system overcapacity, movement outside a service area or gaps in coverage in a service area and other causes reasonably outside of the carrier's control such as intentional or negligent acts of third parties that damage or impair the network or disrupt service; or (c) equipment modifications, upgrades, relocations, repairs, and other similar activities necessary for the proper or improved operation of service.

Partner networks are made available as-is and the carrier makes no warranties or representations as to the availability or quality of roaming service provided by carrier partners, and the carrier will not be liable in any capacity for any errors, outages, or failures of carrier partner networks. Agency expressly understands and agrees that it has no contractual relationship whatsoever with the underlying wireless service provider or its affiliates or contractors and Agency is not a third-party beneficiary of any agreement between Axon and the underlying carrier.

5 **Termination**. Upon termination of this Agreement, or if Agency stops paying for Axon Aware or bundles that include Axon Aware, Axon will end LTE service.

Add-on Services Appendix

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This Appendix applies to Axon Citizen for Communities, Axon Redaction Assistant, and Axon Performance.

1 **Subscription Term**. If Agency purchases Axon Citizen for Communities, Axon Redaction Assistant, or Axon Performance as part of OSP 7, the subscription begins on the later of the (1) start date of the OSP 7 Term, or (2) date Axon provisions Axon Citizen for Communities, Axon Redaction Assistant, or Axon Performance to Agency.

If Agency purchases Axon Citizen for Communities, Axon Redaction Assistant, or Axon Performance as a standalone, the subscription begins the later of the (1) date Axon provisions Axon Citizen for Communities, Axon Redaction Assistant, or Axon Performance to Agency, or (2) first day of the month following the Effective Date.

The subscription term will end upon the completion of the Axon Evidence Subscription associated with the add-on.

2 **Axon Citizen Storage**. For Axon Citizen, Agency may store an unlimited amount of data submitted through the public portal ("**Portal Content**"), within Agency's Axon Evidence instance. The post-termination provisions outlined in the Axon Cloud Services Terms of Use Appendix also apply to Portal Content.

3 **Performance Auto-Tagging Data**. In order to provide some features of Axon Performance to Agency, Axon will need to store call for service data from Agency's CAD or RMS.

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Axon Commander™ Software Appendix

1 **License**. Axon owns all executable instructions, images, icons, sound, and text in Commander. All rights are reserved to Axon. Axon grants a non-exclusive, royalty-free, worldwide right and license to use Commander. "Use" means storing, loading, installing, or executing Commander exclusively for data communication with an Axon Device. Agency may use Commander in a networked environment on computers other than the computer it installs Commander on, so long as each execution of Commander is for data communication with an Axon Device. Agency may make copies of Commander for archival purposes only. Agency shall retain all copyright, trademark, and proprietary notices in Commander on all copies or adaptations.

2 **Term**. The Quote will detail the duration of the Commander license, as well as any maintenance. The term will begin upon installation of Commander by Axon.

3 **License Restrictions**. All licenses will immediately terminate if Agency does not comply with any term of this Agreement. Agency may not use Commander for any purpose other than as expressly permitted by this Agreement. Agency may not:

3.1 modify, tamper with, repair, or otherwise create derivative works of Commander;
3.2 reverse engineer, disassemble, or decompile Commander or apply any process to derive the source code of Commander, or allow others to do the same;
3.3 access or use Commander to avoid incurring fees or exceeding usage limits or quotas;
3.4 copy Commander in whole or part, except as expressly permitted in this Agreement;
3.5 use trade secret information contained in Commander;
3.6 resell, rent, loan or sublicense Commander;
3.7 access Commander to build a competitive device or service or copy any features, functions, or graphics of Commander; or
3.8 remove, alter, or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon or Axon's licensors on or within Commander or any copies of Commander.

4 **Support**. Axon may make available updates and error corrections ("**Updates**") to Commander. Axon will provide Updates electronically via the Internet or media as determined by Axon. Agency is responsible for establishing and maintaining adequate access to the Internet to receive Updates. Agency is responsible for maintaining the computer equipment necessary to use Commander. Axon may provide technical support of a prior release/version of Commander for 6 months from when Axon made the subsequent release/version available.

5 **Termination**. Axon may terminate Agency's license immediately for Agency's failure to comply with any of the terms in this Agreement. Upon termination, Axon may disable Agency's right to login to Axon Commander.

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Axon Application Programming Interface Appendix

1 Definitions.

"**API Client**" means the software that acts as the interface between Agency's computer and the server, which is already developed or to be developed by Agency.

"**API Interface**" means software implemented by Agency to configure Agency's independent API Client Software to operate in conjunction with the API Service for Agency's authorized Use.

"**Axon Evidence Partner API, API or AXON API**" (collectively "**API Service**") means Axon's API which provides a programmatic means to access data in Agency's Axon Evidence account or integrate Agency's Axon Evidence account with other systems.

"**Use**" means any operation on Agency's data enabled by the supported API functionality.

2 Purpose and License.

2.1 Agency may use API Service and data made available through API Service, in connection with an API Client developed by Agency. Axon may monitor Agency's use of API Service to ensure quality, improve Axon devices and services, and verify compliance with this Agreement. Agency agrees to not interfere with such monitoring or obscure from Axon Agency's use of API Service. Agency will not use API Service for commercial use.

2.2 Axon grants Agency a non-exclusive, non-transferable, non-sublicensable, worldwide, revocable right and license during the Term to use API Service, solely for Agency's Use in connection with Agency's API Client.

2.3 Axon reserves the right to set limitations on Agency's use of the API Service, such as a quota on operations, to ensure stability and availability of Axon's API. Axon will use reasonable efforts to accommodate use beyond the designated limits.

3 Configuration. Agency will work independently to configure Agency's API Client with API Service for Agency's applicable Use. Agency will be required to provide certain information (such as identification or contact details) as part of the registration. Registration information provided to Axon must be accurate. Agency will inform Axon promptly of any updates. Upon Agency's registration, Axon will provide documentation outlining API Service information.

4 Agency Responsibilities. When using API Service, Agency and its end users may not:

4.1 use API Service in any way other than as expressly permitted under this Agreement;

4.2 use in any way that results in, or could result in, any security breach to Axon;

4.3 perform an action with the intent of introducing any viruses, worms, defect, Trojan horses, malware, or any items of a destructive nature to Axon Devices and Services;

4.4 interfere with, modify, disrupt or disable features or functionality of API Service or the servers or networks providing API Service;

4.5 reverse engineer, decompile, disassemble, or translate or attempt to extract the source code from API Service or any related software;

4.6 create an API Interface that functions substantially the same as API Service and offer it for use by third parties;

4.7 provide use of API Service on a service bureau, rental or managed services basis or permit other individuals or entities to create links to API Service;

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4.8 frame or mirror API Service on any other server, or wireless or Internet-based device;

4.9 make available to a third-party, any token, key, password or other login credentials to API Service;

4.10 take any action or inaction resulting in illegal, unauthorized or improper purposes; or disclose Axon's API manual.

5 **API Content**. All content related to API Service, other than Agency Content or Agency's API Client content, is considered Axon's API Content, including:

5.1 the design, structure and naming of API Service fields in all responses and requests;

5.2 the resources available within API Service for which Agency takes actions on, such as evidence, cases, users, or reports; and

5.3 the structure of and relationship of API Service resources; and

5.4 the design of API Service, in any part or as a whole.

6 **Prohibitions on API Content**. Neither Agency nor its end users will use API content returned from the API Interface to:

6.1 scrape, build databases, or otherwise create permanent copies of such content, or keep cached copies longer than permitted by the cache header;

6.2 copy, translate, modify, create a derivative work of, sell, lease, lend, convey, distribute, publicly display, or sublicense to any third-party;

6.3 misrepresent the source or ownership; or

6.4 remove, alter, or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices).

7 **API Updates**. Axon may update or modify the API Service from time to time ("**API Update**"). Agency is required to implement and use the most current version of API Service and to make any applicable changes to Agency's API Client required as a result of such API Update. API Updates may adversely affect how Agency's API Client access or communicate with API Service or the API Interface. Each API Client must contain means for Agency to update API Client to the most current version of API Service. Axon will provide support for 1 year following the release of an API Update for all depreciated API Service versions.

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Advanced User Management Appendix

1 **Scope**. Advanced User Management allows Agency to (a) utilize bulk user creation and management, (b) automate user creation and management through System for Cross-domain Identity Management ("**SCIM**"), and (c) automate group creation and management through SCIM.

2 **Advanced User Management Configuration**. Agency will work independently to configure Agency's Advanced User Management for Agency's applicable Use. Upon request, Axon will provide general guidance to Agency, including documentation that details the setup and configuration process.

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Axon Channel Services Appendix

1 **Definitions**.

"**Axon Digital Evidence Management System**" means Axon Evidence or Axon Commander, as specified in the attached Channel Services Statement of Work.

"**Active Channel**" means a third-party system that is continuously communicating with an Axon Digital Evidence Management System.

"**Inactive Channel**" means a third-party system that will have a one-time communication to an Axon Digital Evidence Management System.

2 **Scope**. Agency currently has a third-party system or data repository from which Agency desires to share data with Axon Digital Evidence Management. Axon will facilitate the transfer of Agency's third-party data into an Axon Digital Evidence Management System or the transfer of Agency data out of an Axon Digital Evidence Management System as defined in the Channel Services Statement of Work ("**Channel Services SOW**"). Channel Services will not delete any Agency Content. Agency is responsible for verifying all necessary data is migrated correctly and retained per Agency policy.

3 **Purpose and Use**. Agency is responsible for verifying Agency has the right to share data from and provide access to third-party system as it relates to the Services described in this Appendix and the Channel Services SOW. For Active Channels, Agency is responsible for any changes to a third-party system that may affect the functionality of the channel service. Any additional work required for the continuation of the Service may require additional fees. An Axon Field Engineer may require access to Agency's network and systems to perform the Services described in the Channel Services SOW. Agency is responsible for facilitating this access per all laws and policies applicable to Agency.

4 **Project Management**. Axon will assign a Project Manager to work closely with Agency's project manager and project team members and will be responsible for completing the tasks required to meet all contract deliverables on time and budget.

5 **Warranty.** Axon warrants that it will perform the Channel Services in a good and workmanlike manner.

6 **Monitoring**. Axon may monitor Agency's use of Channel Services to ensure quality, improve Axon devices and services, prepare invoices based on the total amount of data migrated, and verify compliance with this Agreement. Agency agrees not to interfere with such monitoring or obscure from Axon Agency's use of channel services.

7 **Agency's Responsibilities.** Axon's successful performance of the Channel Services requires Agency:

7.1 Make available its relevant systems for assessment by Axon (including making these systems available to Axon via remote access);

7.2 Provide access to the building facilities and where Axon is to perform the Channel Services, subject to safety and security restrictions imposed by the Agency (including providing security passes or other necessary documentation to Axon representatives performing the Channel Services permitting them to enter and exit Agency premises with laptop personal

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computers and any other materials needed to perform the Channel Services);

7.3 Provide all necessary infrastructure and software information (TCP/IP addresses, node names, and network configuration) for Axon to provide the Channel Services;

7.4 Ensure all appropriate data backups are performed;

7.5 Provide Axon with remote access to the Agency's network and third-party systems when required for Axon to perform the Channel Services;

7.6 Notify Axon of any network or machine maintenance that may impact the performance of the Channel Services; and

7.7 Ensure the reasonable availability by phone or email of knowledgeable staff, personnel, system administrators, and operators to provide timely, accurate, complete, and up-to-date documentation and information to Axon (these contacts are to provide background information and clarification of information required to perform the Channel Services).

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VIEVU Data Migration Appendix

1 **Scope**. Agency currently has legacy data in the VIEVU Solution from which Agency desires to move to Axon Evidence. Axon will work with Agency to copy legacy data from the VIEVU solution into Axon Evidence ("**Migration**"). Before Migration, Agency and Axon will work together to develop a Statement of Work ("**Migration SOW**") to detail all deliverables and responsibilities. The Migration will require the availability of Agency resources. Such resources will be identified in the SOW. On-site support during Migration is not required. Upon Agency's request, Axon will provide on-site support for an additional fee. Any request for on-site support will need to be pre-scheduled and is subject to Axon's resource availability.

A small amount of unexposed data related to system information will not be migrated from the VIEVU solution to Axon Evidence. Upon request, some of this data can be manually exported before Migration and provided to Agency. The Migration SOW will provide further detail.

2 **Changes**. Axon is only responsible to perform the Services described in this Appendix and Migration SOW. Any additional services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in the charges or schedule.

3 **Project Management**. Axon will assign a Project Manager to work closely with Agency's project manager and project team members and will be responsible for completing the tasks required to meet all contract deliverables on time and budget.

4 **Downtime**. There may be downtime during the Migration. The duration of the downtime will depend on the amount of data that Agency is migrating. Axon will work with Agency to minimize any downtime. Any VIEVU mobile application will need to be disabled upon Migration.

5 **Functionality Changes**. Due to device differences between the VIEVU solution and the Axon's Axon Evidence solution, there may be functionality gaps that will not allow for all migrated data to be displayed the same way in the user interface after Migration

6 **Acceptance**. Once the Migration is complete, Axon will notify Agency and an acceptance form. Agency is responsible for verifying that the scope of the project has been completed and all necessary data is migrated correctly and retained per Agency policy. Agency will have 90 days to provide Axon acceptance that the Migration was successful, or Axon will deem the Migration accepted.

In the event Agency does not accept the Migration, Agency agrees to notify the Axon within a reasonable time. Agency also agrees to allow Axon a reasonable time to resolve any issue. In the event Agency does not provide the Axon written rejection of the Migration during these 90 days, Agency may be charged for additional monthly storage costs. After Agency provides acceptance of the Migration, the Axon will delete all data from the VIEVU solution 90 days after the Migration.

7 **Post-Migration**. After Migration, the VIEVU solution may not be supported and updates may not be provided. Axon may end of life the VIEVU solution in the future. If Agency elects to maintain data within the VIEVU solution, Axon will provide Agency 90 days' notice before ending support for the

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VIEVU solution.

8 **Warranty.** Axon warrants that it will perform the Migration in a good and workmanlike manner.

9 **Monitoring**. Axon may monitor Agency's use of Migration to ensure quality, improve Axon devices and services, prepare invoices based on the total amount of data migrated, and verify compliance with this Agreement. Agency agrees not to interfere with such monitoring or obscure from Axon Agency's use of Migration.

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Axon Support Engineer Appendix

1 **Axon Support Engineer Payment.** Axon will invoice for Axon Support Engineer ("**ASE**") services, as outlined in the Quote, when the Axon Support Engineer commences work on-site at Agency.

2 **Full-Time ASE Scope of Services.**

2.1 A Full-Time ASE will work on-site four (4) days per week.

2.2 Agency's Axon sales representative and Axon's Agency Success team will work with Agency to define its support needs and ensure the Full-Time ASE has skills to align with those needs. There may be up to a 6-month waiting period before the Full-Time ASE can work on-site, depending upon Agency's needs and availability of a Full-Time ASE.

2.3 The purchase of Full-Time ASE Services includes 2 complimentary Axon Accelerate tickets per year of the Agreement, so long as the ASE has started work at Agency, and Agency is current on all payments for the Full-Time ASE Service.

The Full-Time ASE Service options are listed below:

Ongoing System Set-up and Configuration • Assisting with assigning cameras and registering docks • Maintaining Agency's Axon Evidence account • Connecting Agency to "Early Access" programs for new devices
Account Maintenance • Conducting on-site training on new features and devices for Agency leadership team(s) • Thoroughly documenting issues and workflows and suggesting new workflows to improve the effectiveness of the Axon program • Conducting weekly meetings to cover current issues and program status
Data Analysis • Providing on-demand Axon usage data to identify trends and insights for improving daily workflows • Comparing Agency's Axon usage and trends to peers to establish best practices • Proactively monitoring the health of Axon equipment and coordinating returns when needed
Direct Support • Providing on-site, tier 1 and tier 2 technical support for Axon devices • Proactively monitoring the health of Axon equipment • Creating and monitoring RMAs on-site • Providing Axon app support • Monitoring and testing new firmware and workflows before they are released to Agency's production environment
Agency Advocacy • Coordinating bi-annual voice of customer meetings with Axon's Device Management team • Recording and tracking Agency feature requests and major bugs

3 **Regional ASE Scope of Services**

3.1 A Regional ASE will work on-site for 3 consecutive days per quarter. Agency must schedule the on-site days at least 2 weeks in advance. The Regional ASE will also be available by phone and email during regular business hours up to 8 hours per week.

3.2 There may be up to a 6-month waiting period before Axon assigns a Regional ASE to Agency, depending upon the availability of a Regional ASE.

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3.3 The purchase of Regional ASE Services includes 2 complimentary Axon Accelerate tickets per year of the Agreement, so long as the ASE has started work at Agency and Agency is current on all payments for the Regional ASE Service.

The Regional ASE service options are listed below:

Account Maintenance • Conducting remote training on new features and devices for Agency's leadership • Thoroughly documenting issues and workflows and suggesting new workflows to improve the effectiveness of the Axon program • Conducting weekly conference calls to cover current issues and program status • Visiting Agency quarterly (up to 3 consecutive days) to perform a quarterly business review, discuss Agency's goals for your Axon program, and continue to ensure a successful deployment of Axon devices
Direct Support • Providing remote, tier 1 and tier 2 technical support for Axon devices • Creating and monitoring RMAs remotely
Data Analysis • Providing quarterly Axon usage data to identify trends and program efficiency opportunities • Comparing an Agency's Axon usage and trends to peers to establish best practices • Proactively monitoring the health of Axon equipment and coordinating returns when needed
Agency Advocacy • Coordinating bi-yearly Voice of Agency meetings with Device Management team • Recording and tracking Agency feature requests and major bugs

4 **Out of Scope Services.** The ASE is responsible to perform only the Services described in this Appendix. Any additional Services discussed or implied that are not defined explicitly in this Appendix will be considered out of the scope.

5 **ASE Leave Time**. The ASE will be allowed up 7 days of sick leave and up to 15 days of vacation time per each calendar year. The ASE will work with Agency to coordinate any time off and will provide Agency with at least 2 weeks' notice before utilizing any vacation days.

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Redaction Services Appendix

1 **Scope**. Each month of Axon Redaction Service, Agency may utilize up to the number of redacted videos included on the Quote, or the maximum number of hours, whichever comes first. In order to be considered one video, a video an Agency submits to Axon for redaction must be less than 1 hour. If a video is longer than 1 hour, it will be rounded up to the next hour. For example, if Agency submits a video for redaction and that video is 150 minutes, the video will be considered 3 hours. Agency may not rollover unused redactions and hours from one month to the next.

2 **Agency Responsibilities**.

2.1 **Access**. Agency will create an account for Axon within Agency's Axon Evidence tenant. Agency must provision Axon to have only permission to view and redact videos identified for redaction. Upon completion of work or on a periodic basis in alignment with Agency's policy, Agency must manage or disable Axon's access within Agency's Axon Evidence tenant.

2.2 **Policy**. Agency is responsible for providing Axon Agency's standard policy regarding redaction ("**Redaction Policy**"). The Redaction Policy should identify typical objects and audio that need to be redacted from video. Axon will redact videos per the Redaction Policy unless otherwise instructed in writing.

3 **Submission**. Agency will identify video for redaction and will submit requests to redactionservices@axon.com. Axon will redact the video according to the Redaction Policy within 72 hours. The redaction will be performed using Axon Evidence's Redaction Studio.

4 **Security**. Axon will use CJIS certified employees to perform all redaction services. Axon employees will perform all redactions in a CJIS compliant room.

5 **Acceptance of Redacted Video**. Upon completing the redaction, Axon will assign the redacted video to Agency. Agency will review the video within 5 business days of receipt and notify Axon of any required changes. If changes are necessary, Axon will perform such changes within 48 hours of notification. In the event Agency does not notify Axon of any requested changes within 5 business days of receipt of the redacted video, Axon will deem the redacted video accepted by Agency.

6 **Changes**. Axon is only responsible to perform the Services in this Appendix. Any additional Services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in fees or schedule.

Attachment: Axon Contract 010720 (Police Dept. Axon Enterprise Inc. Contract)

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AMENDMENT #1
TO
CONTRACT #010720-AXN

THIS AMENDMENT is by and between **Sourcewell** and **Axon Enterprise Inc.** (Vendor).

Vendor was awarded a Sourcewell Contract for Public Safety Video Surveillance Solutions with Related Equipment, Software and Accessories effective February 25, 2020, through February 21, 2024, relating to the provision of services by Vendor and to Sourcewell and its Members (Original Agreement).

The parties agree that certain terms within the Original Agreement will be updated and amended and only to the extent as hereunder provided.

IN CONSIDERATION OF the mutual covenants and agreements described in this Amendment, the parties agree as follows:

1. This Amendment is effective upon the date of the last signature below.

2. Vendor has updated its Master Services and Purchasing Agreement to Version 9.0, dated 4/17/20. All references to the Master Services and Purchasing Agreement should be read to mean Version 9.0, which is attached and incorporated.

Remainder of page intentionally left blank.

Attachment: Axon Contract 010720 (Police Dept. Axon Enterprise Inc. Contract)

Except as amended by this Amendment, the Original Agreement remains in full force and effect.

Sourcewell

DocuSigned by:
By: Jeremy Schwartz
C0FD2A139D06489...
Authorized Signature

Jeremy Schwartz
Name – Printed

Title: Director of Operations & Procurement/CPO

Date: 6/13/2020 | 11:32 PM CDT

Axon Enterprise Inc.

DocuSigned by:
By: Chris Kirby
A3368A04C8124A8...
Authorized Signature

Chris Kirby
Name – Printed

Title: VP, Sales

Date: 6/12/2020 | 4:27 PM CDT

Sourcewell–APPROVED:

DocuSigned by:
By: Chad Coauette
7E42B8F817A64CC...
Authorized Signature

Chad Coauette
Name – Printed

Title: Executive Director/CEO

Date: 6/14/2020 | 2:38 PM CDT

Attachment: Axon Contract 010720 (Police Dept. Axon Enterprise Inc. Contract)

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Master Services and Purchasing Agreement

This Master Services and Purchasing Agreement ("**Agreement**") is between Axon Enterprise, Inc., a Delaware corporation ("**Axon**"), and the agency on the Quote ("**Agency**"). This Agreement is effective as of the later of the (a) last signature date on this Agreement or (b) signature date on the Quote ("**Effective Date**"). Axon and Agency are each a "**Party**" and collectively "**Parties**". This Agreement governs Agency's purchase and use of the Axon Devices and Services detailed in the Quote Appendix ("**Quote**"). It is the intent of the Parties that this Agreement act as a master agreement governing all subsequent purchases by Agency for the same Axon products and services in the Quote, and all such subsequent quotes accepted by Agency shall be also incorporated into this Agreement by reference as a Quote. The Parties therefore agree as follows:

1 **Definitions**.

"**Axon Cloud Services**" means Axon's web services for Axon Evidence, Axon Records, Axon Dispatch, and interactions between Evidence.com and Axon Devices or Axon client software. Axon Cloud Service excludes third-party applications, hardware warranties, and my.evidence.com.

"**Axon Devices**" means all hardware provided by Axon under this Agreement.

"**Quote**" means an offer to sell and is only valid for devices and services on the quote at the specified prices. Any terms within Agency's purchase order in response to a Quote will be void. Orders are subject to prior credit approval. Changes in the deployment estimated ship date may change charges in the Quote. Shipping dates are estimates only. Axon is not responsible for typographical errors in any offer by Axon, and Axon reserves the right to cancel any orders resulting from such errors.

"**Services**" means all services provided by Axon under this Agreement, including software, Axon Cloud Services, and professional services.

2 **Term**. This Agreement begins on the Effective Date and continues until all subscriptions hereunder have expired or have been terminated ("**Term**").

All subscriptions including Axon Evidence, Axon Fleet, Officer Safety Plans, Technology Assurance Plans, and TASER 7 plans begin after shipment of the applicable Axon Device. If Axon ships the Device in the first half of the month, the start date is the 1st of the following month. If Axon ships the Device in the second half of the month, the start date is the 15th of the following month. For purchases solely of Axon Evidence subscriptions, the start date is the Effective Date. Each subscription term ends upon completion of the subscription stated in the Quote ("**Subscription Term**").

Upon completion of the Subscription Term, the Subscription Term will automatically renew for an additional 5 years ("**Renewal Term**"). For purchase of TASER 7 as a standalone, Axon may increase pricing to its then-current list pricing for any Renewal Term. For all other purchases, Axon may increase pricing on all line items in the Quote up to 3% at the beginning of each year of the Renewal Term. New devices and services may require additional terms. Axon will not authorize services until Axon receives a signed Quote or accepts a purchase order, whichever is first.

3 **Payment**. Axon invoices upon shipment. Payment is due net 30 days from the invoice date. Payment obligations are non-cancelable. Agency will pay invoices without setoff, deduction, or withholding. If Axon sends a past due account to collections, Agency is responsible for collection and attorneys' fees.

4 **Taxes**. Agency is responsible for sales and other taxes associated with the order unless Agency provides Axon a valid tax exemption certificate.

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5 **Shipping**. Axon may make partial shipments and ship Devices from multiple locations. All shipments are FOB shipping point via common carrier. Title and risk of loss pass to Agency upon Axon's delivery to the common carrier. Agency is responsible for any shipping charges in the Quote.

6 **Returns**. All sales are final. Axon does not allow refunds or exchanges, except warranty returns or as provided by state or federal law.

7 **Warranty**.

7.1 **Hardware Limited Warranty**. Axon warrants that Axon-manufactured Devices are free from defects in workmanship and materials for 1 year from the date of Agency's receipt, except Signal Sidearm, which Axon warrants for 30 months from the date of Agency's receipt. Axon warrants its Axon-manufactured accessories for 90-days from the date of Agency's receipt. Used conducted energy weapon ("**CEW**") cartridges are deemed to have operated properly. Extended warranties run from the expiration of the 1-year hardware warranty through the extended warranty term. Non-Axon manufactured Devices are not covered by Axon's warranty. Agency should contact the manufacturer for support of non-Axon manufactured Devices.

7.2 **Claims**. If Axon receives a valid warranty claim for an Axon manufactured Device during the warranty term, Axon's sole responsibility is to repair or replace the Device with the same or like Device, at Axon's option. A replacement Device will be new or like new. Axon will warrant the replacement Device for the longer of (a) the remaining warranty of the original Device or (b) 90-days from the date of repair or replacement.

If Agency exchanges a device or part, the replacement item becomes Agency's property, and the replaced item becomes Axon's property. Before delivering a Device for service, Agency must upload Device data to Axon Evidence or download it and retain a copy. Axon is not responsible for any loss of software, data, or other information contained in storage media or any part of the Device sent to Axon for service.

7.3 **Spare Devices**. Axon may provide Agency a predetermined number of spare Devices as detailed in the Quote ("**Spare Devices**"). Spare Devices will replace broken or non-functioning units. If Agency utilizes a Spare Device, Agency must return to Axon, through Axon's warranty return process, any broken or non-functioning units. Axon will repair or replace the unit with a replacement Device. Upon termination, Axon will invoice Agency the MSRP then in effect for all Spare Devices provided. If Agency returns the Spare Devices to Axon within 30 days of the invoice date, Axon will issue a credit and apply it against the invoice.

7.4 **Limitations**. Axon's warranty excludes damage related to: (a) failure to follow Device use instructions; (b) Devices used with equipment not manufactured or recommended by Axon; (c) abuse, misuse, or intentional damage to Device; (d) force majeure; (e) Devices repaired or modified by persons other than Axon without Axon's written permission; or (f) Devices with a defaced or removed serial number.

7.4.1 **To the extent permitted by law, the above warranties and remedies are exclusive. Axon disclaims all other warranties, remedies, and conditions, whether oral, written, statutory, or implied. If statutory or implied warranties cannot be lawfully disclaimed, then such warranties are limited to the duration of the warranty described above and by the provisions in this Agreement.**

7.4.2 **Axon's cumulative liability to any Party for any loss or damage resulting from any claim, demand, or action arising out of or relating to any Axon Device or Service will**

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not exceed the purchase price paid to Axon for the Device, or if for Services, the amount paid for such Services over the 12 months preceding the claim. Neither Party will be liable for direct, special, indirect, incidental, punitive or consequential damages, however caused, whether for breach of warranty or contract, negligence, strict liability, tort or any other legal theory.

8 **Statement of Work**. Certain Axon Devices and Services, including Axon Interview Room, Axon Channel Services, and Axon Fleet, may require a Statement of Work that details Axon's Service deliverables ("**SOW**"). In the event Axon provides an SOW to Agency, Axon is only responsible to perform Services described in the SOW. Additional services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in fees or schedule. The SOW is incorporated into this Agreement by reference.

9 **Device Warnings**. See www.axon.com/legal for the most current Axon device warnings.

10 **Design Changes**. Axon may make design changes to any Axon Device or Service without notifying Agency or making the same change to Devices and Services previously purchased by Agency.

11 **Bundled Offerings**. Some offerings in bundled offerings may not be generally available at the time of Agency's purchase. Axon will not provide a refund, credit, or additional discount beyond what is in the Quote due to a delay of availability or Agency's election not to utilize any portion of an Axon bundle.

12 **Insurance**. Axon will maintain General Liability, Workers' Compensation, and Automobile Liability insurance. Upon request, Axon will supply certificates of insurance.

13 **Indemnification**. Axon will indemnify Agency's officers, directors, and employees ("**Agency Indemnitees**") against all claims, demands, losses, and reasonable expenses arising out of a third-party claim against an Agency Indemnitee resulting from any negligent act, error or omission, or willful misconduct by Axon under this Agreement, except to the extent of Agency's negligence or willful misconduct, or claims under workers compensation.

14 **IP Rights**. Axon owns and reserves all right, title, and interest in Axon devices and services and suggestions to Axon, including all related intellectual property rights. Agency will not cause any Axon proprietary rights to be violated.

15 **IP Indemnification**. Axon will indemnify Agency Indemnitees against all claims, losses, and reasonable expenses from any third-party claim alleging that the use of Axon Devices or Services infringes or misappropriates the third-party's intellectual property rights. Agency must promptly provide Axon with written notice of such claim, tender to Axon the defense or settlement of such claim at Axon's expense and cooperate fully with Axon in the defense or settlement of such claim. Axon's IP indemnification obligations do not apply to claims based on (a) modification of Axon Devices or Services by Agency or a third-party not approved by Axon; (b) use of Axon Devices and Services in combination with hardware or services not approved by Axon; (c) use of Axon Devices and Services other than as permitted in this Agreement; or (d) use of Axon software that is not the most current release provided by Axon.

16 **Agency Responsibilities**. Agency is responsible for (a) Agency's use of Axon Devices; (b) breach of this Agreement or violation of applicable law by Agency or an Agency end user; and (c) a dispute between Agency and a third-party over Agency's use of Axon Devices.

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17 Termination.

17.1 For Breach. A Party may terminate this Agreement for cause if it provides 30 days written notice of the breach to the other Party, and the breach remains uncured at the end of 30 days. If Agency terminates this Agreement due to Axon's uncured breach, Axon will refund prepaid amounts on a prorated basis based on the effective date of termination.

17.2 By Agency. If sufficient funds are not appropriated or otherwise legally available to pay the fees, Agency may terminate this Agreement. Agency will deliver notice of termination under this section as soon as reasonably practicable.

17.3 Effect of Termination. Upon termination of this Agreement, Agency rights immediately terminate. Agency remains responsible for all fees incurred before the effective date of termination. If Agency purchases Devices for less than the manufacturer's suggested retail price ("**MSRP**") and this Agreement terminates before the end of the Term, Axon will invoice Agency the difference between the MSRP for Devices received and amounts paid towards those Devices. Only if terminating for non-appropriation, Agency may return Devices to Axon within 30 days of termination. MSRP is the standalone price of the individual Device at the time of sale. For bundled Devices, MSRP is the standalone price of all individual components.

18 Confidentiality. "**Confidential Information**" means nonpublic information designated as confidential or, given the nature of the information or circumstances surrounding disclosure, should reasonably be understood to be confidential. Each Party will take reasonable measures to avoid disclosure, dissemination, or unauthorized use of the other Party's Confidential Information. Unless required by law, neither Party will disclose the other Party's Confidential Information during the Term and for 5-years thereafter. Axon pricing is Confidential Information and competition sensitive. If Agency is required by law to disclose Axon pricing, to the extent allowed by law, Agency will provide notice to Axon before disclosure. Axon may publicly announce information related to this Agreement.

19 General.

19.1 Force Majeure. Neither Party will be liable for any delay or failure to perform due to a cause beyond a Party's reasonable control.

19.2 Independent Contractors. The Parties are independent contractors. Neither Party has the authority to bind the other. This Agreement does not create a partnership, franchise, joint venture, agency, fiduciary, or employment relationship between the Parties.

19.3 Third-Party Beneficiaries. There are no third-party beneficiaries under this Agreement.

19.4 Non-Discrimination. Neither Party nor its employees will discriminate against any person based on race; religion; creed; color; sex; gender identity and expression; pregnancy; childbirth; breastfeeding; medical conditions related to pregnancy, childbirth, or breastfeeding; sexual orientation; marital status; age; national origin; ancestry; genetic information; disability; veteran status; or any class protected by local, state, or federal law.

19.5 Export Compliance. Each Party will comply with all import and export control laws and regulations.

19.6 Assignment. Neither Party may assign this Agreement without the other Party's prior written consent. Axon may assign this Agreement, its rights, or obligations without consent: (a) to an affiliate or subsidiary; or (b) for purposes of financing, merger, acquisition, corporate reorganization,

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or sale of all or substantially all its assets. This Agreement is binding upon the Parties respective successors and assigns.

19.7 **Waiver**. No waiver or delay by either Party in exercising any right under this Agreement constitutes a waiver of that right.

19.8 **Severability**. If a court of competent jurisdiction holds any portion of this Agreement invalid or unenforceable, the remaining portions of this Agreement will remain in effect.

19.9 **Survival**. The following sections will survive termination: Payment, Warranty, Device Warnings, Indemnification, IP Rights, and Agency Responsibilities.

19.10 **Governing Law**. The laws of the state where Agency is physically located, without reference to conflict of law rules, govern this Agreement and any dispute arising from it. The United Nations Convention for the International Sale of Goods does not apply to this Agreement.

19.11 **Notices**. All notices must be in English. Notices posted on Agency's Axon Evidence site are effective upon posting. Notices by email are effective on the sent date of the email. Notices by personal delivery are effective immediately. Contact information for notices:

Axon: Axon Enterprise, Inc.	Agency:
Attn: Legal	Attn:
17800 N. 85th Street	Street Address
Scottsdale, Arizona 85255	City, State, Zip
legal@axon.com	Email

19.12 **Entire Agreement**. This Agreement, including the Appendices and any SOW(s), represents the entire agreement between the Parties. This Agreement supersedes all prior agreements or understandings, whether written or verbal, regarding the subject matter of this Agreement. This Agreement may only be modified or amended in a writing signed by the Parties.

Each representative identified below declares they have been expressly authorized to execute this Agreement as of the date of signature.

Axon Enterprise, Inc.	**Agency**
Signature: _____	Signature: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

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Axon Cloud Services Terms of Use Appendix

1 **Definitions**.

"Agency Content" is data uploaded into, ingested by, or created in Axon Cloud Services within Agency's tenant, including media or multimedia uploaded into Axon Cloud Services by Agency. Agency Content includes Evidence but excludes Non-Content Data.

"**Evidence**" is media or multimedia uploaded into Axon Evidence as 'evidence' by an Agency. Evidence is a subset of Agency Content.

"**Non-Content Data**" is data, configuration, and usage information about Agency's Axon Cloud Services tenant, Axon Devices and client software, and users that is transmitted or generated when using Axon Devices. Non-Content Data includes data about users captured during account management and customer support activities. Non-Content Data does not include Agency Content.

"**Personal Data**" means any information relating to an identified or identifiable natural person. An identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person.

2 **Access**. Upon Axon granting Agency a subscription to Axon Cloud Services, Agency may access and use Axon Cloud Services to store and manage Agency Content. Agency may not exceed more end users than the Quote specifies. Axon Air requires an Axon Evidence subscription for each drone operator. For Axon Evidence Lite, Agency may access and use Axon Evidence only to store and manage TASER CEW and TASER CAM data ("**TASER Data**"). Agency may not upload non-TASER Data to Axon Evidence Lite.

3 **Agency Owns Agency Content**. Agency controls and owns all right, title, and interest in Agency Content. Except as outlined herein, Axon obtains no interest in Agency Content, and Agency Content are not business records of Axon. Agency is solely responsible for uploading, sharing, managing, and deleting Agency Content. Axon will have limited access to Agency Content solely for providing and supporting Axon Cloud Services to Agency and Agency end users.

4 **Security**. Axon will implement commercially reasonable and appropriate measures to secure Agency Content against accidental or unlawful loss, access or disclosure. Axon will maintain a comprehensive information security program to protect Axon Cloud Services and Agency Content including logical, physical access, vulnerability, risk, and configuration management; incident monitoring and response; encryption of uploaded digital evidence; security education; and data protection. Axon agrees to the Federal Bureau of Investigation Criminal Justice Information Services Security Addendum.

5 **Agency Responsibilities**. Agency is responsible for (a) ensuring Agency owns Agency Content; (b) ensuring no Agency Content or Agency end user's use of Agency Content or Axon Cloud Services violates this Agreement or applicable laws; and (c) maintaining necessary computer equipment and Internet connections for use of Axon Cloud Services. If Agency becomes aware of any violation of this Agreement by an end user, Agency will immediately terminate that end user's access to Axon

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Cloud Services.

Agency will also maintain the security of end user names and passwords and security and access by end users to Agency Content. Agency is responsible for ensuring the configuration and utilization of Axon Cloud Services meet applicable Agency regulation and standards. Agency may not sell, transfer, or sublicense access to any other entity or person. Agency shall contact Axon immediately if an unauthorized party may be using Agency's account or Agency Content, or if account information is lost or stolen.

6 **Privacy**. Axon will not disclose Agency Content or information about Agency except as compelled by a court or administrative body or required by law or regulation. If Axon receives a disclosure request for Agency Content, Axon will give Agency notice, unless legally prohibited from doing so, to allow Agency to file an objection with the court or administrative body. Agency agrees to allow Axon access to certain information from Agency to (a) perform troubleshooting services upon request or as part of regular diagnostic screening; (b) enforce this Agreement or policies governing the use of Axon Evidence; or (c) perform analytic and diagnostic evaluations of the systems.

7 **Axon Body 3 Wi-Fi Positioning**. Axon Body 3 cameras offers a feature to enhance location services where GPS/GNSS signals may not be available, for instance, within buildings or underground. Agency administrators can manage their choice to use this service within the administrative features of Axon Cloud Services. If Agency chooses to use this service, Axon must also enable the usage of the feature for Agency's Axon Cloud Services tenant. Agency will not see this option with Axon Cloud Services unless Axon has enabled Wi-Fi Positioning for Agency's Axon Cloud Services tenant. When Wi-Fi Positioning is enabled by both Axon and Agency, Non-Content and Personal Data will be sent to Skyhook Holdings, Inc. ("**Skyhook"**) to facilitate the Wi-Fi Positioning functionality. Data controlled by Skyhook is outside the scope of the Axon Cloud Services Privacy Policy and is subject to the Skyhook Services Privacy Policy.

8 **Storage**. For Axon Unlimited Device Storage subscriptions, Agency may store unlimited data in Agency's Axon Evidence account only if data originates from Axon Capture or the applicable Axon Device. Axon may charge Agency additional fees for exceeding purchased storage amounts. Axon may place Agency Content that Agency has not viewed or accessed for 6 months into archival storage. Agency Content in archival storage will not have immediate availability and may take up to 24 hours to access.

9 **Location of Storage**. Axon may transfer Agency Content to third-party subcontractors for storage. Axon will determine the locations of data centers for storage of Agency Content. For United States agencies, Axon will ensure all Agency Content stored in Axon Cloud Services remains within the United States. Ownership of Agency Content remains with Agency.

10 **Suspension**. Axon may temporarily suspend Agency's or any end user's right to access or use any portion or all of Axon Cloud Services immediately upon notice, if Agency or end user's use of or registration for Axon Cloud Services may (a) pose a security risk to Axon Cloud Services or any third-party; (b) adversely impact Axon Cloud Services , the systems, or content of any other customer; (c) subject Axon, Axon's affiliates, or any third-party to liability; or (d) be fraudulent.

Agency remains responsible for all fees incurred through suspension. Axon will not delete Agency

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Content because of suspension, except as specified in this Agreement.

11 **Axon Cloud Services Warranty**. Axon disclaims any warranties or responsibility for data corruption or errors before Agency uploads data to Axon Cloud Services.

12 **Axon Records**. Axon Records is the software-as-a-service product that is generally available at the time Agency purchases an OSP 7 bundle. During Agency's Axon Records Subscription Term, Agency will be entitled to receive Axon's Update and Upgrade releases on an if-and-when available basis.

An "**Update**" is a generally available release of Axon Records that Axon makes available from time to time. An "**Upgrade**" includes (i) new versions of Axon Records that enhance features and functionality, as solely determined by Axon; and/or (ii) new versions of Axon Records that provide additional features or perform additional functions. Upgrades exclude new products that Axon introduces and markets as distinct products or applications.

New or additional Axon products and applications, as well as any Axon professional services needed to configure Axon Records, are not included. If Agency purchases Axon Records as part of a bundled offering, the Axon Record subscription begins on the later of the (1) start date of that bundled offering, or (2) date Axon provisions Axon Records to Agency.

13 **Axon Cloud Services Restrictions**. Agency and Agency end users (including employees, contractors, agents, officers, volunteers, and directors), may not, or may not attempt to:

- **13.1** copy, modify, tamper with, repair, or create derivative works of any part of Axon Cloud Services;
- **13.2** reverse engineer, disassemble, or decompile Axon Cloud Services or apply any process to derive any source code included in Axon Cloud Services, or allow others to do the same;
- **13.3** access or use Axon Cloud Services with the intent to gain unauthorized access, avoid incurring fees or exceeding usage limits or quotas;
- **13.4** use trade secret information contained in Axon Cloud Services, except as expressly permitted in this Agreement;
- **13.5** access Axon Cloud Services to build a competitive device or service or copy any features, functions, or graphics of Axon Cloud Services;
- **13.6** remove, alter, or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon's or Axon's licensors on or within Axon Cloud Services; or
- **13.7** use Axon Cloud Services to store or transmit infringing, libelous, or other unlawful or tortious material; to store or transmit material in violation of third-party privacy rights; or to store or transmit malicious code.

14 **After Termination**. Axon will not delete Agency Content for 90-days following termination. There will be no functionality of Axon Cloud Services during these 90-days other than the ability to retrieve Agency Content. Agency will not incur additional fees if Agency downloads Agency Content from Axon Cloud Services during this time. Axon has no obligation to maintain or provide Agency Content after these 90-days and will thereafter, unless legally prohibited, delete all Agency Content. Upon request, Axon will provide written proof that Axon successfully deleted and fully removed all Agency Content from Axon Cloud Services.

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15 **Post-Termination Assistance**. Axon will provide Agency with the same post-termination data retrieval assistance that Axon generally makes available to all customers. Requests for Axon to provide additional assistance in downloading or transferring Agency Content, including requests for Axon's data egress service, will result in additional fees and Axon will not warrant or guarantee data integrity or readability in the external system.

16 **U.S. Government Rights**. If Agency is a U.S. Federal department or using Axon Cloud Services on behalf of a U.S. Federal department, Axon Cloud Services is provided as a "commercial item," "commercial computer software," "commercial computer software documentation," and "technical data", as defined in the Federal Acquisition Regulation and Defense Federal Acquisition Regulation Supplement. If Agency is using Axon Cloud Services on behalf of the U.S. Government and these terms fail to meet the U.S. Government's needs or are inconsistent in any respect with federal law, Agency will immediately discontinue use of Axon Cloud Services.

17 **Survival**. Upon any termination of this Agreement, the following sections in this Appendix will survive: Agency Owns Agency Content, Storage, Axon Cloud Services Warranty, and Axon Cloud Services Restrictions.

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Professional Services Appendix

1 **Utilization of Services**. Agency must use professional services as outlined in the Quote and this Appendix within 6 months of the Effective Date.

2 **Body-Worn Camera Full Service (BWC Full Service)**. BWC Full Service includes advance remote project planning and configuration support and up to 4 consecutive days of on-site service and a professional services manager to work with Agency to assess Agency's deployment and determine which on-site services are appropriate. If Agency requires more than 4 consecutive on-site days, Agency must purchase additional days. BWC Full Service options include:

System set up and configuration • Instructor-led setup of Axon View on smartphones (if applicable) • Configure categories and custom roles based on Agency need • Register cameras to Agency domain • Troubleshoot IT issues with Axon Evidence and Axon Dock ("**Dock**") access • One on-site session included
Dock configuration • Work with Agency to decide the ideal location of Docks and set configurations on Dock • Authenticate Dock with Axon Evidence using admin credentials from Agency • On-site assistance, not to include physical mounting of docks
Best practice implementation planning session • Provide considerations for the establishment of video policy and system operations best practices based on Axon's observations with other agencies • Discuss the importance of entering metadata in the field for organization purposes and other best practice for digital data management • Provide referrals of other agencies using the Axon camera devices and Axon Evidence • Recommend rollout plan based on review of shift schedules
System Admin and troubleshooting training sessions Step-by-step explanation and assistance for Agency's configuration of security, roles & permissions, categories & retention, and other specific settings for Axon Evidence
Axon instructor training (Train the Trainer) Training for Agency's in-house instructors who can support Agency's Axon camera and Axon Evidence training needs after Axon has fulfilled its contractual on-site obligations
Evidence sharing training Tailored workflow instruction for Investigative Units on sharing Cases and Evidence with local prosecuting agencies
End user go-live training and support sessions • Assistance with device set up and configuration • Training on device use, Axon Evidence, and Evidence Sync
Implementation document packet Axon Evidence administrator guides, camera implementation guides, network setup guide, sample policies, and categories & roles guide
Post go-live review

3 **Body-Worn Camera Starter Service (BWC Starter)**. BWC Starter includes advance remote project planning and configuration support and one day of on-site Services and a professional services manager to work closely with Agency to assess Agency's deployment and determine which Services

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are appropriate. If Agency requires more than 1 day of on-site Services, Agency must purchase additional on-site Services. The BWC Starter options include:

System set up and configuration (Remote Support) • Instructor-led setup of Axon View on smartphones (if applicable) • Configure categories & custom roles based on Agency need • Troubleshoot IT issues with Axon Evidence and Axon Dock ("**Dock**") access
Dock configuration • Work with Agency to decide the ideal location of Dock setup and set configurations on Dock • Authenticate Dock with Axon Evidence using "Administrator" credentials from Agency • Does not include physical mounting of docks
Axon instructor training (Train the Trainer) Training for Agency's in-house instructors who can support Agency's Axon camera and Axon Evidence training needs after Axon's has fulfilled its contracted on-site obligations
End user go-live training and support sessions • Assistance with device set up and configuration • Training on device use, Axon Evidence, and Evidence Sync
Implementation document packet Axon Evidence administrator guides, camera implementation guides, network setup guide, sample policies, and categories & roles guide

4 **Body-Worn Camera Virtual 1-Day Service (BWC Virtual)**. BWC Virtual includes all items in the BWC Starter Service Package, except one day of on-site services.

5 **CEW Services Packages**. CEW Services Packages are detailed below:

System set up and configuration • Configure Axon Evidence categories & custom roles based on Agency need. • Troubleshoot IT issues with Axon Evidence. • Register users and assign roles in Axon Evidence. • **For the CEW Full Service Package**: On-site assistance included • **For the CEW Starter Package**: Virtual assistance included
Dedicated Project Manager Assignment of specific Axon representative for all aspects of planning the rollout (Project Manager). Ideally, Project Manager will be assigned to Agency 4–6 weeks before rollout
Best practice implementation planning session to include: • Provide considerations for the establishment of CEW policy and system operations best practices based on Axon's observations with other agencies • Discuss the importance of entering metadata and best practices for digital data management • Provide referrals to other agencies using TASER CEWs and Axon Evidence • **For the CEW Full Service Package:** On-site assistance included • **For the CEW Starter Package:** Virtual assistance included
System Admin and troubleshooting training sessions On-site sessions providing a step-by-step explanation and assistance for Agency's configuration of security, roles & permissions, categories & retention, and other specific settings for Axon Evidence

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Axon Evidence Instructor training • Provide training on the Axon Evidence to educate instructors who can support Agency's subsequent Axon Evidence training needs. • **For the CEW Full Service Package:** Training for up to 3 individuals at Agency • **For the CEW Starter Package:** Training for up to 1 individual at Agency
TASER CEW inspection and device assignment Axon's on-site professional services team will perform functions check on all new TASER CEW Smart weapons and assign them to a user on Axon Evidence.
Post go-live review **For the CEW Full Service Package**: On-site assistance included. **For the CEW Starter Package**: Virtual assistance included.

6 **Smart Weapon Transition Service**. The Smart Weapon Transition Service includes:

Archival of CEW Firing Logs Axon's on-site professional services team will upload CEW firing logs to Axon Evidence from all TASER CEW Smart Weapons that Agency is replacing with newer Smart Weapon models.
Return of Old Weapons Axon's on-site professional service team will ship all old weapons back to Axon's headquarters. Axon will provide Agency with a Certificate of Destruction

*Note: CEW Full Service packages for TASER 7 include Smart Weapon Transition Service instead of 1-Day Device Specific Instructor Course.

7 **Signal Sidearm Installation Service**. If Agency purchases Signal Sidearm Installation Service, Axon will provide one day of on-site Services and one professional services manager and will cover the installation of up 100 Signal Sidearm devices per package purchased. Agency is responsible for providing an appropriate work area and ensuring all holsters that will have Signal Sidearm installed onto them are available on the agreed-upon installation date(s). Installation includes:

Removal of existing connection screws that affix a holster to a holster mount
Proper placement of the Signal Sidearm Mounting Plate between the holster and the mount
Reattachment of the holster to the mount using appropriate screws
Functional testing of Signal Sidearm device

8 **Out of Scope Services**. Axon is only responsible to perform the professional services described in the Quote and this Appendix. Any additional professional services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in the charges or schedule.

9 **Delivery of Services**. Axon personnel will work Monday through Friday, 8:30 a.m. to 5:30 p.m., except holidays. Axon will perform all on-site tasks over a consecutive timeframe. Axon will not charge Agency travel time by Axon personnel to Agency premises as work hours.

10 **Access Computer Systems to Perform Services**. Agency authorizes Axon to access relevant Agency computers and networks, solely for performing the Services. Axon will work to identify as soon as reasonably practicable resources and information Axon expects to use and will provide an initial itemized list to Agency. Agency is responsible for and assumes the risk of any problems,

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delays, losses, claims, or expenses resulting from the content, accuracy, completeness, and consistency of all data, materials, and information supplied by Agency.

11 **Site Preparation**. Axon will provide a hardcopy or digital copy of current user documentation for the Devices ("**User Documentation**"). User Documentation will include all required environmental specifications for the professional Services and Devices to operate per the Device User Documentation. Before installation of Devices (whether performed by Agency or Axon), Agency must prepare the location(s) where Devices are to be installed ("**Installation Site**") per the environmental specifications in the Device User Documentation. Following installation, Agency must maintain the Installation Site per the environmental specifications. If Axon modifies Device User Documentation for any Devices under this Agreement, Axon will provide the update to Agency when Axon generally releases it. If Axon modifies Device User Documentation for any Devices under this Agreement, Axon will provide the update to Agency when Axon generally releases it

12 **Acceptance**. When Axon completes professional Services, Axon will present an acceptance form ("**Acceptance Form**") to Agency. Agency will sign the Acceptance Form acknowledging completion. If Agency reasonably believes Axon did not complete the professional Services in substantial conformance with this Agreement, Agency must notify Axon in writing of the specific reasons for rejection within 7 calendar days from delivery of the Acceptance Form. Axon will address the issues and re-present the Acceptance Form for signature. If Axon does not receive the signed Acceptance Form or written notification of reasons for rejection within 7 calendar days of delivery of the Acceptance Form, Axon will deem Agency to have accepted the professional Services.

13 **Agency Network**. For work performed by Axon transiting or making use of Agency's network, Agency is solely responsible for maintenance and functionality of the network. In no event will Axon be liable for loss, damage, or corruption of Agency's network from any cause.

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Technology Assurance Plan Appendix

If Technology Assurance Plan ("**TAP**") or a bundle including TAP is on the Quote, this appendix applies.

1 **TAP Warranty**. The TAP warranty is an extended warranty that starts at the end of the 1-year Hardware Limited Warranty.

2 **Officer Safety Plan**. If Agency purchases an Officer Safety Plan ("**OSP**"), Agency will receive the deliverables detailed in the Quote. Agency must accept delivery of the TASER CEW and accessories as soon as available from Axon.

3 **OSP 7 Term**. OSP 7 begins after Axon ships the Axon Body 3 or TASER 7 hardware to Agency. If Axon ships in the first half of the month, OSP 7 starts the 1st of the following month. If Axon ships in the second half of the month, OSP 7 starts the 15th of the following month ("**OSP 7 Term**").

4 **TAP BWC Upgrade**. If Agency has no outstanding payment obligations and purchased TAP, Axon will provide Agency a new Axon body-worn camera ("**BWC Upgrade**") as scheduled in the Quote. If Agency purchased TAP Axon will provide a BWC Upgrade that is the same or like Device, at Axon's option. Axon makes no guarantee the BWC Upgrade will utilize the same accessories or Axon Dock.

5 **TAP Dock Upgrade**. If Agency has no outstanding payment obligations and purchased TAP, Axon will provide Agency a new Axon Dock as scheduled in the Quote ("**Dock Upgrade**"). Accessories associated with any Dock Upgrades are subject to change at Axon discretion. Dock Upgrades will only include a new Axon Dock bay configuration unless a new Axon Dock core is required for BWC compatibility. If Agency originally purchased a single-bay Axon Dock, the Dock Upgrade will be a single-bay Axon Dock model that is the same or like Device, at Axon's option. If Agency originally purchased a multi-bay Axon Dock, the Dock Upgrade will be a multi-bay Axon Dock that is the same or like Device, at Axon's option.

6 **Upgrade Delay**. Axon may ship the BWC and Dock Upgrades as scheduled in the Quote without prior confirmation from Agency unless the Parties agree in writing otherwise at least 90 days in advance. Axon may ship the final BWC and Dock Upgrade as scheduled in the Quote 60 days before the end of the Subscription Term without prior confirmation from Agency.

7 **Upgrade Change**. If Agency wants to change Device models for the offered BWC or Dock Upgrade, Agency must pay the price difference between the MSRP for the offered BWC or Dock Upgrade and the MSRP for the model desired. If the model Agency desires has an MSRP less than the MSRP of the offered BWC Upgrade or Dock Upgrade, Axon will not provide a refund. The MSRP is the MSRP in effect at the time of the upgrade.

8 **Return of Original Device**. Within 30 days of receiving a BWC or Dock Upgrade, Agency must return the original Devices to Axon or destroy the Devices and provide a certificate of destruction to Axon including serial numbers for the destroyed Devices. If Agency does not return or destroy the Devices, Axon will deactivate the serial numbers for the Devices received by Agency.

9 **Termination**. If Agency's payment for TAP, OSP, or Axon Evidence is more than 30 days past due, Axon may terminate TAP or OSP. Once TAP or OSP terminates for any reason:

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9.1 TAP and OSP coverage terminate as of the date of termination and no refunds will be given.

9.2 Axon will not and has no obligation to provide the Upgrade Models.

9.3 Agency must make any missed payments due to the termination before Agency may purchase any future TAP or OSP.

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TASER 7 Appendix

This TASER 7 Appendix applies to Agency's TASER 7, OSP 7, or OSP 7 Plus purchase from Axon.

1 **Duty Cartridge Replenishment Plan**. If the Quote includes "**Duty Cartridge Replenishment Plan**", Agency must purchase the plan for each CEW user. A CEW user includes officers that use a CEW in the line of duty and those that only use a CEW for training. Agency may not resell cartridges received. Axon will only replace cartridges used in the line of duty.

2 **Training**. If the Quote includes a training voucher, Agency must use the voucher within 1 year of issuance, or the voucher will be void. Axon will issue Agency a voucher annually beginning on the start of the TASER Subscription Term. The voucher has no cash value. Agency cannot exchange it for another device or service. Unless stated in the Quote, the voucher does not include travel expenses and will be Agency's responsibility. If the Quote includes Axon Online Training or Virtual Reality Content Empathy Development for Autism/Schizophrenia (collectively, "**Training Content**"), Agency may access Training Content. Axon will deliver all Training Content electronically.

3 **Extended Warranty**. If the Quote includes an extended warranty, the extended warranty coverage period warranty will be for a 5-year term, which includes the hardware manufacturer's warranty plus the 4-year extended term.

4 **Trade-in**. If the Quote contains a discount on CEW-related line items, including items related to OSP, then that discount may only be applied as a trade-in credit, and Agency must return used hardware and accessories associated with the discount ("**Trade-In Units**") to Axon. Agency must ship batteries via ground shipping. Axon will pay shipping costs of the return. If Axon does not receive Trade-In Units within the timeframe below, Axon will invoice Agency the value of the trade-in credit. Agency may not destroy Trade-In Units and receive a trade-in credit.

Agency Size	Days to Return from Start Date of TASER 7 Subscription
Less than 100 officers	30 days
100 to 499 officers	90 days
500+ officers	180 days

5 **TASER 7 Subscription Term**. The TASER 7 Subscription Term for a standalone TASER 7 purchase begins on shipment of the TASER 7 hardware. The TASER 7 Subscription Term for OSP 7 begins on the OSP 7 Start date.

6 **Access Rights**. Upon Axon granting Agency a TASER 7 Axon Evidence subscription, Agency may access and use Axon Evidence for the storage and management of data from TASER 7 CEW devices during the TASER 7 Subscription Term. Agency may not upload any non-TASER 7 data or any other files to Axon Evidence. Agency may not exceed the number of end users than the Quote specifies.

7 **Privacy.** Axon will not disclose Agency Content or any information about Agency except as compelled by a court or administrative body or required by any law or regulation. Axon will give notice if any disclosure request is received for Agency Content, so Agency may file an objection

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with the court or administrative body. Agency acknowledges and agrees that Axon may access Agency Content to: (a) perform troubleshooting services upon request or as part of Axon's maintenance or diagnostic screenings; (b) enforce this Agreement or policies governing use of Axon Evidence; (c) generate aggregated data, excluding information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual (collectively, "**PII**"), to improve, analyze, support, and operate Axon's current and future devices and services.

8 **Termination**. If payment for TASER 7 is more than 30 days past due, Axon may terminate Agency's TASER 7 plan by notifying Agency. Upon termination for any reason, then as of the date of termination:

8.1 TASER 7 extended warranties and access to Training Content will terminate. No refunds will be given.

8.2 Axon will invoice Agency the remaining MSRP for TASER 7 products received before termination. If terminating for non-appropriations, Axon will not invoice Agency if Agency returns the CEW, rechargeable battery, holster, dock, core, training suits, and unused cartridges to Axon within 30 days of the date of termination.

8.3 Agency will be responsible for payment of any missed payments due to the termination before being allowed to purchase any future TASER 7 plan.

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Axon Auto-Tagging Appendix

1 **Scope.** Axon Auto-Tagging consists of the development of a module to allow Axon Evidence to interact with Agency's Computer-Aided Dispatch ("**CAD**") or Records Management Systems ("**RMS**"). This allows end users to auto-populate Axon video meta-data with a case ID, category, and location-based on data maintained in Agency's CAD or RMS.

2 **Support**. For thirty days after completing Auto-Tagging Services, Axon will provide up to 5 hours of remote support at no additional charge. Axon will provide free support due to a change in Axon Evidence, so long as long as Agency maintains an Axon Evidence and Auto-Tagging subscription. Axon will not provide support if a change is required because Agency changes its CAD or RMS.

3 **Changes**. Axon is only responsible to perform the Services in this Appendix. Any additional Services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in fees or schedule.

4 **Agency Responsibilities**. Axon's performance of Auto-Tagging Services requires Agency to:

- **4.1** Make available relevant systems, including Agency's current CAD or RMS, for assessment by Axon (including remote access if possible);
- **4.2** Make required modifications, upgrades or alterations to Agency's hardware, facilities, systems and networks related to Axon's performance of Auto-Tagging Services;
- **4.3** Provide access to the premises where Axon is performing Auto-Tagging Services, subject to Agency safety and security restrictions, and allow Axon to enter and exit the premises with laptops and materials needed to perform Auto-Tagging Services;
- **4.4** Provide all infrastructure and software information (TCP/IP addresses, node names, network configuration) necessary for Axon to provide Auto-Tagging Services;
- **4.5** Promptly install and implement any software updates provided by Axon;
- **4.6** Ensure that all appropriate data backups are performed;
- **4.7** Provide assistance, participation, and approvals in testing Auto-Tagging Services;
- **4.8** Provide Axon with remote access to Agency's Axon Evidence account when required;
- **4.9** Notify Axon of any network or machine maintenance that may impact the performance of the module at Agency; and
- **4.10** Ensure reasonable availability of knowledgeable staff and personnel to provide timely, accurate, complete, and up-to-date documentation and information to Axon.

5 **Access to Systems**. Agency authorizes Axon to access Agency's relevant computers, network systems, and CAD or RMS solely for performing Auto-Tagging Services. Axon will work diligently to identify as soon as reasonably practicable resources and information Axon expects to use and will provide an initial list to Agency. Agency is responsible for and assumes the risk of any problems, delays, losses, claims, or expenses resulting from the content, accuracy, completeness, and consistency of all data, materials, and information supplied by Agency.

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Axon Fleet Appendix

1 **Agency Responsibilities**. Agency must ensure its infrastructure and vehicles adhere to the minimum requirements to operate Axon Fleet as established by Axon during the on-site assessment at Agency and in any technical qualifying questions. If Agency's representations are inaccurate, the Quote is subject to change.

2 **Cradlepoint**. If Agency purchases Cradlepoint Enterprise Cloud Manager, Agency will comply with Cradlepoint's end user license agreement. The term of the Cradlepoint license may differ from the Axon Evidence Subscription. Cradlepoint installation is outside the scope of this Agreement. If Agency requires Cradlepoint support, Agency will contact Cradlepoint directly.

3 **Third-party Installer**. Axon will not be liable for the failure of Axon Fleet hardware to operate per specifications if such failure results from installation not performed by, or as directed by Axon.

4 **Wireless Offload Server.**

4.1 **License Grant**. Axon grants Agency a non-exclusive, royalty-free, worldwide, perpetual license to use Wireless Offload Srever ("**WOS**"). "Use" means storing, loading, installing, or executing WOS solely for data communication with Axon Devices for the number of licenses purchased. The WOS term begins upon the start of the Axon Evidence Subscription.

4.2 **Restrictions**. Agency may not: (a) modify, alter, tamper with, repair, or create derivative works of WOS; (b) reverse engineer, disassemble, or decompile WOS, apply any process to derive the source code of WOS, or allow others to do so; (c) access or use WOS to avoid incurring fees or exceeding usage limits; (d) copy WOS in whole or part; (e) use trade secret information contained in WOS; (f) resell, rent, loan or sublicense WOS; (g) access WOS to build a competitive device or service or copy any features, functions or graphics of WOS; or (h) remove, alter or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon or Axon's licensors on or within WOS.

4.3 **Updates**. If Agency purchases WOS maintenance, Axon will make updates and error corrections to WOS ("**WOS Updates**") available electronically via the Internet or media as determined by Axon. Agency is responsible for establishing and maintaining adequate Internet access to receive WOS Updates and maintaining computer equipment necessary for use of WOS. The Quote will detail the maintenance term.

4.4 **WOS Support**. Upon request by Axon, Agency will provide Axon with access to Agency's store and forward servers solely for troubleshooting and maintenance.

5 **Axon Vehicle Software.**

5.1 **License Grant**. Axon grants Agency a non-exclusive, royalty-free, worldwide, perpetual license to use ViewXL or Dashboard (collectively, "Axon Vehicle Software".) "Use" means storing, loading, installing, or executing Axon Vehicle Software solely for data communication with Axon Devices. The Axon Vehicle Software term begins upon the start of the Axon Evidence Subscription.

5.2 **Restrictions**. Agency may not: (a) modify, alter, tamper with, repair, or create derivative works of Axon Vehicle Software; (b) reverse engineer, disassemble, or decompile Axon Vehicle Software, apply any process to derive the source code of Axon Vehicle Software, or allow others to do so; (c) access or use Axon Vehicle Software to avoid incurring fees or

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exceeding usage limits; (d) copy Axon Vehicle Software in whole or part; (e) use trade secret information contained in Axon Vehicle Software; (f) resell, rent, loan or sublicense Axon Vehicle Software; (g) access Axon Vehicle Software to build a competitive device or service or copy any features, functions or graphics of Axon Vehicle Software; or (h) remove, alter or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon or Axon's licensors on or within Axon Vehicle Software.

6 **Axon Fleet Unlimited Upgrade**. If Agency has no outstanding payment obligations and has purchased the Axon Fleet Technology Assurance Plan ("**Axon Fleet TAP**"), Axon will provide Agency with the same or like model of Axon Fleet hardware ("If Agency has no outstanding payment obligations and has purchased the "Fleet Technology Assurance Plan" ("**Axon Fleet TAP**"), Axon will provide Agency with the same or like model of Axon Fleet hardware ("**Axon Fleet Upgrade**") as schedule on the Quote") as schedule on the Quote

If Agency would like to change models for the Axon Fleet Upgrade, Agency must pay the difference between the MSRP for the offered Axon Fleet Upgrade and the MSRP for the model desired. The MSRP is the MSRP in effect at the time of the upgrade. Agency is responsible for the removal of previously installed hardware and installation of the Axon Fleet Upgrade.

Within 30 days of receiving the Axon Fleet Upgrade, Agency must return the original Devices to Axon or destroy the Devices and provide a certificate of destruction to Axon, including serial numbers of the destroyed Devices. If Agency does not destroy or return the Devices to Axon, Axon will deactivate the serial numbers for the Devices received by Agency.

7 **Privacy**. Privacy. Axon will not disclose Agency Content or any information about Agency except as compelled by a court or administrative body or required by any law or regulation. Axon will give notice if any disclosure request is received for Agency Content, so Agency may file an objection with the court or administrative body. Agency acknowledges and agrees that Axon may access Agency Content to: (a) perform troubleshooting services upon request or as part of Axon's maintenance or diagnostic screenings; (b) enforce this Agreement or policies governing use of Axon Evidence; (c) generate aggregated data, excluding information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual (collectively, "**PII**"), to improve, analyze, support, and operate Axon's current and future devices and services.

8 **Axon Fleet Unlimited Termination.** If Agency's payment for any Axon Fleet Unlimited program or Axon Evidence is more than 30 days past due, Axon may terminate Axon Fleet Unlimited. Once Axon Fleet Unlimited terminates for any reason, then:

8.1 Axon Fleet Subscription coverage terminates, and no refunds will be given.

8.2 Axon will not and has no obligation to provide the Axon Fleet Upgrade Models.

8.3 Agency will be responsible for payment of any missed payments due to the termination before being allowed to purchase any future Axon Fleet TAP.

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Axon Aware Appendix

This Axon Aware Appendix applies to both Axon Aware and Axon Aware Plus.

1 **Axon Aware Subscription Term**. If Agency purchases Axon Aware as part of a bundled offering, the Axon Aware subscription begins on the later of the (1) start date of that bundled offering, or (2) date Axon provisions Axon Aware to Agency.

If Agency purchases Axon Aware as a standalone, the Axon Aware subscription begins the later of the (1) date Axon provisions Axon Aware to Agency, or (2) first day of the month following the Effective Date.

The Axon Aware subscription term will end upon the completion of the Axon Evidence Subscription associated with Axon Aware.

2 **Scope of Axon Aware**. The scope of Axon Aware is to assist Agency with real-time situational awareness during critical incidents to improve officer safety, effectiveness, and awareness. In the event Agency uses Axon Aware outside this scope, Axon may initiate good-faith discussions with Agency on upgrading Agency's Axon Aware to better meet Agency's needs.

3 **LTE Requirements**. Axon Aware is only available and usable with an LTE enabled body-worn camera. Axon is not liable if Agency utilizes the LTE device outside of the coverage area or if the LTE carrier is unavailable. LTE coverage is only available in the United States, including any U.S. territories. Axon may utilize a carrier of Axon's choice to provide LTE service. Axon may change LTE carriers during the Term without Agency's consent.

4 **Axon Aware Service Limitations**. Agency acknowledges that LTE service is made available only within the operating range of the networks. Service may be temporarily refused, interrupted, or limited because of: (a) facilities limitations; (b) transmission limitations caused by atmospheric, terrain, other natural or artificial conditions adversely affecting transmission, weak batteries, system overcapacity, movement outside a service area or gaps in coverage in a service area and other causes reasonably outside of the carrier's control such as intentional or negligent acts of third parties that damage or impair the network or disrupt service; or (c) equipment modifications, upgrades, relocations, repairs, and other similar activities necessary for the proper or improved operation of service.

Partner networks are made available as-is and the carrier makes no warranties or representations as to the availability or quality of roaming service provided by carrier partners, and the carrier will not be liable in any capacity for any errors, outages, or failures of carrier partner networks. Agency expressly understands and agrees that it has no contractual relationship whatsoever with the underlying wireless service provider or its affiliates or contractors and Agency is not a third-party beneficiary of any agreement between Axon and the underlying carrier.

5 **Termination**. Upon termination of this Agreement, or if Agency stops paying for Axon Aware or bundles that include Axon Aware, Axon will end LTE service.

Add-on Services Appendix

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This Appendix applies to Axon Citizen for Communities, Axon Redaction Assistant, and Axon Performance.

1 **Subscription Term**. If Agency purchases Axon Citizen for Communities, Axon Redaction Assistant, or Axon Performance as part of OSP 7, the subscription begins on the later of the (1) start date of the OSP 7 Term, or (2) date Axon provisions Axon Citizen for Communities, Axon Redaction Assistant, or Axon Performance to Agency.

If Agency purchases Axon Citizen for Communities, Axon Redaction Assistant, or Axon Performance as a standalone, the subscription begins the later of the (1) date Axon provisions Axon Citizen for Communities, Axon Redaction Assistant, or Axon Performance to Agency, or (2) first day of the month following the Effective Date.

The subscription term will end upon the completion of the Axon Evidence Subscription associated with the add-on.

2 **Axon Citizen Storage**. For Axon Citizen, Agency may store an unlimited amount of data submitted through the public portal ("**Portal Content**"), within Agency's Axon Evidence instance. The post-termination provisions outlined in the Axon Cloud Services Terms of Use Appendix also apply to Portal Content.

3 **Performance Auto-Tagging Data**. In order to provide some features of Axon Performance to Agency, Axon will need to store call for service data from Agency's CAD or RMS.

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Axon Commander™ Software Appendix

1 **License**. Axon owns all executable instructions, images, icons, sound, and text in Commander. All rights are reserved to Axon. Axon grants a non-exclusive, royalty-free, worldwide right and license to use Commander. "Use" means storing, loading, installing, or executing Commander exclusively for data communication with an Axon Device. Agency may use Commander in a networked environment on computers other than the computer it installs Commander on, so long as each execution of Commander is for data communication with an Axon Device. Agency may make copies of Commander for archival purposes only. Agency shall retain all copyright, trademark, and proprietary notices in Commander on all copies or adaptations.

2 **Term**. The Quote will detail the duration of the Commander license, as well as any maintenance. The term will begin upon installation of Commander by Axon.

3 **License Restrictions**. All licenses will immediately terminate if Agency does not comply with any term of this Agreement. Agency may not use Commander for any purpose other than as expressly permitted by this Agreement. Agency may not:

3.1 modify, tamper with, repair, or otherwise create derivative works of Commander;
3.2 reverse engineer, disassemble, or decompile Commander or apply any process to derive the source code of Commander, or allow others to do the same;
3.3 access or use Commander to avoid incurring fees or exceeding usage limits or quotas;
3.4 copy Commander in whole or part, except as expressly permitted in this Agreement;
3.5 use trade secret information contained in Commander;
3.6 resell, rent, loan or sublicense Commander;
3.7 access Commander to build a competitive device or service or copy any features, functions, or graphics of Commander; or
3.8 remove, alter, or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon or Axon's licensors on or within Commander or any copies of Commander.

4 **Support**. Axon may make available updates and error corrections ("**Updates**") to Commander. Axon will provide Updates electronically via the Internet or media as determined by Axon. Agency is responsible for establishing and maintaining adequate access to the Internet to receive Updates. Agency is responsible for maintaining the computer equipment necessary to use Commander. Axon may provide technical support of a prior release/version of Commander for 6 months from when Axon made the subsequent release/version available.

5 **Termination**. Axon may terminate Agency's license immediately for Agency's failure to comply with any of the terms in this Agreement. Upon termination, Axon may disable Agency's right to login to Axon Commander.

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Axon Application Programming Interface Appendix

1 Definitions.

"**API Client**" means the software that acts as the interface between Agency's computer and the server, which is already developed or to be developed by Agency.

"**API Interface**" means software implemented by Agency to configure Agency's independent API Client Software to operate in conjunction with the API Service for Agency's authorized Use.

"**Axon Evidence Partner API, API or AXON API**" (collectively "**API Service**") means Axon's API which provides a programmatic means to access data in Agency's Axon Evidence account or integrate Agency's Axon Evidence account with other systems.

"**Use**" means any operation on Agency's data enabled by the supported API functionality.

2 Purpose and License.

2.1 Agency may use API Service and data made available through API Service, in connection with an API Client developed by Agency. Axon may monitor Agency's use of API Service to ensure quality, improve Axon devices and services, and verify compliance with this Agreement. Agency agrees to not interfere with such monitoring or obscure from Axon Agency's use of API Service. Agency will not use API Service for commercial use.

2.2 Axon grants Agency a non-exclusive, non-transferable, non-sublicensable, worldwide, revocable right and license during the Term to use API Service, solely for Agency's Use in connection with Agency's API Client.

2.3 Axon reserves the right to set limitations on Agency's use of the API Service, such as a quota on operations, to ensure stability and availability of Axon's API. Axon will use reasonable efforts to accommodate use beyond the designated limits.

3 Configuration. Agency will work independently to configure Agency's API Client with API Service for Agency's applicable Use. Agency will be required to provide certain information (such as identification or contact details) as part of the registration. Registration information provided to Axon must be accurate. Agency will inform Axon promptly of any updates. Upon Agency's registration, Axon will provide documentation outlining API Service information.

4 Agency Responsibilities. When using API Service, Agency and its end users may not:

4.1 use API Service in any way other than as expressly permitted under this Agreement;

4.2 use in any way that results in, or could result in, any security breach to Axon;

4.3 perform an action with the intent of introducing any viruses, worms, defect, Trojan horses, malware, or any items of a destructive nature to Axon Devices and Services;

4.4 interfere with, modify, disrupt or disable features or functionality of API Service or the servers or networks providing API Service;

4.5 reverse engineer, decompile, disassemble, or translate or attempt to extract the source code from API Service or any related software;

4.6 create an API Interface that functions substantially the same as API Service and offer it for use by third parties;

4.7 provide use of API Service on a service bureau, rental or managed services basis or permit other individuals or entities to create links to API Service;

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4.8 frame or mirror API Service on any other server, or wireless or Internet-based device;

4.9 make available to a third-party, any token, key, password or other login credentials to API Service;

4.10 take any action or inaction resulting in illegal, unauthorized or improper purposes; or disclose Axon's API manual.

5 **API Content**. All content related to API Service, other than Agency Content or Agency's API Client content, is considered Axon's API Content, including:

5.1 the design, structure and naming of API Service fields in all responses and requests;

5.2 the resources available within API Service for which Agency takes actions on, such as evidence, cases, users, or reports; and

5.3 the structure of and relationship of API Service resources; and

5.4 the design of API Service, in any part or as a whole.

6 **Prohibitions on API Content**. Neither Agency nor its end users will use API content returned from the API Interface to:

6.1 scrape, build databases, or otherwise create permanent copies of such content, or keep cached copies longer than permitted by the cache header;

6.2 copy, translate, modify, create a derivative work of, sell, lease, lend, convey, distribute, publicly display, or sublicense to any third-party;

6.3 misrepresent the source or ownership; or

6.4 remove, alter, or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices).

7 **API Updates**. Axon may update or modify the API Service from time to time ("**API Update**"). Agency is required to implement and use the most current version of API Service and to make any applicable changes to Agency's API Client required as a result of such API Update. API Updates may adversely affect how Agency's API Client access or communicate with API Service or the API Interface. Each API Client must contain means for Agency to update API Client to the most current version of API Service. Axon will provide support for 1 year following the release of an API Update for all depreciated API Service versions.

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Advanced User Management Appendix

1 **Scope**. Advanced User Management allows Agency to (a) utilize bulk user creation and management, (b) automate user creation and management through System for Cross-domain Identity Management ("**SCIM**"), and (c) automate group creation and management through SCIM.

2 **Advanced User Management Configuration**. Agency will work independently to configure Agency's Advanced User Management for Agency's applicable Use. Upon request, Axon will provide general guidance to Agency, including documentation that details the setup and configuration process.

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Axon Channel Services Appendix

1 **Definitions**.

"**Axon Digital Evidence Management System**" means Axon Evidence or Axon Commander, as specified in the attached Channel Services Statement of Work.

"**Active Channel**" means a third-party system that is continuously communicating with an Axon Digital Evidence Management System.

"**Inactive Channel**" means a third-party system that will have a one-time communication to an Axon Digital Evidence Management System.

2 **Scope**. Agency currently has a third-party system or data repository from which Agency desires to share data with Axon Digital Evidence Management. Axon will facilitate the transfer of Agency's third-party data into an Axon Digital Evidence Management System or the transfer of Agency data out of an Axon Digital Evidence Management System as defined in the Channel Services Statement of Work ("**Channel Services SOW**"). Channel Services will not delete any Agency Content. Agency is responsible for verifying all necessary data is migrated correctly and retained per Agency policy.

3 **Purpose and Use**. Agency is responsible for verifying Agency has the right to share data from and provide access to third-party system as it relates to the Services described in this Appendix and the Channel Services SOW. For Active Channels, Agency is responsible for any changes to a third-party system that may affect the functionality of the channel service. Any additional work required for the continuation of the Service may require additional fees. An Axon Field Engineer may require access to Agency's network and systems to perform the Services described in the Channel Services SOW. Agency is responsible for facilitating this access per all laws and policies applicable to Agency.

4 **Project Management**. Axon will assign a Project Manager to work closely with Agency's project manager and project team members and will be responsible for completing the tasks required to meet all contract deliverables on time and budget.

5 **Warranty.** Axon warrants that it will perform the Channel Services in a good and workmanlike manner.

6 **Monitoring**. Axon may monitor Agency's use of Channel Services to ensure quality, improve Axon devices and services, prepare invoices based on the total amount of data migrated, and verify compliance with this Agreement. Agency agrees not to interfere with such monitoring or obscure from Axon Agency's use of channel services.

7 **Agency's Responsibilities.** Axon's successful performance of the Channel Services requires Agency:

7.1 Make available its relevant systems for assessment by Axon (including making these systems available to Axon via remote access);

7.2 Provide access to the building facilities and where Axon is to perform the Channel Services, subject to safety and security restrictions imposed by the Agency (including providing security passes or other necessary documentation to Axon representatives performing the Channel Services permitting them to enter and exit Agency premises with laptop personal

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computers and any other materials needed to perform the Channel Services);

7.3 Provide all necessary infrastructure and software information (TCP/IP addresses, node names, and network configuration) for Axon to provide the Channel Services;

7.4 Ensure all appropriate data backups are performed;

7.5 Provide Axon with remote access to the Agency's network and third-party systems when required for Axon to perform the Channel Services;

7.6 Notify Axon of any network or machine maintenance that may impact the performance of the Channel Services; and

7.7 Ensure the reasonable availability by phone or email of knowledgeable staff, personnel, system administrators, and operators to provide timely, accurate, complete, and up-to-date documentation and information to Axon (these contacts are to provide background information and clarification of information required to perform the Channel Services).

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VIEVU Data Migration Appendix

1 **Scope**. Agency currently has legacy data in the VIEVU Solution from which Agency desires to move to Axon Evidence. Axon will work with Agency to copy legacy data from the VIEVU solution into Axon Evidence ("**Migration**"). Before Migration, Agency and Axon will work together to develop a Statement of Work ("**Migration SOW**") to detail all deliverables and responsibilities. The Migration will require the availability of Agency resources. Such resources will be identified in the SOW. On-site support during Migration is not required. Upon Agency's request, Axon will provide on-site support for an additional fee. Any request for on-site support will need to be pre-scheduled and is subject to Axon's resource availability.

A small amount of unexposed data related to system information will not be migrated from the VIEVU solution to Axon Evidence. Upon request, some of this data can be manually exported before Migration and provided to Agency. The Migration SOW will provide further detail.

2 **Changes**. Axon is only responsible to perform the Services described in this Appendix and Migration SOW. Any additional services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in the charges or schedule.

3 **Project Management**. Axon will assign a Project Manager to work closely with Agency's project manager and project team members and will be responsible for completing the tasks required to meet all contract deliverables on time and budget.

4 **Downtime**. There may be downtime during the Migration. The duration of the downtime will depend on the amount of data that Agency is migrating. Axon will work with Agency to minimize any downtime. Any VIEVU mobile application will need to be disabled upon Migration.

5 **Functionality Changes**. Due to device differences between the VIEVU solution and the Axon's Axon Evidence solution, there may be functionality gaps that will not allow for all migrated data to be displayed the same way in the user interface after Migration

6 **Acceptance**. Once the Migration is complete, Axon will notify Agency and an acceptance form. Agency is responsible for verifying that the scope of the project has been completed and all necessary data is migrated correctly and retained per Agency policy. Agency will have 90 days to provide Axon acceptance that the Migration was successful, or Axon will deem the Migration accepted.

In the event Agency does not accept the Migration, Agency agrees to notify the Axon within a reasonable time. Agency also agrees to allow Axon a reasonable time to resolve any issue. In the event Agency does not provide the Axon written rejection of the Migration during these 90 days, Agency may be charged for additional monthly storage costs. After Agency provides acceptance of the Migration, the Axon will delete all data from the VIEVU solution 90 days after the Migration.

7 **Post-Migration**. After Migration, the VIEVU solution may not be supported and updates may not be provided. Axon may end of life the VIEVU solution in the future. If Agency elects to maintain data within the VIEVU solution, Axon will provide Agency 90 days' notice before ending support for the

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VIEVU solution.

8 **Warranty.** Axon warrants that it will perform the Migration in a good and workmanlike manner.

9 **Monitoring**. Axon may monitor Agency's use of Migration to ensure quality, improve Axon devices and services, prepare invoices based on the total amount of data migrated, and verify compliance with this Agreement. Agency agrees not to interfere with such monitoring or obscure from Axon Agency's use of Migration.

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Axon Support Engineer Appendix

1 **Axon Support Engineer Payment.** Axon will invoice for Axon Support Engineer ("**ASE**") services, as outlined in the Quote, when the Axon Support Engineer commences work on-site at Agency.

2 **Full-Time ASE Scope of Services.**

2.1 A Full-Time ASE will work on-site four (4) days per week.

2.2 Agency's Axon sales representative and Axon's Agency Success team will work with Agency to define its support needs and ensure the Full-Time ASE has skills to align with those needs. There may be up to a 6-month waiting period before the Full-Time ASE can work on-site, depending upon Agency's needs and availability of a Full-Time ASE.

2.3 The purchase of Full-Time ASE Services includes 2 complimentary Axon Accelerate tickets per year of the Agreement, so long as the ASE has started work at Agency, and Agency is current on all payments for the Full-Time ASE Service.

The Full-Time ASE Service options are listed below:

Ongoing System Set-up and Configuration • Assisting with assigning cameras and registering docks • Maintaining Agency's Axon Evidence account • Connecting Agency to "Early Access" programs for new devices
Account Maintenance • Conducting on-site training on new features and devices for Agency leadership team(s) • Thoroughly documenting issues and workflows and suggesting new workflows to improve the effectiveness of the Axon program • Conducting weekly meetings to cover current issues and program status
Data Analysis • Providing on-demand Axon usage data to identify trends and insights for improving daily workflows • Comparing Agency's Axon usage and trends to peers to establish best practices • Proactively monitoring the health of Axon equipment and coordinating returns when needed
Direct Support • Providing on-site, tier 1 and tier 2 technical support for Axon devices • Proactively monitoring the health of Axon equipment • Creating and monitoring RMAs on-site • Providing Axon app support • Monitoring and testing new firmware and workflows before they are released to Agency's production environment
Agency Advocacy • Coordinating bi-annual voice of customer meetings with Axon's Device Management team • Recording and tracking Agency feature requests and major bugs

3 **Regional ASE Scope of Services**

3.1 A Regional ASE will work on-site for 3 consecutive days per quarter. Agency must schedule the on-site days at least 2 weeks in advance. The Regional ASE will also be available by phone and email during regular business hours up to 8 hours per week.

3.2 There may be up to a 6-month waiting period before Axon assigns a Regional ASE to Agency, depending upon the availability of a Regional ASE.

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3.3 The purchase of Regional ASE Services includes 2 complimentary Axon Accelerate tickets per year of the Agreement, so long as the ASE has started work at Agency and Agency is current on all payments for the Regional ASE Service.

The Regional ASE service options are listed below:

Account Maintenance • Conducting remote training on new features and devices for Agency's leadership • Thoroughly documenting issues and workflows and suggesting new workflows to improve the effectiveness of the Axon program • Conducting weekly conference calls to cover current issues and program status • Visiting Agency quarterly (up to 3 consecutive days) to perform a quarterly business review, discuss Agency's goals for your Axon program, and continue to ensure a successful deployment of Axon devices
Direct Support • Providing remote, tier 1 and tier 2 technical support for Axon devices • Creating and monitoring RMAs remotely
Data Analysis • Providing quarterly Axon usage data to identify trends and program efficiency opportunities • Comparing an Agency's Axon usage and trends to peers to establish best practices • Proactively monitoring the health of Axon equipment and coordinating returns when needed
Agency Advocacy • Coordinating bi-yearly Voice of Agency meetings with Device Management team • Recording and tracking Agency feature requests and major bugs

4 **Out of Scope Services.** The ASE is responsible to perform only the Services described in this Appendix. Any additional Services discussed or implied that are not defined explicitly in this Appendix will be considered out of the scope.

5 **ASE Leave Time**. The ASE will be allowed up 7 days of sick leave and up to 15 days of vacation time per each calendar year. The ASE will work with Agency to coordinate any time off and will provide Agency with at least 2 weeks' notice before utilizing any vacation days.

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Redaction Services Appendix

1 **Scope**. Each month of Axon Redaction Service, Agency may utilize up to the number of redacted videos included on the Quote, or the maximum number of hours, whichever comes first. In order to be considered one video, a video an Agency submits to Axon for redaction must be less than 1 hour. If a video is longer than 1 hour, it will be rounded up to the next hour. For example, if Agency submits a video for redaction and that video is 150 minutes, the video will be considered 3 hours. Agency may not rollover unused redactions and hours from one month to the next.

2 **Agency Responsibilities**.

2.1 **Access**. Agency will create an account for Axon within Agency's Axon Evidence tenant. Agency must provision Axon to have only permission to view and redact videos identified for redaction. Upon completion of work or on a periodic basis in alignment with Agency's policy, Agency must manage or disable Axon's access within Agency's Axon Evidence tenant.

2.2 **Policy**. Agency is responsible for providing Axon Agency's standard policy regarding redaction ("**Redaction Policy**"). The Redaction Policy should identify typical objects and audio that need to be redacted from video. Axon will redact videos per the Redaction Policy unless otherwise instructed in writing.

3 **Submission**. Agency will identify video for redaction and will submit requests to redactionservices@axon.com. Axon will redact the video according to the Redaction Policy within 72 hours. The redaction will be performed using Axon Evidence's Redaction Studio.

4 **Security**. Axon will use CJIS certified employees to perform all redaction services. Axon employees will perform all redactions in a CJIS compliant room.

5 **Acceptance of Redacted Video**. Upon completing the redaction, Axon will assign the redacted video to Agency. Agency will review the video within 5 business days of receipt and notify Axon of any required changes. If changes are necessary, Axon will perform such changes within 48 hours of notification. In the event Agency does not notify Axon of any requested changes within 5 business days of receipt of the redacted video, Axon will deem the redacted video accepted by Agency.

6 **Changes**. Axon is only responsible to perform the Services in this Appendix. Any additional Services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in fees or schedule.

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AMENDMENT #1
TO
CONTRACT #010720-AXN

THIS AMENDMENT is by and between **Sourcewell** and **Axon Enterprise Inc.** (Vendor).

Sourcewell awarded a contract to Vendor for Public Safety Video Surveillance Solutions with Related Equipment, Software and Accessories effective February 25, 2020, through February 21, 2024 (Contract).

The parties wish to amend the following terms within the Contract:

1. This Amendment is effective upon the date of the last signature below.

2. Vendor's Master Services and Purchasing Agreement (Version 8.0) is deleted in its entirety and replaced with its updated Master Services and Purchasing Agreement (Version 13.0), which is attached hereto and incorporated herein.

Except as amended above, the Contract remains in full force and effect.

Sourcewell

By: DocuSigned by: Jeremy Schwartz C0FD2A139D06489...

Jeremy Schwartz, Chief Procurement Officer

Date: 5/24/2021 | 8:29 PM CDT

Axon Enterprise Inc.

By: DocuSigned by: Chris Kirby A3368A04C8124A8...

Chris Kirby, VP of Sales

Date: 5/24/2021 | 8:15 PM CDT

Approved:

By: DocuSigned by: Chad Coauette 7E42B8F817A64CC...

Chad Coauette, Executive Director/CEO

Date: 5/24/2021 | 9:37 PM CDT

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Master Services and Purchasing Agreement between Axon and Agency

This Master Services and Purchasing Agreement ("**Agreement**") is between Axon Enterprise, Inc., a Delaware corporation ("**Axon**"), and the agency on the Quote ("**Agency**"). This Agreement is effective as of the later of the (a) last signature date on this Agreement or (b) signature date on the Quote ("**Effective Date**"). Axon and Agency are each a "**Party**" and collectively "**Parties**". This Agreement governs Agency's purchase and use of the Axon Devices and Services detailed in the Quote Appendix ("**Quote**"). It is the intent of the Parties that this Agreement act as a master agreement governing all subsequent purchases by Agency for the same Axon products and services in the Quote, and all such subsequent quotes accepted by Agency shall be also incorporated into this Agreement by reference as a Quote. The Parties therefore agree as follows:

1 **Definitions**.

"**Axon Cloud Services**" means Axon's web services for Axon Evidence, Axon Records, Axon Dispatch, and interactions between Evidence.com and Axon Devices or Axon client software. Axon Cloud Service excludes third-party applications, hardware warranties, and my.evidence.com.

"**Axon Device**" means all hardware provided by Axon under this Agreement.

"**Quote**" means an offer to sell and is only valid for devices and services on the quote at the specified prices. Any terms within Agency's purchase order in response to a Quote will be void. Orders are subject to prior credit approval. Changes in the deployment estimated ship date may change charges in the Quote. Shipping dates are estimates only. Axon is not responsible for typographical errors in any offer by Axon, and Axon reserves the right to cancel any orders resulting from such errors.

"**Services**" means all services provided by Axon under this Agreement, including software, Axon Cloud Services, and professional services.

2 **Term**. This Agreement begins on the Effective Date and continues until all subscriptions hereunder have expired or have been terminated ("**Term**").

All subscriptions including Axon Evidence, Axon Fleet, Officer Safety Plans, Technology Assurance Plans, and TASER 7 plans begin after shipment of the applicable Axon Device. If Axon ships the Axon Device in the first half of the month, the start date is the 1st of the following month. If Axon ships the Axon Device in the second half of the month, the start date is the 15th of the following month. For purchases solely of Axon Evidence subscriptions, the start date is the Effective Date. Each subscription term ends upon completion of the subscription stated in the Quote ("**Subscription Term**").

Upon completion of the Subscription Term, the Subscription Term will automatically renew for an additional 5 years ("**Renewal Term**"). For purchase of TASER 7 as a standalone, Axon may increase pricing to its then-current list pricing for any Renewal Term. For all other purchases, Axon may increase pricing on all line items in the Quote up to 3% at the beginning of each year of the Renewal Term. New devices and services may require additional terms. Axon will not authorize services until Axon receives a signed Quote or accepts a purchase order, whichever is first.

3 **Payment**. Axon invoices upon shipment. Payment is due net 30 days from the invoice date. Payment obligations are non-cancelable. Agency will pay invoices without setoff, deduction, or withholding. If Axon sends a past due account to collections, Agency is responsible for collection and attorneys' fees.

4 **Taxes**. Agency is responsible for sales and other taxes associated with the order unless Agency provides Axon a valid tax exemption certificate.

5 **Shipping**. Axon may make partial shipments and ship Axon Devices from multiple locations. All shipments are FOB shipping point via common carrier. Title and risk of loss pass to Agency upon Axon's delivery to the common carrier. Agency is responsible for any shipping charges in the Quote.

6 **Returns**. All sales are final. Axon does not allow refunds or exchanges, except warranty returns or as provided by state or federal law.

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7 Warranty.

7.1 Hardware Limited Warranty. Axon warrants that Axon-manufactured Devices are free from defects in workmanship and materials for 1 year from the date of Agency's receipt, except Signal Sidearm, which Axon warrants for 30 months from the date of Agency's receipt. Axon warrants its Axon-manufactured accessories for 90-days from the date of Agency's receipt. Used conducted energy weapon ("**CEW**") cartridges are deemed to have operated properly. Extended warranties run from the expiration of the 1-year hardware warranty through the extended warranty term. Non-Axon manufactured Devices are not covered by Axon's warranty. Agency should contact the manufacturer for support of non-Axon manufactured Devices.

7.2 Claims. If Axon receives a valid warranty claim for an Axon manufactured Device during the warranty term, Axon's sole responsibility is to repair or replace the Device with the same or like Device, at Axon's option. A replacement Axon Device will be new or like new. Axon will warrant the replacement Axon Device for the longer of (a) the remaining warranty of the original Axon Device or (b) 90-days from the date of repair or replacement.

If Agency exchanges a device or part, the replacement item becomes Agency's property, and the replaced item becomes Axon's property. Before delivering a Axon Device for service, Agency must upload Axon Device data to Axon Evidence or download it and retain a copy. Axon is not responsible for any loss of software, data, or other information contained in storage media or any part of the Axon Device sent to Axon for service.

7.3 Spare Axon Devices. For qualified purchases, Axon may provide Agency a predetermined number of spare Axon Devices as detailed in the Quote ("**Spare Axon Devices**"). Spare Axon Devices are intended to replace broken or non-functioning units while Agency submits the broken or non-functioning units, through Axon's warranty return process. Axon will repair or replace the unit with a replacement Axon Device. Title and risk of loss for all Spare Axon Devices shall pass to Agency in accordance with shipping terms under Section 5. Axon assumes no liability or obligation in the event Agency does not utilize Spare Axon Devices for the intended purpose.

7.4 Limitations. Axon's warranty excludes damage related to: (a) failure to follow Axon Device use instructions; (b) Axon Devices used with equipment not manufactured or recommended by Axon; (c) abuse, misuse, or intentional damage to Axon Device; (d) force majeure; (e) Axon Devices repaired or modified by persons other than Axon without Axon's written permission; or (f) Axon Devices with a defaced or removed serial number.

7.4.1 To the extent permitted by law, the above warranties and remedies are exclusive. Axon disclaims all other warranties, remedies, and conditions, whether oral, written, statutory, or implied. If statutory or implied warranties cannot be lawfully disclaimed, then such warranties are limited to the duration of the warranty described above and by the provisions in this Agreement.

7.4.2 Axon's cumulative liability to any Party for any loss or damage resulting from any claim, demand, or action arising out of or relating to any Axon Device or Service will not exceed the purchase price paid to Axon for the Axon Device, or if for Services, the amount paid for such Services over the 12 months preceding the claim. Neither Party will be liable for direct, special, indirect, incidental, punitive or consequential damages, however caused, whether for breach of warranty or contract, negligence, strict liability, tort or any other legal theory.

8 Statement of Work. Certain Axon Devices and Services, including Axon Interview Room, Axon Channel Services, and Axon Fleet, may require a Statement of Work that details Axon's Service deliverables ("**SOW**"). In the event Axon provides an SOW to Agency, Axon is only responsible to perform Services described in the SOW. Additional services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in fees or schedule. The SOW is incorporated into this Agreement by reference.

9 Axon Device Warnings. See www.axon.com/legal for the most current Axon Device warnings.

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10 **Design Changes**. Axon may make design changes to any Axon Device or Service without notifying Agency or making the same change to Axon Devices and Services previously purchased by Agency.

11 **Bundled Offerings**. Some offerings in bundled offerings may not be generally available at the time of Agency's purchase. Axon will not provide a refund, credit, or additional discount beyond what is in the Quote due to a delay of availability or Agency's election not to utilize any portion of an Axon bundle.

12 **Insurance**. Axon will maintain General Liability, Workers' Compensation, and Automobile Liability insurance. Upon request, Axon will supply certificates of insurance.

13 **Indemnification**. Axon will indemnify Agency's officers, directors, and employees ("**Agency Indemnitees**") against all claims, demands, losses, and reasonable expenses arising out of a third-party claim against an Agency Indemnitee resulting from any negligent act, error or omission, or willful misconduct by Axon under this Agreement, except to the extent of Agency's negligence or willful misconduct, or claims under workers compensation.

14 **IP Rights**. Axon owns and reserves all right, title, and interest in Axon devices and services and suggestions to Axon, including all related intellectual property rights. Agency will not cause any Axon proprietary rights to be violated.

15 **IP Indemnification**. Axon will indemnify Agency Indemnitees against all claims, losses, and reasonable expenses from any third-party claim alleging that the use of Axon Devices or Services infringes or misappropriates the third-party's intellectual property rights. Agency must promptly provide Axon with written notice of such claim, tender to Axon the defense or settlement of such claim at Axon's expense and cooperate fully with Axon in the defense or settlement of such claim. Axon's IP indemnification obligations do not apply to claims based on (a) modification of Axon Devices or Services by Agency or a third-party not approved by Axon; (b) use of Axon Devices and Services in combination with hardware or services not approved by Axon; (c) use of Axon Devices and Services other than as permitted in this Agreement; or (d) use of Axon software that is not the most current release provided by Axon.

16 **Agency Responsibilities**. Agency is responsible for (a) Agency's use of Axon Devices; (b) breach of this Agreement or violation of applicable law by Agency or an Agency end user; and (c) a dispute between Agency and a third-party over Agency's use of Axon Devices.

17 **Termination**.

17.1 **For Breach**. A Party may terminate this Agreement for cause if it provides 30 days written notice of the breach to the other Party, and the breach remains uncured at the end of 30 days. If Agency terminates this Agreement due to Axon's uncured breach, Axon will refund prepaid amounts on a prorated basis based on the effective date of termination.

17.2 **By Agency**. If sufficient funds are not appropriated or otherwise legally available to pay the fees, Agency may terminate this Agreement. Agency will deliver notice of termination under this section as soon as reasonably practicable.

17.3 **Effect of Termination**. Upon termination of this Agreement, Agency rights immediately terminate. Agency remains responsible for all fees incurred before the effective date of termination. If Agency purchases Axon Devices for less than the manufacturer's suggested retail price ("**MSRP**") and this Agreement terminates before the end of the Term, Axon will invoice Agency the difference between the MSRP for Axon Devices received, including any Spare Axon Devices, and amounts paid towards those Axon Devices. Only if terminating for non-appropriation, Agency may return Axon Devices to Axon within 30 days of termination. MSRP is the standalone price of the individual Axon Device at the time of sale. For bundled Axon Devices, MSRP is the standalone price of all individual components.

18 **Confidentiality**. "**Confidential Information**" means nonpublic information designated as confidential or, given the nature of the information or circumstances surrounding disclosure, should reasonably be

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understood to be confidential. Each Party will take reasonable measures to avoid disclosure, dissemination, or unauthorized use of the other Party's Confidential Information. Unless required by law, neither Party will disclose the other Party's Confidential Information during the Term and for 5-years thereafter. Axon pricing is Confidential Information and competition sensitive. If Agency is required by law to disclose Axon pricing, to the extent allowed by law, Agency will provide notice to Axon before disclosure. Axon may publicly announce information related to this Agreement.

19 General.

19.1 Force Majeure. Neither Party will be liable for any delay or failure to perform due to a cause beyond a Party's reasonable control.

19.2 Independent Contractors. The Parties are independent contractors. Neither Party has the authority to bind the other. This Agreement does not create a partnership, franchise, joint venture, agency, fiduciary, or employment relationship between the Parties.

19.3 Third-Party Beneficiaries. There are no third-party beneficiaries under this Agreement.

19.4 Non-Discrimination. Neither Party nor its employees will discriminate against any person based on race; religion; creed; color; sex; gender identity and expression; pregnancy; childbirth; breastfeeding; medical conditions related to pregnancy, childbirth, or breastfeeding; sexual orientation; marital status; age; national origin; ancestry; genetic information; disability; veteran status; or any class protected by local, state, or federal law.

19.5 Export Compliance. Each Party will comply with all import and export control laws and regulations.

19.6 Assignment. Neither Party may assign this Agreement without the other Party's prior written consent. Axon may assign this Agreement, its rights, or obligations without consent: (a) to an affiliate or subsidiary; or (b) for purposes of financing, merger, acquisition, corporate reorganization, or sale of all or substantially all its assets. This Agreement is binding upon the Parties respective successors and assigns.

19.7 Waiver. No waiver or delay by either Party in exercising any right under this Agreement constitutes a waiver of that right.

19.8 Severability. If a court of competent jurisdiction holds any portion of this Agreement invalid or unenforceable, the remaining portions of this Agreement will remain in effect.

19.9 Survival. The following sections will survive termination: Payment, Warranty, Axon Device Warnings, Indemnification, IP Rights, and Agency Responsibilities.

19.10 Governing Law. The laws of the state where Agency is physically located, without reference to conflict of law rules, govern this Agreement and any dispute arising from it. The United Nations Convention for the International Sale of Goods does not apply to this Agreement.

19.11 Notices. All notices must be in English. Notices posted on Agency's Axon Evidence site are effective upon posting. Notices by email are effective on the sent date of the email. Notices by personal delivery are effective immediately. Contact information for notices:

Axon: Axon Enterprise, Inc.	Agency:
Attn: Legal	Attn:
17800 N. 85th Street	Street Address
Scottsdale, Arizona 85255	City, State, Zip
legal@axon.com	Email

19.12 Entire Agreement. This Agreement, including the Appendices and any SOW(s), represents the entire agreement between the Parties. This Agreement supersedes all prior agreements or

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understandings, whether written or verbal, regarding the subject matter of this Agreement. This Agreement may only be modified or amended in a writing signed by the Parties.

Each representative identified below declares they have been expressly authorized to execute this Agreement as of the date of signature.

Axon Enterprise, Inc.	**Agency**
Signature: _____	Signature: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

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Axon Cloud Services Terms of Use Appendix

1 **Definitions**.
"Agency Content" is data uploaded into, ingested by, or created in Axon Cloud Services within Agency's tenant, including media or multimedia uploaded into Axon Cloud Services by Agency. Agency Content includes Evidence but excludes Non-Content Data.

"**Evidence**" is media or multimedia uploaded into Axon Evidence as 'evidence' by an Agency. Evidence is a subset of Agency Content.

"**Non-Content Data**" is data, configuration, and usage information about Agency's Axon Cloud Services tenant, Axon Devices and client software, and users that is transmitted or generated when using Axon Devices. Non-Content Data includes data about users captured during account management and customer support activities. Non-Content Data does not include Agency Content.

"**Personal Data**" means any information relating to an identified or identifiable natural person. An identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person.

2 **Access**. Upon Axon granting Agency a subscription to Axon Cloud Services, Agency may access and use Axon Cloud Services to store and manage Agency Content. Agency may not exceed more end users than the Quote specifies. Axon Air requires an Axon Evidence subscription for each drone operator. For Axon Evidence Lite, Agency may access and use Axon Evidence only to store and manage TASER CEW and TASER CAM data ("**TASER Data**"). Agency may not upload non-TASER Data to Axon Evidence Lite.

3 **Agency Owns Agency Content**. Agency controls and owns all right, title, and interest in Agency Content. Except as outlined herein, Axon obtains no interest in Agency Content, and Agency Content is not Axon's business records. Agency is solely responsible for uploading, sharing, managing, and deleting Agency Content. Axon will only have access to Agency Content for the limited purposes set forth herein. Agency agrees to allow Axon access to Agency Content to (a) perform troubleshooting, maintenance, or diagnostic screenings; and (b) enforce this Agreement or policies governing use of the Axon products.

4 **Security**. Axon will implement commercially reasonable and appropriate measures to secure Agency Content against accidental or unlawful loss, access or disclosure. Axon will maintain a comprehensive information security program to protect Axon Cloud Services and Agency Content including logical, physical access, vulnerability, risk, and configuration management; incident monitoring and response; encryption of uploaded digital evidence; security education; and data protection. Axon agrees to the Federal Bureau of Investigation Criminal Justice Information Services Security Addendum.

5 **Agency Responsibilities**. Agency is responsible for (a) ensuring Agency owns Agency Content; (b) ensuring no Agency Content or Agency end user's use of Agency Content or Axon Cloud Services violates this Agreement or applicable laws; and (c) maintaining necessary computer equipment and Internet connections for use of Axon Cloud Services. If Agency becomes aware of any violation of this Agreement by an end user, Agency will immediately terminate that end user's access to Axon Cloud Services.

Agency will also maintain the security of end user names and passwords and security and access by end users to Agency Content. Agency is responsible for ensuring the configuration and utilization of Axon Cloud Services meet applicable Agency regulation and standards. Agency may not sell, transfer, or sublicense access to any other entity or person. Agency shall contact Axon immediately

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if an unauthorized party may be using Agency's account or Agency Content, or if account information is lost or stolen.

To the extent Agency uses the Axon Cloud Services to interact with YouTube®, such use may be governed by the YouTube Terms of Service, available at https://www.youtube.com/static?template=terms.

6 **Privacy**. Agency's use of Axon Cloud Services is subject to the Axon Cloud Services Privacy Policy, a current version of which is available at https://www.axon.com/legal/cloud-services-privacy-policy. Agency agrees to allow Axon access to Non-Content Data from Agency to (a) perform troubleshooting, maintenance, or diagnostic screenings; (b) provide, develop, improve, and support current and future Axon products and related services; and (c) enforce this Agreement or policies governing the use of Axon products.

7 **Axon Body 3 Wi-Fi Positioning**. Axon Body 3 cameras offer a feature to enhance location services where GPS/GNSS signals may not be available, for instance, within buildings or underground. Agency administrators can manage their choice to use this service within the administrative features of Axon Cloud Services. If Agency chooses to use this service, Axon must also enable the usage of the feature for Agency's Axon Cloud Services tenant. Agency will not see this option with Axon Cloud Services unless Axon has enabled Wi-Fi Positioning for Agency's Axon Cloud Services tenant. When Wi-Fi Positioning is enabled by both Axon and Agency, Non-Content and Personal Data will be sent to Skyhook Holdings, Inc. ("**Skyhook"**) to facilitate the Wi-Fi Positioning functionality. Data controlled by Skyhook is outside the scope of the Axon Cloud Services Privacy Policy and is subject to the Skyhook Services Privacy Policy.

8 **Storage**. For Axon Unlimited Device Storage subscriptions, Agency may store unlimited data in Agency's Axon Evidence account only if data originates from Axon Capture or the applicable Axon Device. Axon may charge Agency additional fees for exceeding purchased storage amounts. Axon may place Agency Content that Agency has not viewed or accessed for 6 months into archival storage. Agency Content in archival storage will not have immediate availability and may take up to 24 hours to access.

9 **Location of Storage**. Axon may transfer Agency Content to third-party subcontractors for storage. Axon will determine the locations of data centers for storage of Agency Content. For United States agencies, Axon will ensure all Agency Content stored in Axon Cloud Services remains within the United States. Ownership of Agency Content remains with Agency.

10 **Suspension**. Axon may temporarily suspend Agency's or any end user's right to access or use any portion or all of Axon Cloud Services immediately upon notice, if Agency or end user's use of or registration for Axon Cloud Services may (a) pose a security risk to Axon Cloud Services or any third-party; (b) adversely impact Axon Cloud Services , the systems, or content of any other customer; (c) subject Axon, Axon's affiliates, or any third-party to liability; or (d) be fraudulent.

Agency remains responsible for all fees incurred through suspension. Axon will not delete Agency Content because of suspension, except as specified in this Agreement.

11 **Axon Cloud Services Warranty**. Axon disclaims any warranties or responsibility for data corruption or errors before Agency uploads data to Axon Cloud Services.

12 **Axon Records**. Axon Records is the software-as-a-service product that is generally available at the time Agency purchases an OSP 7 bundle. During Agency's Axon Records Subscription Term, Agency will be entitled to receive Axon's Update and Upgrade releases on an if-and-when available basis.

The Axon Records Subscription Term will end upon the competition of the Axon Records

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Subscription as documented in the Quote, or if purchased as part of an OSP 7 bundle, upon competition of the OSP 7 Term ("**Axon Records Subscription**")

An "**Update**" is a generally available release of Axon Records that Axon makes available from time to time. An "**Upgrade**" includes (i) new versions of Axon Records that enhance features and functionality, as solely determined by Axon; and/or (ii) new versions of Axon Records that provide additional features or perform additional functions. Upgrades exclude new products that Axon introduces and markets as distinct products or applications.

New or additional Axon products and applications, as well as any Axon professional services needed to configure Axon Records, are not included. If Agency purchases Axon Records as part of a bundled offering, the Axon Record subscription begins on the later of the (1) start date of that bundled offering, or (2) date Axon provisions Axon Records to Agency.

13 **Axon Cloud Services Restrictions**. Agency and Agency end users (including employees, contractors, agents, officers, volunteers, and directors), may not, or may not attempt to:

- **13.1** copy, modify, tamper with, repair, or create derivative works of any part of Axon Cloud Services;
- **13.2** reverse engineer, disassemble, or decompile Axon Cloud Services or apply any process to derive any source code included in Axon Cloud Services, or allow others to do the same;
- **13.3** access or use Axon Cloud Services with the intent to gain unauthorized access, avoid incurring fees or exceeding usage limits or quotas;
- **13.4** use trade secret information contained in Axon Cloud Services, except as expressly permitted in this Agreement;
- **13.5** access Axon Cloud Services to build a competitive device or service or copy any features, functions, or graphics of Axon Cloud Services;
- **13.6** remove, alter, or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon's or Axon's licensors on or within Axon Cloud Services; or
- **13.7** use Axon Cloud Services to store or transmit infringing, libelous, or other unlawful or tortious material; to store or transmit material in violation of third-party privacy rights; or to store or transmit malicious code.

14 **After Termination**. Axon will not delete Agency Content for 90-days following termination. There will be no functionality of Axon Cloud Services during these 90-days other than the ability to retrieve Agency Content. Agency will not incur additional fees if Agency downloads Agency Content from Axon Cloud Services during this time. Axon has no obligation to maintain or provide Agency Content after these 90-days and will thereafter, unless legally prohibited, delete all Agency Content. Upon request, Axon will provide written proof that Axon successfully deleted and fully removed all Agency Content from Axon Cloud Services.

15 **Post-Termination Assistance**. Axon will provide Agency with the same post-termination data retrieval assistance that Axon generally makes available to all customers. Requests for Axon to provide additional assistance in downloading or transferring Agency Content, including requests for Axon's data egress service, will result in additional fees and Axon will not warrant or guarantee data integrity or readability in the external system.

16 **U.S. Government Rights**. If Agency is a U.S. Federal department or using Axon Cloud Services on behalf of a U.S. Federal department, Axon Cloud Services is provided as a "commercial item," "commercial computer software," "commercial computer software documentation," and "technical data", as defined in the Federal Acquisition Regulation and Defense Federal Acquisition Regulation Supplement. If Agency is using Axon Cloud Services on behalf of the U.S. Government and these terms fail to meet the U.S. Government's needs or are inconsistent in any respect with federal law, Agency will immediately discontinue use of Axon Cloud Services.

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17 **Survival**. Upon any termination of this Agreement, the following sections in this Appendix will survive: Agency Owns Agency Content, Storage, Axon Cloud Services Warranty, and Axon Cloud Services Restrictions.

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AXON

Master Services and Purchasing Agreement

Axon Customer Experience Improvement Program Appendix

1 **Axon Customer Experience Improvement Program (ACEIP)**. The ACEIP is designed to accelerate Axon's development of technology, such as building and supporting automated features, to ultimately increase safety within communities and drive efficiency in public safety. To this end, subject to the limitations on Axon as described below, Axon, where allowed by law, may make limited use of Agency Content from all of its customers, to provide, develop, improve, and support current and future Axon products (collectively, "**ACEIP Purposes**"). However, at all times, Axon will comply with its obligations pursuant to the Axon Cloud Services Terms of Use Appendix to maintain a comprehensive data security program (including compliance with the CJIS Security Policy for Criminal Justice Information), privacy program, and data governance policy, including high industry standards of de-identifying Personal Data, to enforce its security and privacy obligations for the ACEIP. ACEIP has 2 tiers of participation, Tier 1 and Tier 2. By default, Agency will be a participant in ACEIP Tier 1. If Agency does not want to participate in ACEIP Tier 1, Agency can revoke its consent at any time. If Agency wants to participate in Tier 2, as detailed below, Agency can check the ACEIP Tier 2 box below. If Agency does not want to participate in ACEIP Tier 2, Agency should leave box unchecked. At any time, Agency may revoke its consent to ACEIP Tier 1, Tier 2, or both Tiers.

1.1 ACEIP Tier 1.

1.1.1. When Axon uses Agency Content for the ACEIP Purposes, Axon will extract from Agency Content and may store separately copies of certain segments or elements of the Agency Content (collectively, "**ACEIP Content**"). When extracting ACEIP Content, Axon will use commercially reasonable efforts to aggregate, transform or de-identify Agency Content so that the extracted ACEIP Content is no longer reasonably capable of being associated with, or could reasonably be linked directly or indirectly to a particular individual ("**Privacy Preserving Technique(s)**"). For illustrative purposes, some examples are described in footnote 1[1]. For clarity, ACEIP Content will still be linked indirectly, with an attribution, to the Agency from which it was extracted. This attribution will be stored separately from the data itself, but is necessary for and will be solely used to enable Axon to identify and delete all ACEIP Content upon Agency request. Once de-identified, ACEIP Content may then be further modified, analyzed, and used to create derivative works. At any time, Agency may revoke the consent granted herein to Axon to access and use Agency Content for ACEIP Purposes. Within 30 days of receiving the Agency's request, Axon will no longer access or use Agency Content for ACEIP Purposes and will delete any and all ACEIP Content. Axon will also delete any derivative works which may reasonably be capable of being associated with, or could reasonably be linked directly or indirectly to Agency. In addition, if Axon uses Agency Content for the ACEIP Purposes, upon request, Axon will make available to Agency a list of the specific type of Agency Content being used to generate ACEIP Content, the purpose of such use, and the retention, privacy preserving extraction technique, and relevant data protection practices

[1] For example; (a) when extracting specific text to improve automated transcription capabilities, text that could be used to directly identify a particular individual would not be extracted, and extracted text would be disassociated from identifying metadata of any speakers, and the extracted text would be split into individual words and aggregated with other data sources (including publicly available data) to remove any reasonable ability to link any specific text directly or indirectly back to a particular individual; (b) when extracting license plate data to improve Automated License Plate Recognition (ALPR) capabilities, individual license plate characters would be extracted and disassociated from each other so a complete plate could not be reconstituted, and all association to other elements of the source video, such as the vehicle, location, time, and the surrounding environment would also be removed; (c) when extracting audio of potential acoustic events (such as glass breaking or gun shots), very short segments (<1 second) of audio that only contains the likely acoustic events would be extracted and all human utterances would be removed.

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applicable to the Agency Content or ACEIP Content ("Use Case"). From time to time, Axon may develop and deploy new Use Cases. At least 30 days prior to authorizing the deployment of any new Use Case, Axon will provide Agency notice (by updating the list of Use Case at https://www.axon.com/aceip and providing Agency with a mechanism to obtain notice of that update or another commercially reasonable method to Agency designated contact) ("**New Use Case**").

1.1.2. **Expiration of ACEIP Tier 1**. Agency consent granted herein, will expire upon termination of the Agreement. In accordance with section 1.1.1, within 30 days of receiving the Agency's request, Axon will no longer access or use Agency Content for ACEIP Purposes and will delete ACEIP Content. Axon will also delete any derivative works which may reasonably be capable of being associated with, or could reasonably be linked directly or indirectly to Agency.

1.2 **ACEIP Tier 2**. In addition to ACEIP Tier 1, if Agency wants to help further improve Axon's services, Agency may choose to participate in Tier 2 of the ACEIP. ACEIP Tier 2, grants Axon certain additional rights to use Agency Content, in addition to those set forth in Tier 1 above, without the guaranteed deployment of a Privacy Preserving Technique to enable product development, improvement, and support that cannot be accomplished with aggregated, transformed or de-identified data.

☐ Check this box if Agency wants to help further improve Axon's services by participating in ACEIP Tier 2 in addition to Tier 1. By checking this box, Agency hereby agrees to the Axon Customer Experience Improvement Program Tier 2 Terms of Service, available at https://www.axon.com/sales-terms-and-conditions and incorporated herein by reference.

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AXON

Master Services and Purchasing Agreement

Professional Services Appendix

1 **Utilization of Services**. Agency must use professional services as outlined in the Quote and this Appendix within 6 months of the Effective Date.

2 **Body-Worn Camera Full Service (BWC Full Service)**. BWC Full Service includes advance remote project planning and configuration support and up to 4 consecutive days of on-site service and a professional services manager to work with Agency to assess Agency's deployment and determine which on-site services are appropriate. If Agency requires more than 4 consecutive on-site days, Agency must purchase additional days. BWC Full Service options include:

System set up and configuration • Instructor-led setup of Axon View on smartphones (if applicable) • Configure categories and custom roles based on Agency need • Register cameras to Agency domain • Troubleshoot IT issues with Axon Evidence and Axon Dock ("**Dock**") access • One on-site session included
Dock configuration • Work with Agency to decide the ideal location of Docks and set configurations on Dock • Authenticate Dock with Axon Evidence using admin credentials from Agency • On-site assistance, not to include physical mounting of docks
Best practice implementation planning session • Provide considerations for the establishment of video policy and system operations best practices based on Axon's observations with other agencies • Discuss the importance of entering metadata in the field for organization purposes and other best practice for digital data management • Provide referrals of other agencies using the Axon camera devices and Axon Evidence • Recommend rollout plan based on review of shift schedules
System Admin and troubleshooting training sessions Step-by-step explanation and assistance for Agency's configuration of security, roles & permissions, categories & retention, and other specific settings for Axon Evidence
Axon instructor training (Train the Trainer) Training for Agency's in-house instructors who can support Agency's Axon camera and Axon Evidence training needs after Axon has fulfilled its contractual on-site obligations
Evidence sharing training Tailored workflow instruction for Investigative Units on sharing Cases and Evidence with local prosecuting agencies
End user go-live training and support sessions • Assistance with device set up and configuration • Training on device use, Axon Evidence, and Evidence Sync
Implementation document packet Axon Evidence administrator guides, camera implementation guides, network setup guide, sample policies, and categories & roles guide
Post go-live review

3 **Body-Worn Camera Starter Service (BWC Starter)**. BWC Starter includes advance remote project planning and configuration support and one day of on-site Services and a professional services manager to work closely with Agency to assess Agency's deployment and determine which Services are appropriate. If Agency requires more than 1 day of on-site Services, Agency must purchase additional on-site Services. The BWC Starter options include:

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System set up and configuration (Remote Support) • Instructor-led setup of Axon View on smartphones (if applicable) • Configure categories & custom roles based on Agency need • Troubleshoot IT issues with Axon Evidence and Axon Dock ("**Dock**") access
Dock configuration • Work with Agency to decide the ideal location of Dock setup and set configurations on Dock • Authenticate Dock with Axon Evidence using "Administrator" credentials from Agency • Does not include physical mounting of docks
Axon instructor training (Train the Trainer) Training for Agency's in-house instructors who can support Agency's Axon camera and Axon Evidence training needs after Axon's has fulfilled its contracted on-site obligations
End user go-live training and support sessions • Assistance with device set up and configuration • Training on device use, Axon Evidence, and Evidence Sync
Implementation document packet Axon Evidence administrator guides, camera implementation guides, network setup guide, sample policies, and categories & roles guide

4 **Body-Worn Camera Virtual 1-Day Service (BWC Virtual)**. BWC Virtual includes all items in the BWC Starter Service Package, except one day of on-site services.

5 **CEW Services Packages**. CEW Services Packages are detailed below:

System set up and configuration • Configure Axon Evidence categories & custom roles based on Agency need. • Troubleshoot IT issues with Axon Evidence. • Register users and assign roles in Axon Evidence. • **For the CEW Full Service Package**: On-site assistance included • **For the CEW Starter Package**: Virtual assistance included
Dedicated Project Manager Assignment of specific Axon representative for all aspects of planning the rollout (Project Manager). Ideally, Project Manager will be assigned to Agency 4–6 weeks before rollout
Best practice implementation planning session to include: • Provide considerations for the establishment of CEW policy and system operations best practices based on Axon's observations with other agencies • Discuss the importance of entering metadata and best practices for digital data management • Provide referrals to other agencies using TASER CEWs and Axon Evidence • **For the CEW Full Service Package:** On-site assistance included • **For the CEW Starter Package:** Virtual assistance included
System Admin and troubleshooting training sessions On-site sessions providing a step-by-step explanation and assistance for Agency's configuration of security, roles & permissions, categories & retention, and other specific settings for Axon Evidence
Axon Evidence Instructor training • Provide training on the Axon Evidence to educate instructors who can support Agency's subsequent Axon Evidence training needs. • **For the CEW Full Service Package:** Training for up to 3 individuals at Agency • **For the CEW Starter Package:** Training for up to 1 individual at Agency

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TASER CEW inspection and device assignment Axon's on-site professional services team will perform functions check on all new TASER CEW Smart weapons and assign them to a user on Axon Evidence.
Post go-live review **For the CEW Full Service Package**: On-site assistance included. **For the CEW Starter Package**: Virtual assistance included.

6 **Smart Weapon Transition Service**. The Smart Weapon Transition Service includes:

Archival of CEW Firing Logs Axon's on-site professional services team will upload CEW firing logs to Axon Evidence from all TASER CEW Smart Weapons that Agency is replacing with newer Smart Weapon models.
Return of Old Weapons Axon's on-site professional service team will ship all old weapons back to Axon's headquarters. Axon will provide Agency with a Certificate of Destruction

*Note: CEW Full Service packages for TASER 7 include Smart Weapon Transition Service instead of 1-Day Device Specific Instructor Course.

7 **Signal Sidearm Installation Service**. If Agency purchases Signal Sidearm Installation Service, Axon will provide one day of on-site Services and one professional services manager and will cover the installation of up 100 Signal Sidearm devices per package purchased. Agency is responsible for providing an appropriate work area and ensuring all holsters that will have Signal Sidearm installed onto them are available on the agreed-upon installation date(s). Installation includes:

Removal of existing connection screws that affix a holster to a holster mount
Proper placement of the Signal Sidearm Mounting Plate between the holster and the mount
Reattachment of the holster to the mount using appropriate screws
Functional testing of Signal Sidearm device

8 **Out of Scope Services**. Axon is only responsible to perform the professional services described in the Quote and this Appendix. Any additional professional services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in the charges or schedule.

9 **Delivery of Services**. Axon personnel will work Monday through Friday, 8:30 a.m. to 5:30 p.m., except holidays. Axon will perform all on-site tasks over a consecutive timeframe. Axon will not charge Agency travel time by Axon personnel to Agency premises as work hours.

10 **Access Computer Systems to Perform Services**. Agency authorizes Axon to access relevant Agency computers and networks, solely for performing the Services. Axon will work to identify as soon as reasonably practicable resources and information Axon expects to use and will provide an initial itemized list to Agency. Agency is responsible for and assumes the risk of any problems, delays, losses, claims, or expenses resulting from the content, accuracy, completeness, and consistency of all data, materials, and information supplied by Agency.

11 **Site Preparation**. Axon will provide a hardcopy or digital copy of current user documentation for the Axon Devices ("**User Documentation**"). User Documentation will include all required environmental specifications for the professional Services and Axon Devices to operate per the Axon Device User Documentation. Before installation of Axon Devices (whether performed by Agency or Axon), Agency must prepare the location(s) where Axon Devices are to be installed ("**Installation Site**") per the environmental specifications in the Axon Device User Documentation. Following installation, Agency must maintain the Installation Site per the environmental specifications. If Axon modifies Axon Device User Documentation for any Axon Devices under this Agreement, Axon will provide the update to Agency when Axon generally releases it

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12 **Acceptance**. When Axon completes professional Services, Axon will present an acceptance form ("**Acceptance Form**") to Agency. Agency will sign the Acceptance Form acknowledging completion. If Agency reasonably believes Axon did not complete the professional Services in substantial conformance with this Agreement, Agency must notify Axon in writing of the specific reasons for rejection within 7 calendar days from delivery of the Acceptance Form. Axon will address the issues and re-present the Acceptance Form for signature. If Axon does not receive the signed Acceptance Form or written notification of reasons for rejection within 7 calendar days of delivery of the Acceptance Form, Axon will deem Agency to have accepted the professional Services.

13 **Agency Network**. For work performed by Axon transiting or making use of Agency's network, Agency is solely responsible for maintenance and functionality of the network. In no event will Axon be liable for loss, damage, or corruption of Agency's network from any cause.

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Technology Assurance Plan Appendix

If Technology Assurance Plan ("**TAP**") or a bundle including TAP is on the Quote, this appendix applies.

1 **TAP Warranty**. The TAP warranty is an extended warranty that starts at the end of the 1-year Hardware Limited Warranty.

2 **Officer Safety Plan**. If Agency purchases an Officer Safety Plan ("**OSP**"), Agency will receive the deliverables detailed in the Quote. Agency must accept delivery of the TASER CEW and accessories as soon as available from Axon.

3 **OSP 7 Term**. OSP 7 begins after Axon ships the Axon Body 3 or TASER 7 hardware to Agency. If Axon ships in the first half of the month, OSP 7 starts the 1st of the following month. If Axon ships in the second half of the month, OSP 7 starts the 15th of the following month ("**OSP 7 Term**").

4 **TAP BWC Upgrade**. If Agency has no outstanding payment obligations and purchased TAP, Axon will provide Agency a new Axon body-worn camera ("**BWC Upgrade**") as scheduled in the Quote. If Agency purchased TAP Axon will provide a BWC Upgrade that is the same or like Axon Device, at Axon's option. Axon makes no guarantee the BWC Upgrade will utilize the same accessories or Axon Dock.

5 **TAP Dock Upgrade**. If Agency has no outstanding payment obligations and purchased TAP, Axon will provide Agency a new Axon Dock as scheduled in the Quote ("**Dock Upgrade**"). Accessories associated with any Dock Upgrades are subject to change at Axon discretion. Dock Upgrades will only include a new Axon Dock bay configuration unless a new Axon Dock core is required for BWC compatibility. If Agency originally purchased a single-bay Axon Dock, the Dock Upgrade will be a single-bay Axon Dock model that is the same or like Axon Device, at Axon's option. If Agency originally purchased a multi-bay Axon Dock, the Dock Upgrade will be a multi-bay Axon Dock that is the same or like Axon Device, at Axon's option.

6 **Upgrade Delay**. Axon may ship the BWC and Dock Upgrades as scheduled in the Quote without prior confirmation from Agency unless the Parties agree in writing otherwise at least 90 days in advance. Axon may ship the final BWC and Dock Upgrade as scheduled in the Quote 60 days before the end of the Subscription Term without prior confirmation from Agency.

7 **Upgrade Change**. If Agency wants to change Axon Device models for the offered BWC or Dock Upgrade, Agency must pay the price difference between the MSRP for the offered BWC or Dock Upgrade and the MSRP for the model desired. If the model Agency desires has an MSRP less than the MSRP of the offered BWC Upgrade or Dock Upgrade, Axon will not provide a refund. The MSRP is the MSRP in effect at the time of the upgrade.

8 **Return of Original Axon Device**. Within 30 days of receiving a BWC or Dock Upgrade, Agency must return the original Axon Devices to Axon or destroy the Axon Devices and provide a certificate of destruction to Axon including serial numbers for the destroyed Axon Devices. If Agency does not return or destroy the Axon Devices, Axon will deactivate the serial numbers for the Axon Devices received by Agency.

9 **Termination**. If Agency's payment for TAP, OSP, or Axon Evidence is more than 30 days past due, Axon may terminate TAP or OSP. Once TAP or OSP terminates for any reason:

- **9.1** TAP and OSP coverage terminate as of the date of termination and no refunds will be given.
- **9.2** Axon will not and has no obligation to provide the Upgrade Models.
- **9.3** Agency must make any missed payments due to the termination before Agency may purchase any future TAP or OSP.

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TASER 7 Appendix

This TASER 7 Appendix applies to Agency's TASER 7, OSP 7, or OSP 7 Plus purchase from Axon.

1 **Duty Cartridge Replenishment Plan**. If the Quote includes "**Duty Cartridge Replenishment Plan**", Agency must purchase the plan for each CEW user. A CEW user includes officers that use a CEW in the line of duty and those that only use a CEW for training. Agency may not resell cartridges received. Axon will only replace cartridges used in the line of duty.

2 **Training**. If the Quote includes a training voucher, Agency must use the voucher within 1 year of issuance, or the voucher will be void. Axon will issue Agency a voucher annually beginning on the start of the TASER Subscription Term. The voucher has no cash value. Agency cannot exchange it for another device or service. Unless stated in the Quote, the voucher does not include travel expenses and will be Agency's responsibility. If the Quote includes Axon Online Training or Virtual Reality Content Empathy Development for Autism/Schizophrenia (collectively, "**Training Content**"), Agency may access Training Content. Axon will deliver all Training Content electronically.

3 **Extended Warranty**. If the Quote includes an extended warranty, the extended warranty coverage period warranty will be for a 5-year term, which includes the hardware manufacturer's warranty plus the 4-year extended term.

4 **Trade-in**. If the Quote contains a discount on CEW-related line items, including items related to OSP, then that discount may only be applied as a trade-in credit, and Agency must return used hardware and accessories associated with the discount ("**Trade-In Units**") to Axon. Agency must ship batteries via ground shipping. Axon will pay shipping costs of the return. If Axon does not receive Trade-In Units within the timeframe below, Axon will invoice Agency the value of the trade-in credit. Agency may not destroy Trade-In Units and receive a trade-in credit.

Agency Size	Days to Return from Start Date of TASER 7 Subscription
Less than 100 officers	30 days
100 to 499 officers	90 days
500+ officers	180 days

5 **TASER 7 Subscription Term**. The TASER 7 Subscription Term for a standalone TASER 7 purchase begins on shipment of the TASER 7 hardware. The TASER 7 Subscription Term for OSP 7 begins on the OSP 7 Start date.

6 **Access Rights**. Upon Axon granting Agency a TASER 7 Axon Evidence subscription, Agency may access and use Axon Evidence for the storage and management of data from TASER 7 CEW devices during the TASER 7 Subscription Term. Agency may not upload any non-TASER 7 data or any other files to Axon Evidence. Agency may not exceed the number of end users than the Quote specifies.

7 **Privacy.** Axon will not disclose Agency Content or any information about Agency except as compelled by a court or administrative body or required by any law or regulation. Axon will give notice if any disclosure request is received for Agency Content, so Agency may file an objection with the court or administrative body.

8 **Termination**. If payment for TASER 7 is more than 30 days past due, Axon may terminate Agency's TASER 7 plan by notifying Agency. Upon termination for any reason, then as of the date of termination:

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8.1 TASER 7 extended warranties and access to Training Content will terminate. No refunds will be given.

8.2 Axon will invoice Agency the remaining MSRP for TASER 7 products received before termination. If terminating for non-appropriations, Axon will not invoice Agency if Agency returns the CEW, rechargeable battery, holster, dock, core, training suits, and unused cartridges to Axon within 30 days of the date of termination.

8.3 Agency will be responsible for payment of any missed payments due to the termination before being allowed to purchase any future TASER 7 plan.

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Axon Auto-Tagging Appendix

1 **Scope.** Axon Auto-Tagging consists of the development of a module to allow Axon Evidence to interact with Agency's Computer-Aided Dispatch ("**CAD**") or Records Management Systems ("**RMS**"). This allows end users to auto-populate Axon video meta-data with a case ID, category, and location-based on data maintained in Agency's CAD or RMS.

2 **Support**. For thirty days after completing Auto-Tagging Services, Axon will provide up to 5 hours of remote support at no additional charge. Axon will provide free support due to a change in Axon Evidence, so long as long as Agency maintains an Axon Evidence and Auto-Tagging subscription. Axon will not provide support if a change is required because Agency changes its CAD or RMS.

3 **Changes**. Axon is only responsible to perform the Services in this Appendix. Any additional Services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in fees or schedule.

4 **Agency Responsibilities**. Axon's performance of Auto-Tagging Services requires Agency to:

- **4.1** Make available relevant systems, including Agency's current CAD or RMS, for assessment by Axon (including remote access if possible);
- **4.2** Make required modifications, upgrades or alterations to Agency's hardware, facilities, systems and networks related to Axon's performance of Auto-Tagging Services;
- **4.3** Provide access to the premises where Axon is performing Auto-Tagging Services, subject to Agency safety and security restrictions, and allow Axon to enter and exit the premises with laptops and materials needed to perform Auto-Tagging Services;
- **4.4** Provide all infrastructure and software information (TCP/IP addresses, node names, network configuration) necessary for Axon to provide Auto-Tagging Services;
- **4.5** Promptly install and implement any software updates provided by Axon;
- **4.6** Ensure that all appropriate data backups are performed;
- **4.7** Provide assistance, participation, and approvals in testing Auto-Tagging Services;
- **4.8** Provide Axon with remote access to Agency's Axon Evidence account when required;
- **4.9** Notify Axon of any network or machine maintenance that may impact the performance of the module at Agency; and
- **4.10** Ensure reasonable availability of knowledgeable staff and personnel to provide timely, accurate, complete, and up-to-date documentation and information to Axon.

5 **Access to Systems.** Agency authorizes Axon to access Agency's relevant computers, network systems, and CAD or RMS solely for performing Auto-Tagging Services. Axon will work diligently to identify as soon as reasonably practicable resources and information Axon expects to use and will provide an initial list to Agency. Agency is responsible for and assumes the risk of any problems, delays, losses, claims, or expenses resulting from the content, accuracy, completeness, and consistency of all data, materials, and information supplied by Agency.

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Axon Fleet Appendix

1 **Agency Responsibilities**. Agency must ensure its infrastructure and vehicles adhere to the minimum requirements to operate Axon Fleet 2 or Axon Fleet 3 (collectively, "Axon Fleet") as established by Axon during the qualifier call and on-site assessment at Agency and in any technical qualifying questions. If Agency's representations are inaccurate, the Quote is subject to change.

2 **Cradlepoint**. If Agency purchases Cradlepoint Enterprise Cloud Manager, Agency will comply with Cradlepoint's end user license agreement. The term of the Cradlepoint license may differ from the Axon Evidence Subscription. If Agency requires Cradlepoint support, Agency will contact Cradlepoint directly.

3 **Third-party Installer**. Axon will not be liable for the failure of Axon Fleet hardware to operate per specifications if such failure results from installation not performed by, or as directed by Axon.

4 **Wireless Offload Server.**

4.1 **License Grant**. Axon grants Agency a non-exclusive, royalty-free, worldwide, perpetual license to use Wireless Offload Server ("**WOS**"). "Use" means storing, loading, installing, or executing WOS solely for data communication with Axon Devices for the number of licenses purchased. The WOS term begins upon the start of the Axon Evidence Subscription.

4.2 **Restrictions**. Agency may not: (a) modify, alter, tamper with, repair, or create derivative works of WOS; (b) reverse engineer, disassemble, or decompile WOS, apply any process to derive the source code of WOS, or allow others to do so; (c) access or use WOS to avoid incurring fees or exceeding usage limits; (d) copy WOS in whole or part; (e) use trade secret information contained in WOS; (f) resell, rent, loan or sublicense WOS; (g) access WOS to build a competitive device or service or copy any features, functions or graphics of WOS; or (h) remove, alter or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon or Axon's licensors on or within WOS.

4.3 **Updates**. If Agency purchases WOS maintenance, Axon will make updates and error corrections to WOS ("**WOS Updates**") available electronically via the Internet or media as determined by Axon. Agency is responsible for establishing and maintaining adequate Internet access to receive WOS Updates and maintaining computer equipment necessary for use of WOS. The Quote will detail the maintenance term.

4.4 **WOS Support**. Upon request by Axon, Agency will provide Axon with access to Agency's store and forward servers solely for troubleshooting and maintenance.

5 **Axon Vehicle Software**.

5.1 **License Grant**. Axon grants Agency a non-exclusive, royalty-free, worldwide, perpetual license to use ViewXL or Dashboard (collectively, "Axon Vehicle Software".) "Use" means storing, loading, installing, or executing Axon Vehicle Software solely for data communication with Axon Devices. The Axon Vehicle Software term begins upon the start of the Axon Evidence Subscription.

5.2 **Restrictions**. Agency may not: (a) modify, alter, tamper with, repair, or create derivative works of Axon Vehicle Software; (b) reverse engineer, disassemble, or decompile Axon Vehicle Software, apply any process to derive the source code of Axon Vehicle Software, or allow others to do so; (c) access or use Axon Vehicle Software to avoid incurring fees or exceeding usage limits; (d) copy Axon Vehicle Software in whole or part; (e) use trade secret information contained in Axon Vehicle Software; (f) resell, rent, loan or sublicense Axon Vehicle Software; (g) access Axon Vehicle Software to build a competitive device or service or copy any features, functions or graphics of Axon Vehicle Software; or (h)

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remove, alter or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon or Axon's licensors on or within Axon Vehicle Software.

6 **Axon Fleet Upgrade**. If Agency has no outstanding payment obligations and has purchased the "Fleet Technology Assurance Plan" (Fleet TAP), Axon will provide Agency with the same or like model of Fleet hardware ("Fleet Upgrade") as schedule on the Quote.

If Agency would like to change models for the Axon Fleet Upgrade, Agency must pay the difference between the MSRP for the offered Axon Fleet Upgrade and the MSRP for the model desired. The MSRP is the MSRP in effect at the time of the upgrade. Agency is responsible for the removal of previously installed hardware and installation of the Axon Fleet Upgrade.

Within 30 days of receiving the Axon Fleet Upgrade, Agency must return the original Axon Devices to Axon or destroy the Axon Devices and provide a certificate of destruction to Axon, including serial numbers of the destroyed Axon Devices. If Agency does not destroy or return the Axon Devices to Axon, Axon will deactivate the serial numbers for the Axon Devices received by Agency.

7 **Privacy.** Axon will not disclose Agency Content or any information about Agency except as compelled by a court or administrative body or required by any law or regulation. Axon will give notice if any disclosure request is received for Agency Content, so Agency may file an objection with the court or administrative body.

8 **Axon Fleet Termination.** Axon may terminate Agency's Fleet subscription for non-payment. Upon any termination:

8.1 Axon Fleet subscription coverage terminates, and no refunds will be given.

8.2 Axon will not and has no obligation to provide the Axon Fleet Upgrade.

8.3 Agency will be responsible for payment of any missed payments due to the termination before being allowed to purchase any future Fleet TAP.

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Axon Respond Appendix

This Axon Respond Appendix applies to both Axon Respond and Axon Respond Plus.

1 **Axon Respond Subscription Term**. If Agency purchases Axon Respond as part of a bundled offering, the Axon Respond subscription begins on the later of the (1) start date of that bundled offering, or (2) date Axon provisions Axon Respond to Agency.

If Agency purchases Axon Respond as a standalone, the Axon Respond subscription begins the later of the (1) date Axon provisions Axon Respond to Agency, or (2) first day of the month following the Effective Date.

The Axon Respond subscription term will end upon the completion of the Axon Evidence Subscription associated with Axon Respond.

2 **Scope of Axon Respond**. The scope of Axon Respond is to assist Agency with real-time situational awareness during critical incidents to improve officer safety, effectiveness, and awareness. In the event Agency uses Axon Respond outside this scope, Axon may initiate good-faith discussions with Agency on upgrading Agency's Axon Respond to better meet Agency's needs.

3 **Axon Body 3 LTE Requirements**. Axon Respond is only available and usable with an LTE enabled body-worn camera. Axon is not liable if Agency utilizes the LTE device outside of the coverage area or if the LTE carrier is unavailable. LTE coverage is only available in the United States, including any U.S. territories. Axon may utilize a carrier of Axon's choice to provide LTE service. Axon may change LTE carriers during the Term without Agency's consent.

4 **Axon Fleet 3 LTE Requirements.** Axon Respond is only available and usable with a Fleet 3 system configured with LTE modem and service. Agency is responsible for providing LTE service for the modem. Coverage and availability of LTE service is subject to Agency's LTE carrier.

5 **Axon Respond Service Limitations**. Agency acknowledges that LTE service is made available only within the operating range of the networks. Service may be temporarily refused, interrupted, or limited because of: (a) facilities limitations; (b) transmission limitations caused by atmospheric, terrain, other natural or artificial conditions adversely affecting transmission, weak batteries, system overcapacity, movement outside a service area or gaps in coverage in a service area and other causes reasonably outside of the carrier's control such as intentional or negligent acts of third parties that damage or impair the network or disrupt service; or (c) equipment modifications, upgrades, relocations, repairs, and other similar activities necessary for the proper or improved operation of service.

With regard to Axon Body 3, Partner networks are made available as-is and the carrier makes no warranties or representations as to the availability or quality of roaming service provided by carrier partners, and the carrier will not be liable in any capacity for any errors, outages, or failures of carrier partner networks. Agency expressly understands and agrees that it has no contractual relationship whatsoever with the underlying wireless service provider or its affiliates or contractors and Agency is not a third-party beneficiary of any agreement between Axon and the underlying carrier.

6 **Termination**. Upon termination of this Agreement, or if Agency stops paying for Axon Respond or bundles that include Axon Respond, Axon will end Aware services, including any Axon-provided LTE service.

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Add-on Services Appendix

This Appendix applies to Axon Citizen for Communities, Axon Redaction Assistant, and Axon Performance.

1 **Subscription Term**. If Agency purchases Axon Citizen for Communities, Axon Redaction Assistant, or Axon Performance as part of OSP 7, the subscription begins on the later of the (1) start date of the OSP 7 Term, or (2) date Axon provisions Axon Citizen for Communities, Axon Redaction Assistant, or Axon Performance to Agency.

If Agency purchases Axon Citizen for Communities, Axon Redaction Assistant, or Axon Performance as a standalone, the subscription begins the later of the (1) date Axon provisions Axon Citizen for Communities, Axon Redaction Assistant, or Axon Performance to Agency, or (2) first day of the month following the Effective Date.

The subscription term will end upon the completion of the Axon Evidence Subscription associated with the add-on.

2 **Axon Citizen Storage**. For Axon Citizen, Agency may store an unlimited amount of data submitted through the public portal ("**Portal Content**"), within Agency's Axon Evidence instance. The post-termination provisions outlined in the Axon Cloud Services Terms of Use Appendix also apply to Portal Content.

3 **Performance Auto-Tagging Data**. In order to provide some features of Axon Performance to Agency, Axon will need to store call for service data from Agency's CAD or RMS.

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Axon Auto-Transcribe Appendix

This Appendix applies to Axon Auto-Transcribe.

1) **Subscription Term.** If Agency purchases Axon Auto-Transcribe as part of a bundle or Axon Cloud Services subscription, the subscription begins on the later of the (1) start date of the bundle or Axon Cloud Services license term, or (2) date Axon provisions Axon Auto-Transcribe to Agency. If Agency purchases Axon Auto-Transcribe minutes as a standalone, the subscription begins on the date Axon provisions Axon Auto-Transcribe to Agency.

   Axon Auto-Transcribe minutes expire one year after being provisioned to Agency by Axon.

   If Agency cancels Auto-Transcribe services, any amounts owed by the Parties will be based on the amount of time passed under the annual subscription, rather than on the number of minutes used, regardless of usage.

2) **Auto-Transcribe A-La-Carte Minutes.** Upon Axon granting Agency a set number of minutes, Agency may utilize Axon Auto-Transcribe, subject to the number of minutes allowed on the Quote. Agency will not have the ability to roll over unused minutes to future Auto-Transcribe terms. Axon may charge Agency additional fees for exceeding the number of purchased minutes.

3) **Axon Auto-Transcribe On-Demand.** Upon Axon granting Agency an On-Demand subscription to Axon Auto-Transcribe, Agency may utilize Axon Auto-Transcribe with no limit on the number of minutes. The scope of Axon Auto-Transcribe On-Demand is to assist Agency with reviewing and transcribing individual evidence items. In the event Agency uses Axon Auto-Transcribe On-Demand outside this scope, Axon may initiate good-faith discussions with Agency on upgrading Agency's Axon Auto-Transcribe On-Demand to better meet Agency's needs.

4) **Warranty.** Axon does not warrant the accuracy of Axon Auto-Transcribe.

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Axon Virtual Reality Content Terms of Use Appendix

1 **Term**. The Quote will detail the duration of the Virtual Reality Content license.

2 **Headsets**. Agency may purchase additional virtual reality headsets from Axon. In the event Agency decides to purchase additional virtual reality headsets for use with Axon's Virtual Reality Content, Agency must purchase those headsets from Axon.

3 **License Restrictions**. All licenses will immediately terminate if Agency does not comply with any term of this Agreement. If Agency utilizes more users than stated in this Agreement, Agency must purchase additional Virtual Reality Content licenses from Axon. Agency may not use Virtual Reality Content for any purpose other than as expressly permitted by this Agreement. Agency may not:

3.1 modify, tamper with, repair, or otherwise create derivative works of Virtual Reality Content;

3.2 reverse engineer, disassemble, or decompile Virtual Reality Content or apply any process to derive the source code of Virtual Reality Content, or allow others to do the same;

3.3 copy Virtual Reality Content in whole or part, except as expressly permitted in this Agreement;

3.4 use trade secret information contained in Virtual Reality Content;

3.5 resell, rent, loan or sublicense Virtual Reality Content;

3.6 access Virtual Reality Content to build a competitive device or service or copy any features, functions, or graphics of Virtual Reality Content; or

3.7 remove, alter, or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon or Axon's licensors on or within Virtual Reality Content or any copies of Virtual Reality Content.

4 **Termination**. Axon may terminate Agency's license immediately for Agency's failure to comply with any of the terms in this Agreement.

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Flock Software Terms of Use Appendix

1 **Definitions**.
Certain capitalized terms, not otherwise defined herein, have the meanings set forth or cross-referenced in this Section 1.

"**Aggregated Data**" means information that relates to a group or category of customers, from which individual customer identities have been removed, that is not linked or reasonably linkable to any customer, including via a device.

"**Authorized End User**" shall mean any individual employees, agents, or contractors of Customer accessing or using the Flock Services through the Web Interface, under the rights granted to Customer pursuant to this Agreement.

"**Customer Data**" will mean the data, media and content provided by Customer through the Flock Services. For the avoidance of doubt, the Customer Data will include the Footage and geolocation information and environmental data collected by sensors built into the Units.

"**Documentation**" will mean text and/or graphical documentation, whether in electronic or printed format, that describe the features, functions and operation of the Flock Services which are provided by Flock to Customer in accordance with the terms of this Agreement.

"**Embedded Software**" will mean the software and/or firmware embedded or preinstalled on the Hardware.

"**Flock IP**" will mean the Flock Services, the Documentation, the Hardware, the Embedded Software, the Installation Services, and any and all intellectual property therein or otherwise provided to Customer and/or its Authorized End Users in connection with the foregoing.

"**Flock Services**" means the provision, via the Web Interface, of Flock's software application for automatic license plate detection, searching image records, and sharing Footage.

"**Flock System**" means collectively, the Hardware, Embedded Software, and Flock Services.

"**Footage**" means still images and/or video captured by the Hardware in the course of and provided via the Flock Services.

"**Hardware**" shall mean the Flock cameras and any other physical elements that interact with the Embedded Software and the Web Interface to provide the Flock Services. The term "**Hardware**" excludes the Embedded Software.

"**Implementation Fee(s)**" means the monetary fees associated with the Installation Services, as defined in Section 1.9 below.

"**Installation Services**" means the services provided by Flock including the installation, placements and configuration of the Hardware, pursuant to any Statement of Work.

"**Non-Customer End User**" means a Flock customer that has elected to give Customer access to its data in the Flock System.

"**Non-Customer End User Data**" means the Footage, geolocation data, environmental data and/or notifications of a Non-Customer End User.

"**Support Services**" shall mean On-site Services and Monitoring Services, as defined in Section

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2.9 below.

"**Unit(s)**" shall mean the Hardware together with the Embedded Software.

"**Usage Fee**" means the subscription fees to be paid by the Customer for ongoing access to Services and Hardware.

"**Web Interface**" means the website(s) or application(s) through which Customer and its Authorized End Users can access the Flock Services in accordance with the terms of this Agreement.

2 Flock Services.

2.1 Provision of Access. Subject to the terms of this Agreement, Flock hereby grants to Customer a non-exclusive, non-transferable right to access the features and functions of the Flock Services via the Web Interface during the term of Customer's agreement, solely for the Authorized End Users. The Footage will be available for Customer's designated administrator, listed on the Order Form, and any Authorized End Users to access via the Web Interface for thirty (30) days. Authorized End Users will be required to sign up for an account, and select a password and username ("**User ID**"). Flock will also provide Customer with the Documentation to be used in accessing and using the Flock Services. Customer shall be responsible for all acts and omissions of Authorized End Users, and any act or omission by an Authorized End User which, if undertaken by Customer, would constitute a breach of this Agreement, shall be deemed a breach of this Agreement by Customer. Customer shall undertake reasonable efforts to make all Authorized End Users aware of the provisions of this Agreement as applicable to such Authorized End User's use of the Services, and shall cause Authorized End Users to comply with such provisions. Flock may use the services of one or more third parties to deliver any part of the Flock Services, including without limitation using a third party to host the Web Interface which makes the Flock Services available to Customer and Authorized End Users. Flock will pass through any warranties that Flock receives from its then-current third-party service provider to the extent that such warranties can be provided to Customer. Except in the event of Flock's willful misconduct or negligence, such warranties as provided by such third-parties are Customer's sole and exclusive remedy and Flock's sole and exclusive liability with regard to such third-party services, including without limitation, hosting the web interface. Customer agrees to comply with any acceptable use policies and other terms of any third party service provider that are provided or otherwise made available to Customer from time to time.

2.2 Embedded Software License. Subject to all terms of this Agreement, Flock grants Customer a limited, non-exclusive, non-transferable, non-sublicensable (except to the Authorized End Users), revocable right to use the Embedded Software as installed on the Hardware by Flock; in each case, solely as necessary for Customer to use the Flock Services.

2.3 Documentation License. Subject to the terms of this Agreement, Flock hereby grants to Customer a non-exclusive, non-transferable right and license to use the Documentation during the Service Term for Customer's internal purposes in connection with its use of the Flock Services as contemplated herein.

2.4 Usage Restrictions. The purpose for usage of the Hardware, Documentation, Services, support, and Flock IP is solely to facilitate gathering evidence that could be used in a lawful criminal investigation by the appropriate government agency and not for tracking activities that the system is not designed to capture ("**Permitted Purpose**"). Customer will not, and will not permit any Authorized End Users to, (i) copy or duplicate any of the Flock IP; (ii) decompile, disassemble, reverse engineer or otherwise attempt to obtain or perceive the source code from which any software component of any of the Flock IP is compiled or

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interpreted, or apply any other process or procedure to derive the source code of any software included in the Flock IP, or attempt to do any of the foregoing, and Customer acknowledges that nothing in this Agreement will be construed to grant Customer any right to obtain or use such source code; (iii) modify, alter, tamper with or repair any of the Flock IP, or create any derivative product from any of the foregoing, or attempt to do any of the foregoing, except with the prior written consent of Flock; (iv) interfere or attempt to interfere in any manner with the functionality or proper working of any of the Flock IP; (v) remove, obscure, or alter any notice of any intellectual property or proprietary right appearing on or contained within any of the Flock Services or Flock IP; (vi) use the Flock Services, support, Hardware, Documentation or the Flock IP for anything other than the Permitted Purpose; or (vii) assign, sublicense, sell, resell, lease, rent or otherwise transfer or convey, or pledge as security or otherwise encumber, Customer's rights under Sections 2.1, 2.2, or 2.3.

2.5 **Retained Rights; Ownership**. As between the Parties, subject to the rights granted in this Agreement, Flock and its licensors retain all right, title and interest in and to the Flock IP and its components, and Customer acknowledges that it neither owns nor acquires any additional rights in and to the foregoing not expressly granted by this Agreement. Customer further acknowledges that Flock retains the right to use the foregoing for any purpose in Flock's sole discretion. There are no implied rights.

2.6 **Suspension**. Notwithstanding anything to the contrary in this Agreement, Flock may temporarily suspend Customer's and any Authorized End User's access to any portion or all of the Flock IP if (i) Flock reasonably determines that (a) there is a threat or attack on any of the Flock IP; (b) Customer's or any Authorized End User's use of the Flock Service disrupts or poses a security risk to the Flock Service or any other customer or vendor of Flock; (c) Customer or any Authorized End User is/are using the Flock IP for fraudulent or illegal activities; (d) Flock's provision of the Flock Services to Customer or any Authorized End User is prohibited by applicable law; (e) any vendor of Flock has suspended or terminated Flock's access to or use of any third party services or products required to enable Customer to access the Flock; or (f) Customer has violated any term of this provision, including, but not limited to, utilizing the Services for anything other than the Permitted Purpose, and has failed to cure such violation within thirty days following written notice of such violation from Flock (each such suspension, in accordance with this Section 2.6, a "**Service Suspension**"). Flock will make commercially reasonable efforts, circumstances permitting, to provide written notice of any Service Suspension to Customer (including notices sent to Flock's registered email address) and to provide updates regarding resumption of access to the Flock IP following any Service Suspension. Flock will use commercially reasonable efforts to resume providing access to the Flock Service as soon as reasonably possible after the event giving rise to the Service Suspension is cured. Flock will extend the Customer's term by the duration of any suspension (for any continuous suspension lasting at least one full day) where the Service Suspension is not caused by the direct Customer's actions or by the actions of parties associated with the Customer. Flock will have no liability for any damage, liabilities, losses (including any loss of data or profits) or any other consequences that Customer or any Authorized End User may incur as a result of a Service Suspension.

2.7 **Installation Services**.

2.7.1. Designated Locations. Prior to performing the physical installation of the Units, Flock shall advise Customer on the location and positioning of the Units for optimal license plate image capture, as conditions and location allow. While Flock will provide advice regarding the location of positioning of such Units, Customer will have the ultimate decision regarding the location, position and angle of the Units (each Unit location so designated by Customer, a "**Designated Location**"). Due to the fact that Customer selects the Designated Location, Flock shall have no liability to Customer resulting from any poor performance, functionality or Footage

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resulting from or otherwise relating to the Designated Locations. After an installation plan with Designated Locations and equipment has been agreed upon by both Flock and the Customer, any subsequent changes to the installation plan driven by Customer's request will incur a $250 charge in addition to any equipment charges. These changes include but are not limited to camera re-positioning, adjusting of camera mounting, re-angling, changes to heights of poles, and removing foliage.

2.7.2. Customer's Installation Obligations. Customer agrees to allow Flock and its agents reasonable access to the designated installation locations at all reasonable times upon reasonable notice for the purpose of performing the installation work (together with the preceding sentence, the "**Customer Installation Obligations**"). It is understood that the Implementation Fees do not include any permits or associated costs, any federal, state or local taxes including property, license, privilege, sales, use, excise, gross receipts or other similar taxes which may now or hereafter become applicable to, measured by or imposed upon or with respect to the installation of the Hardware, its use, or any other services performed in connection therewith and that Customer shall be solely responsible for the foregoing. Customer represents and warrants that it has all necessary right title and authority and hereby authorizes Flock to install the Hardware at the Designated Locations and to make any necessary inspections or tests in connection with such installation.

2.7.3. Flock's Installation Obligations. The Hardware shall be installed in a workmanlike manner in accordance with Flock's standard installation procedures, and the installation will be completed within a reasonable time from the time that the Designated Locations are selected by Customer. Following the initial installation of the Hardware and any subsequent Reinstalls or maintenance operations, Flock's obligation to perform installation work shall cease; however, Flock will continue to monitor the performance of the Units for the length of the Term and will receive access to the Footage for a period of three (3) business days after the initial installation in order to monitor performance and provide any necessary maintenance solely as a measure of quality control. Customer can opt out of Flock's access to Footage after the initial installation which would waive Flock's responsibility to ensure such action was successful. Customer understands and agrees that the Flock Services will not function without the Hardware. Labor may be provided by Flock or a third party.

2.7.4. Theft and Damage. Flock agrees to replace the Hardware up to one (1) time during the Term of the Agreement, at no cost to Customer, in the event of theft or damage. Subsequent replacement due to damage or theft will be at Customer's own expense, at a replacement cost of three hundred dollars ($300) per camera. Customer shall not be required to replace subsequently damaged or stolen units; however, Customer understands and agrees that functionality, including Footage, will be materially affected due to such subsequently damaged or stolen units and that Flock will have no liability to Customer regarding such affected functionality nor shall the Fees owed be impacted.

2.7.5. Security Interest. The Hardware shall remain the personal property of Flock and will be removed upon the termination or expiration of Customer's Agreement. Customer agrees to perform all acts which may be necessary to assure the retention of title of the Hardware by Flock. Should Customer default in any payment for the Flock Services or any part thereof or offer to sell or auction the Hardware, then Customer authorizes and empowers Flock to remove the Hardware or any part thereof. Such removal, if made by Flock, shall not be deemed a waiver of Flock's rights to any damages Flock may sustain as a result of Customer's default and Flock shall have the right to enforce any other legal remedy or right.

2.8 Hazardous Conditions. Unless otherwise stated in the Agreement, Flock's price for its

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services under this Agreement does not contemplate work in any areas that contain hazardous materials, or other hazardous conditions, including, without limit, asbestos, lead, toxic or flammable substances. In the event any such hazardous materials are discovered in the designated locations in which Flock is to perform services under this Agreement, Flock shall have the right to cease work immediately in the area affected until such materials are removed or rendered harmless. Any additional expenses incurred by Flock as a result of the discovery or presence of hazardous material or hazardous conditions shall be the responsibility of Customer and shall be paid promptly upon billing.

2.9 **Support Services.** Subject to the payment of fees, Flock shall monitor the performance and of Flock Services and may, from time to time, advise Customer on changes to the Services or the Designated Locations which may improve the performance or functionality of the Services or may improve the quality of the Footage. The work, its timing, and the fees payable relating to such work shall be agreed by the Parties prior to any alterations to or changes of the Services or the Designated Locations ("**Monitoring Services**"). Subject to the terms hereof, Flock will provide Customer with reasonable technical and on-site support and maintenance services ("**On-Site Services**") in-person or by email at hello@flocksafety.com. Flock will use commercially reasonable efforts to respond to requests for support.

2.10 **Intentionally deleted**.

2.11 **Changes to Platform**. Flock Safety may, in its sole discretion, make any changes to any system or platform that it deems necessary or useful to (i) maintain or enhance (a) the quality or delivery of Flock Safety's products or services to its customers, (b) the competitive strength of, or market for, Flock Safety's products or services, (c) such platform or system's cost efficiency or performance, or (ii) to comply with applicable law.

3 **Customer Responsibilities**.

3.1 **Customer Obligations**. Upon creation of a User ID, Customer agrees to provide Flock with accurate, complete, and updated registration information. Customer may not select as its User ID a name that Customer does not have the right to use, or another person's name with the intent to impersonate that person. Customer may not transfer its account to anyone else without prior written permission. Customer will not share its account or password with anyone and must protect the security of its account and password. Customer is responsible for any activity associated with its account. Customer shall be responsible for obtaining and maintaining any equipment and ancillary services needed to connect to, access or otherwise use the Services. Customer will, at its own expense, provide assistance to Flock, including, but not limited to, by means of access to, and use of, Customer facilities, as well as by means of assistance from Customer personnel to the limited extent any of the foregoing may be reasonably necessary to enable Flock to perform its obligations hereunder, including, without limitation, any obligations with respect to Support Services or any Installation Services.

3.2 **Customer Representations and Warranties**. Customer represents, covenants, and warrants that Customer will use the Services only in compliance with this Agreement and all applicable laws and regulations, including but not limited to any laws relating to the recording or sharing of video, photo, or audio content. To the extent allowed by the governing law of the state mentioned in Section 9.6, or if no state is mentioned in Section 9.6, by the law of the State of Georgia, Customer hereby agrees to indemnify and hold harmless Flock against any damages, losses, liabilities, settlements and expenses, including without limitation costs and attorneys' fees, in connection with any claim or action that arises from an alleged violation of Customer's representations and warranties made pursuant to this Section 3.2, Customer's Installation Obligations, or otherwise from Customer's use of the Flock Services, Hardware and any Embedded Software, including

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any claim that such actions violate any applicable law or third party right. Although Flock has no obligation to monitor Customer's use of the Flock Services, Flock may do so and may prohibit any use of the Services it believes may be (or alleged to be) in violation of the foregoing.

4 Confidentiality; Data, Feedback; Aggregated Statistics.

4.1 Customer and Non-Customer End User Data. As between Flock and Customer, all right, title and interest in the Customer Data and Non-Customer End User Data, belong to and are retained solely by Customer. Customer hereby grants to Flock a limited, non-exclusive, royalty-free, worldwide license to use the Customer Data and Non-Customer End User Data and perform all acts with respect to the Customer Data and Non-Customer End User Data as may be necessary for Flock to provide the Flock Services to Customer, and a non-exclusive, perpetual, irrevocable, worldwide, royalty-free, fully paid license to use, reproduce, modify and distribute the Customer Data and Non-Customer End User Data as a part of the Aggregated Data (as defined in Section 4.4 below). This Agreement does not by itself make any Non-Customer End User Data the sole property or the Proprietary Information of Customer.

4.2 Feedback. If Customer provides any suggestions, ideas, enhancement requests, feedback, recommendations or other information relating to the subject matter hereunder, Customer hereby assigns (and will cause its agents and representatives to assign) to Flock all right, title and interest (including intellectual property rights) with respect to or resulting from any of the foregoing.

4.3 Aggregated Data. Notwithstanding anything in this Agreement to the contrary, Flock shall have the right to collect and analyze data and other information relating to the provision, use and performance of various aspects of the Flock Services and related systems and technologies (including, without limitation, information concerning Customer Data and data derived therefrom). For the sake of clarity, Aggregated Data is compiled anonymous data which has been stripped of any personal identifying information. Customer acknowledges that Flock will be compiling Aggregated Data based on Customer Data and Non-Customer End User Data input into the Flock Services ("**Aggregated Data**"). Customer hereby grants Flock a non-exclusive, worldwide, perpetual, royalty-free right and license (during and after the Service Term hereof) to use and distribute such Aggregated Data to improve and enhance the Services and for other marketing, development, diagnostic and corrective purposes in connection with the Flock Services and other Flock offerings. No rights or licenses are granted except as expressly set forth herein.

4.4 Confidentiality. Each Party (the "**Receiving Party**") understands that the other Party (the "**Disclosing Party**") has disclosed or may disclose business, technical or financial information relating to the Disclosing Party's business (hereinafter referred to as "**Proprietary Information**" of the Disclosing Party). Proprietary Information of Flock includes non-public information regarding features, functionality and performance of the Services. Proprietary Information of Customer includes non-public data provided by Customer to Flock or collected by Flock via the Unit, including the Footage, to enable the provision of the Services, which includes but is not limited to geolocation information and environmental data collected by sensors built into the Units ("**Customer Data**"). The Receiving Party agrees: (i) to take the same security precautions to protect against disclosure or unauthorized use of such Proprietary Information that the party takes with its own proprietary information, but in no event will the Receiving Party apply less than reasonable precautions to protect such Proprietary Information, and (ii) not to use (except in performance of the Services or as otherwise permitted herein) or divulge to any third person any such Proprietary Information. Flock's use of the Proprietary Information may include processing the Proprietary Information to send Customer alerts, such as when a car exits Customer's neighborhood, or to analyze the data collected to identify motion or

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other events. The Disclosing Party agrees that the foregoing shall not apply with respect to any information that the Receiving Party can document (a) is or becomes generally available to the public, or (b) was in its possession or known by it prior to receipt from the Disclosing Party, or (c) was rightfully disclosed to it without restriction by a third party, or (d) was independently developed without use of any Proprietary Information of the Disclosing Party. Nothing in this Agreement will prevent the Receiving Party from disclosing the Proprietary Information pursuant to any judicial or governmental order, provided that the Receiving Party gives the Disclosing Party reasonable prior notice of such disclosure to contest such order. For clarity, Flock may access, use, preserve and/or disclose the Footage to law enforcement authorities, government officials, and/or third parties, if legally required to do so or if Flock has a good faith belief that such access, use, preservation or disclosure is reasonably necessary to: (a) comply with a legal process or request; (b) enforce this Agreement, including investigation of any potential violation thereof; (c) detect, prevent or otherwise address security, fraud or technical issues; or (d) protect the rights, property or safety of Flock, its users, a third party, or the public as required or permitted by law, including respond to an emergency situation. In the event Customer requests Flock to enable law enforcement monitoring against law enforcement hotlists, Customer hereby expressly grants Flock a non-exclusive, worldwide, perpetual, royalty-free right and license (during and after the term hereof) to disclose the Customer Data (inclusive of any Footage and Footage search access) to enable law enforcement monitoring against law enforcement hotlists. Flock may store deleted Footage in order to comply with certain legal obligations but such retained Footage will not be retrievable without a valid court order, subject to Section 9.1 below.

5 **RESERVED**.

6 **RESERVED**.

7 **Remedy; Warranty; and Disclaimer**.

7.1 **Remedy**. Upon a malfunction or failure of Hardware or Embedded Software (a "**Defect**"), Customer must first make commercially reasonable efforts to address the problem by contacting Flock's technical support as described in Section 2.9 above. If such efforts do not correct the Defect, Flock shall, or shall instruct one of its contractors to, in its sole discretion, repair or replace the Hardware or Embedded Software suffering from the Defect. Flock reserves the right in their sole discretion to refuse or delay replacement or its choice of remedy for a Defect until after it has inspected and tested the affected Unit; provided that such inspection and test shall occur within seventy-two (72) hours after Customer notifies the Flock of a Defect. In the event of a Defect, Flock will repair or replace the defective Unit at no additional cost. In the event that a Unit is lost, stolen, or damaged, Flock agrees to replace the Unit at a fee according to the then-current Reinstall Policy (https://www.flocksafety.com/reinstall-fee-schedule). Customer shall not be required to replace subsequently lost, damaged or stolen Units, however, Customer understands and agrees that functionality, including Footage, will be materially affected due to such subsequently lost, damaged or stolen units and that Flock will have no liability to Customer regarding such affected functionality nor shall the Usage Fee or Implementation Fees owed be impacted.

7.2 **Exclusions**. Flock will not provide the remedy described in Section 7.1 above if any of the following exclusions apply: (a) misuse of the Hardware or Embedded Software in any manner, including operation of the Hardware or Embedded Software in any way that does not strictly comply with any applicable specifications, documentation, or other restrictions on use provided by Flock; (b) damage, alteration, or modification of the Hardware or Embedded Software in any way; or (c) combination of the Hardware or Embedded Software with software, hardware or other technology that was not expressly authorized by Flock.

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7.3 **Warranty**. Flock shall use reasonable efforts consistent with prevailing industry standards to maintain the Services in a manner which minimizes errors and interruptions in the Flock Services. Flock Services may be temporarily unavailable for scheduled maintenance or for unscheduled emergency maintenance, either by Flock or by third-party providers, or because of other causes beyond Flock's reasonable control, but Flock shall use reasonable efforts to provide advance notice in writing or by e-mail of any scheduled service disruption.

7.4 **Disclaimer**. THE REMEDY DESCRIBED IN SECTION 7.1 ABOVE IS CUSTOMER'S SOLE REMEDY, AND FLOCK'S SOLE LIABILITY, WITH RESPECT TO DEFECTIVE HARDWARE AND/OR EMBEDDED SOFTWARE. THE FLOCK DOES NOT WARRANT THAT THE FLOCK SERVICES WILL BE UNINTERRUPTED OR ERROR FREE; NOR DOES IT MAKE ANY WARRANTY AS TO THE RESULTS THAT MAY BE OBTAINED FROM USE OF THE FLOCK SERVICES. EXCEPT AS EXPRESSLY SET FORTH IN THIS SECTION, THE FLOCK SERVICES AND INSTALLATION SERVICES ARE PROVIDED "AS IS" AND FLOCK DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT.

7.5 **Force Majeure**. Flock Safety is not responsible nor liable for any delays or failures in performance from any cause beyond its control, including, but not limited to acts of God, changes to law or regulations, embargoes, war, terrorist acts, riots, fires, earthquakes, floods, power blackouts, strikes, weather conditions or acts of hackers, internet service providers or any other third party or acts or omissions of Customer or any Authorized End User.

8 **Limitation of Liability and Indemnity**.

8.1 **Limitation of Liability**. NOTWITHSTANDING ANYTHING TO THE CONTRARY, FLOCK AND ITS SUPPLIERS (INCLUDING BUT NOT LIMITED TO ALL HARDWARE AND TECHNOLOGY SUPPLIERS), OFFICERS, AFFILIATES, REPRESENTATIVES, CONTRACTORS AND EMPLOYEES SHALL NOT BE RESPONSIBLE OR LIABLE WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT OR TERMS AND CONDITIONS RELATED THERETO UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY, PRODUCT LIABILITY, OR OTHER THEORY: (A) FOR ERROR OR INTERRUPTION OF USE OR FOR LOSS OR INACCURACY, INCOMPLETENESS OR CORRUPTION OF DATA OR FOOTAGE OR COST OF PROCUREMENT OF SUBSTITUTE GOODS, SERVICES OR TECHNOLOGY OR LOSS OF BUSINESS; (B) FOR ANY INDIRECT, EXEMPLARY, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES; (C) FOR ANY MATTER BEYOND FLOCK'S ACTUAL KNOWLEDGE OR REASONABLE CONTROL INCLUDING REPEAT CRIMINAL ACTIVITY OR INABILITY TO CAPTURE FOOTAGE OR IDENTIFY AND/OR CORRELATE A LICENSE PLATE WITH THE FBI DATABASE; (D) FOR ANY PUBLIC DISCLOSURE OF PROPRIETARY INFORMATION MADE IN GOOD FAITH; OR (E) FOR ANY AMOUNTS THAT, TOGETHER WITH AMOUNTS ASSOCIATED WITH ALL OTHER CLAIMS, EXCEED THE FEES PAID AND/OR PAYABLE BY CUSTOMER TO FLOCK FOR THE FLOCK SERVICES UNDER THIS AGREEMENT IN THE TWELVE (12) MONTHS PRIOR TO THE ACT THAT GAVE RISE TO THE LIABILITY, IN EACH CASE, WHETHER OR NOT FLOCK HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN THE EVENT OF AN EMERGENCY, CUSTOMER SHOULD CONTACT 911 AND SHOULD NOT RELY ON THE FLOCK SERVICES.

8.2 **Responsibility**. Each Party to this Agreement shall assume the responsibility and liability for the acts and omissions of its own employees, deputies, officers, or agents, in connection with the performance of their official duties under this Agreement. Each Party to this Agreement shall be liable (if at all) only for the torts of its own officers, agents, or employees

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that occur within the scope of their official duties. Customer will not pursue any claims or actions against Flock's suppliers.

8.3 **Indemnity**. Customer hereby agrees to indemnify and hold harmless Flock against any damages, losses, liabilities, settlements and expenses (including without limitation costs and attorneys' fees) in connection with any claim or action that arises from an alleged violation of Section 3.1, a breach of this Agreement, Customer's sharing of any data in connection with the Flock system, Flock employees or agent or Non-Customer End Users, or otherwise from Customer's use of the Flock Services, Hardware and any Software, including any claim that such actions violate any applicable law or third party right. Although Flock has no obligation to monitor Customer's use of the Flock Services, Flock may do so and may prohibit any use of the Flock Services it believes may be (or alleged to be) in violation of the Section 3.2 or this Agreement.

9 **Record Retention.**

9.1 **Data Preservation**. The Customer agrees to store Customer Data and Non-Customer End User Data in compliance with all applicable local, state and federal laws, regulations, policies and ordinances and their associated record retention schedules. As part of Customer's consideration for paid access and no-fee access to the Flock System, to the extent that Flock is required by local, state or federal law to store the Customer Data or the Non-Customer End User Data, Customer agrees to preserve and securely store this data on Flock's behalf so that Flock can delete the data from its servers and, should Flock be legally compelled by judicial or government order, Flock may retrieve the data from Customer upon demand, provided, however, if Flock receives a disclosure request for Customer Data, Flock will give Customer notice, unless legally prohibited from doing so, to allow Customer to file an objection with the court or administrative body.

10 **Miscellaneous**.

10.1 **Publicity**. Flock has the right to reference and use Customer's name and trademarks and disclose the nature of the Flock Services provided hereunder in each case in business and development and marketing efforts, including without limitation on Flock's website.

10.2 **Export**. Customer may not remove or export from the United States or allow the export or re-export of the Flock IP or anything related thereto, or any direct product thereof in violation of any restrictions, laws or regulations of the United States Department of Commerce, the United States Department of Treasury Office of Foreign Assets Control, or any other United States or foreign Customer or authority. As defined in FAR section 2.101, the Flock Services, the Hardware, the Embedded Software and Documentation are "commercial items" and according to DFAR section 252.2277014(a)(1) and (5) are deemed to be "commercial computer software" and "commercial computer software documentation." Consistent with DFAR section 227.7202 and FAR section 12.212, any use, modification, reproduction, release, performance, display, or disclosure of such commercial software or commercial software documentation by the U.S. Government will be governed solely by the terms of this Agreement and will be prohibited except to the extent expressly permitted by the terms of this Agreement.

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Skydio Terms of Use Appendix

1 Definitions.

"**Advanced Software**" means optional capabilities, functions or other features of the Onboard Software that may be specified and identified as such in the Quote. Skydio's characterization of capabilities, functions or other features as Advanced Software shall be dispositive. Notwithstanding any other provision herein, a software feature that is locked or otherwise disabled unless or until an Advanced Software Package is purchased for such software feature shall be deemed an Advanced Software. Advanced Software does not include Mobile Apps.

"**Advanced Software Package**" means an optional, additional-charge license right, specified in the Quote, pursuant to which Skydio shall unlock Advanced Software to permit Customer to use Advanced Software (and in some cases the Skydio Hardware that it controls).

"**Authorized Devices**" are (a) mobile devices that Customer owns or is authorized to use, and (b) controllers purchased by Customer hereunder, which in each case (a) and (b) are used by Customer to operate the Skydio Hardware purchased by Customer hereunder.

"**Base Software**" means capabilities, functions or other features of the Onboard Software that are both: (a) standard capabilities, functions or other features available and activated on Skydio's base consumer version of Skydio Hardware, and (b) available for use without purchase of Advanced Software Package. Base Software may be specified and identified as standard features in the Quote. Any capability, function, or feature that is not a Base Software shall be deemed an Advanced Software.

"**Customer**" means the customer procuring Skydio Products or services.

"**Error**" means a critical error in the Advanced Software that causes the Advanced Software to be inoperable.

"**Skydio License Term**" means with respect to an Advanced Software Package, the term of that Advanced Software Package, including (if applicable) the initial specified term and any renewal terms.

"**Mobile Apps**" means software applications (in executable form only), as may be specified on the Quote, that are specifically intended for use on a mobile device (and any Updates thereto).

"**Onboard Software**" means software, in executable format only, embedded into or otherwise pre-installed on Skydio Hardware as supplied by Skydio, and any Updates thereto, whether or not embedded on read only memory. Onboard Software includes Base Software and Advanced Software.

"**Skydio Privacy Policy**" means Skydio's privacy policy located at https://www.skydio.com/privacy-policy and as it may be amended from time to time by Skydio in its sole discretion.

"**Product**" means Skydio Hardware and Software, as provided by Skydio pursuant to this Agreement and any applicable Quote.

"**Skydio Hardware**" means drones and other unmanned aircraft, controllers, docks, accessories and related hardware that Customer purchases from Skydio or its distributors or resellers.

"**Skydio Software**" means Onboard Software and Mobile Apps.

"**Support Term**" means, for Base Software, the support term specified in the Quote, and, for each Advanced Software Package, the applicable Skydio License Term for such Advanced Software

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Package purchased hereunder.

"**Updates**" means any upgrades, updates, maintenance releases, bug fixes or modified versions of Skydio Software that Skydio may release from time to time.

2 **License**. Subject to and in accordance with the terms and conditions of this Agreement and further conditioned upon Customer's payment of all Fees, Skydio grants to Customer:

2.1 a limited, perpetual, non-exclusive, non-transferable (except as provided in Section 5 below titled "Transferability") right and license to use the Base Software solely on Skydio Hardware;

2.2 a limited, perpetual, non-exclusive, non-transferable right and license to download, install, execute and use Mobile Apps on Authorized Devices solely to operate Skydio Hardware in accordance with this Agreement;

2.3 if Customer purchases an Advanced Software Package for the use of an Advanced Software, as specified in the Quote, a limited, non-exclusive, non-transferable right and license, during the Skydio License Term of the Advanced Software Package, to use the Advanced Software on Skydio Hardware that Customer purchases from Skydio solely to operate the Skydio Hardware in accordance with this Agreement ("**Advanced Software License"**); and

2.4 a limited, non-exclusive, non-transferable right and license to install solely on Skydio Hardware any Updates to the Onboard Software, if and when provided by Skydio.

3 **Additional License Terms**. Additional License Terms. The license rights of Section 2 are limited to the United States, Canada and Japan.

3.1 Unless otherwise specified in the applicable Quote, the Advanced Software License is granted on a per-unit basis and it may only be exercised with respect to the specific units of Skydio Hardware identified on the applicable Quote or, if the Quote does not specify such units, then with respect to no more than the total number of Skydio Hardware units authorized on the Quote, or if such total number of units is not specified on the Quote, then only with respect to one (1) single Skydio Hardware unit ("**Authorized Units**").

3.2 Rights under the Advanced Software License are not transferable between Authorized Units. When an Advanced Software License is exercised on a specific Authorized Unit (by unlocking, activating, accessing or using the Advanced Software on that Authorized Unit), such Advanced Software License, or any rights thereof, cannot be transferred to a different unit of Skydio Hardware, except: (i) if Skydio replaces an Authorized Unit pursuant to a warranty claim, Skydio shall transfer to the replacement Authorized Unit, the Advanced Software License of the inoperable unit that is being replaced, and (ii) if a particular Authorized Unit is rendered permanently inoperable, Skydio shall, upon Customer's request, transfer the Advanced Software License rights to a replacement Authorized Unit, provided, however, that Skydio may condition such transfer on Customer returning to Skydio the remnants of the inoperable unit or other evidence of its inoperability.

4 **Limitations and Restrictions**. Except as otherwise expressly provided in this Agreement, the foregoing license grant excludes any right to, and Customer shall not (and shall not permit others to) do any of the following with respect to the Skydio Software: (i) license, sublicense, sell, resell, rent, lease, transfer, distribute, time share, operate as a service bureau, or otherwise make any of it available for access by third parties; (ii) disassemble, reverse engineer or decompile it; (iii) copy, create derivative works based on or otherwise modify it; (iv) remove or modify a copyright, trademark, logo or other proprietary rights notice or brand labeling in it; (v) use it to reproduce, distribute, display, transmit, or use material protected by copyright or other intellectual property right (including the rights of publicity or privacy) without first obtaining the permission of the owner; (vi) use it to create, use, send, store or run viruses or other harmful computer code, files, scripts, agents or other programs or otherwise engage, in a malicious act or disrupt its security, integrity or operation; (vii) install, execute or otherwise reproduce Onboard Software on any device other than the Skydio Hardware on which Skydio originally installed the Onboard Software; (viii) install any

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Skydio Software on any type of device not approved by Skydio; (ix) disable or otherwise circumvent any technological measures in Skydio Software to limit its installation, use or access; (x) unlock, activate, access or use an Advanced Software on any device other than as permitted under an Advanced Software Package purchased by Customer; and (xi) publish or release any benchmarking or performance data applicable to the Skydio Software.

5 **Transferability**. Subject to the terms and conditions of this Agreement, Customer may transfer the Base Software, including any relevant Base Software license rights, only on a permanent basis and as part of the sale or transfer of the Skydio Hardware on which the Base Software is loaded, provided that Customer retains no copies of any version of the Skydio Software. With the exception of the Base Software, Customer may not transfer any other Skydio Software or other Skydio Software license rights granted herein to another person or entity without the express written permission of Skydio, unless allowed by applicable law stating that transfer may not be restricted.

6 **Evaluation License**. Skydio may make certain Skydio Software available in object code form to end users only for evaluation, training or other limited non-commercial purposes without charging a Fee ("**Evaluation License**"). Where Skydio has provided an Evaluation License, all of the terms of this Agreement shall apply except that (i) Customer's license rights shall be limited to the evaluation of that Skydio Software, (ii) Customer shall not be required to pay a Fee for the evaluation of that Skydio Software and (iii) Skydio shall have the right to revoke the license to the Skydio Software at any time and for any reason.

7 **Updates**. The terms and conditions of this Agreement shall apply to all Updates or additional copies of the Skydio Software. Subject to the terms and conditions of this Agreement, including Customer's timely payment of all Fees due and owed to Skydio, Skydio will provide or make available to Customer, during the Support Term, Updates for Base Software, Mobile Apps and any Advanced Software that was enabled under the purchased Advanced Software Package on the Authorized Units. Notwithstanding any other provision of this Agreement, Customer has no license or right to use any Updates to the Advanced Software unless Customer holds a valid license to the Advanced Software and has paid any required Fees for such Advanced Software. Updates are solely provided on a "when-and-if-available" basis and as made generally available by Skydio to its customers. Customer shall promptly install any Updates that Skydio designates as required for the continued safe operation of Skydio Hardware or operation of any Advanced Software.

8 **Proprietary Notices**. Customer agrees to maintain and reproduce all copyright and other proprietary notices on all copies, in any form, of the Skydio Software in the same form and manner that such copyright and other proprietary notices are included on the Skydio Software.

9 **Intellectual Property**. Customer agrees that all worldwide patent, copyright and other intellectual property rights in the Product, and all copies of the Software however made (including copies pre-installed on the Skydio Hardware purchased by Customer) are the exclusive property of Skydio and its suppliers. All Skydio Software is licensed to Customer, not sold. All rights not expressly granted to Customer in this Agreement are reserved by Skydio and its suppliers. There are no implied licenses under this Agreement.

10 **Fees**. Skydio reserves the right to suspend and/or terminate access to the Skydio Software if any undisputed fees for Skydio Hardware or Software are past due. Such suspension or termination shall not relieve Customer from its obligation to pay all undisputed amounts.

11 **Third Party Software and Open Source Software**. The Skydio Software may include third party software, and open source software ("**OSS**"), and such software is provided under separate license terms.

11.1 To the extent the licenses for any OSS requires Skydio to make available to Customer the corresponding source code included in the Skydio Software, Customer may obtain a copy of the applicable OSS source code by sending a written request to legal@skydio.com. The

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OSS license terms shall take precedence over this Agreement to the extent that this Agreement imposes greater restrictions on Customer than the applicable OSS license terms. Customer acknowledges receipt of notices for the Open Source Components for the initial delivery of the Skydio Software.

11.2 The use of third party software or applications, or the integration of such software or applications with the Skydio Software, (collectively, "**Third Party Applications**"), may result in Customer data or information being transferred to a third party. Skydio is not responsible for, and Customer agrees to hold Skydio harmless, for any data or information transferred to third parties in connection with your use of Third Party Applications.

12 **Commercial Item.** The Skydio Software and associated documentation are "commercial items" as defined at FAR 2.101 and according to DFAR section 252.2277014(a)(1) and (5) are deemed to be "commercial computer software" and "commercial computer software documentation." Consistent with DFAR section 227.7202 and FAR section 12.212, any use, modification, reproduction, release, performance, display, or disclosure of such commercial software or commercial software documentation by the U.S. Government will be governed solely by the terms of this Agreement and will be prohibited except to the extent expressly permitted by the terms of this Agreement.

13 **Term and Termination.** This Agreement is effective upon Skydio Software purchase, activation or download, as applicable, and shall continue until terminated.

13.1 **Paid License Term**. Each Advanced Software Package purchased hereunder shall have its own Skydio License Term. Each Skydio License Term shall have an initial term for the time period set forth on the Quote and that the Skydio License Term shall automatically extend for successive additional one (1) year renewal terms thereafter if any (subject to payment of the then-current applicable license fees for each such renewal term) unless either party give notice to the other of its intention not to renew the Skydio License Term at least thirty (30) days before expiration of the then-current initial or renewal term, as the case may be ("**Renewal Terms**"). If a Skydio License Term is not set forth in the Quote, each Skydio License Term shall have an initial term that commences upon the date of provisioning of the Skydio Software and expires one (1) year later; provided, however, that the Skydio License Term shall automatically extend per the Renewal Terms. Unless Skydio terminates this Agreement for breach by Customer, the perpetual licenses to use Base Software shall survive.

13.2 **Free or Trial License Term**. If you have obtained a license to a free version of the Skydio Software, then your license will continue until terminated in accordance with this Agreement. If you have obtained a trial license to the Skydio Software, then your license will continue for such time period as may be specified by Skydio with respect to such trial (and if no period is specified, for 30 days). Skydio may terminate a trial license at any time in its sole discretion.

13.3 **Termination**. Skydio may terminate Customer's license rights under this Agreement immediately without notice if Customer fails to comply with any terms of this Agreement or Customer fails to make any payment as required hereunder. In no event will termination relieve Customer of its obligation to pay any fees payable for Skydio Hardware or Software. Upon termination or expiration of this Agreement for any reason, Customer shall immediately cease using any Skydio Software and must destroy or return to Skydio all copies of the Skydio Software and associated documentation in its possession or control. The following sections shall survive the termination or expiration of this Agreement: Sections 1, 2(a), 2(b), 2(d), 4, 5 and 7-26.

14 **End of Life**. Skydio may discontinue the provision of any Skydio Software, support or Updates in its sole discretion in accordance with, and any licenses granted herein are subject to, Skydio

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Product End of Life Policy, which is available at https://support.skydio.com/hc/en-us/articles/360057153714, and is hereby incorporated by reference herein.

15 **Limited Warranty.** The only warranty that Skydio provides with respect to any Skydio products or services is the written limited warranty statement provided with the products or services or as otherwise set forth at https://skydio.com/warranty-terms ("**Limited Warranty**").

16 **Limitations.** Any use of the Skydio Hardware and Software, including any reliance upon or use of any of the information generated thereby, shall be at Customer's and its authorized users' sole risk. Except as expressly set forth in the Limited Warranty and to the extent permitted by law, the Products are provided "as is" and "as available" without warranty of any kind (all of which are hereby disclaimed), whether express, implied or statutory, including the implied warranties of merchantability, fitness for a particular purpose, or non-infringement. If statutory or implied warranties cannot be lawfully disclaimed, then such warranties are limited to the duration of the warranty set forth in the Limited Warranty and by the provisions in this Agreement. Skydio's cumulative liability to any Party for any loss or damage resulting from any claim, demand, or action arising out of or relating to any Skydio Products or any service will not exceed the amounts paid by Customer in the 12 months prior to the action giving rise to the liability. Neither Party will be liable for direct, special, indirect, incidental, punitive or consequential damages, however caused, whether for breach of warranty or contract, negligence, strict liability, tort or any other legal theory.

17 **Safety and Compliance**. Customer and Customer's authorized users agree to use the Skydio Hardware only in a manner that complies with all laws. Customer shall ensure that it and its authorized users operate product in accordance with the information and warnings set forth at https://www.skydio.com/safety (the "**Safety and Operating Guide**"). Customer acknowledges that improper operation of the unmanned aircraft systems may cause injury to persons or property. Customer shall at all times comply with all applicable local, state, national, and international laws and regulations related to the operation of unmanned aircraft systems in any territory of operation, including any applicable laws and orders with regard to privacy, pilot licensure, operating within visual line of sight (unless the Customer has received proper approval from a civil aviation authority waiving such limitation), detecting and avoiding other aircraft, and airspace restrictions (such as temporary flight restrictions issued by Federal Aviation Administration or other appropriate government agencies). Customer shall obtain and maintain all necessary licenses, consent, and authorizations of any kind necessary to operate unmanned aircraft systems.

18 **Feedback**. If Customer or Customer's authorized users send Skydio comments, suggestions, ideas, materials, notes, drawings, concepts or other information (collectively, "**Submissions**"), Customer and Customer's authorized users (as applicable) grant to Skydio a worldwide, non-exclusive, perpetual, irrevocable, transferable, sub-licensable, royalty-free license to use, copy, modify, publicly display, publicly perform, distribute and otherwise exploit the Submissions. None of the Submissions shall be subject to any obligation of confidentiality on Skydio's part, and Skydio shall not be liable for any use or disclosure of any Submissions.

19 **Privacy**. Skydio shall, in providing the Products, comply with Skydio Privacy Policy to the extent that Customer provides Skydio with personally identifiable information.

20 **Mapbox Terms.** The Mobile App uses features and content provided by Mapbox, such as maps and locations on a map. Use of any such Mapbox features and content is subject to the then-current version of Mapbox's terms and privacy policy, which can be found at https://www.mapbox.com/legal/tos/ , including the Mapbox Government Terms of Service, which can be found at https://www.mapbox.com/legal/usg-tos, and you hereby agree to comply with such terms. You can opt out of location telemetry reporting pursuant to such terms.

21 **Services.** In accordance with this Agreement, so long as Customer timely pays all amounts owed hereunder, Skydio shall render to Customer, during the applicable Skydio License Term of each

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Advanced Software Package purchased herunder, the support services consisting of: (a) providing Customer's named Administrators (defined below) with consultation in English, via telephone and email, during Skydio's normal business hours (9AM to 5PM PST) to assist in using the Advanced Software licensed under the Advanced Software Package; and (b) making reasonable efforts to correct any critical error in the Advanced Software that causes the Advanced Software to be inoperable ("**Error**"), all in accordance with Skydio's support policies published on its Website, as updated from time to time. Errors do not include, and Skydio has no obligation to correct, malfunctions caused in whole or in part by modification of Software, the operation of third-party products or the integration of Software with or into third-party products, improper installation of the Advanced Software or other Software, or the use of Software other than in accordance with the applicable specifications provided by Skydio. Support is only available for the current and single prior major release of Advanced Software. No other services are included under this Agreement.

22 **Administrators.** Customer shall designate up to three (3) of its employees to administer the Services on its behalf and serve as points of contact in communicating with us, as set forth in the applicable Confirmation or as otherwise agreed by the parties in writing ("**Administrators**"). If a person named as an Administrator leaves Customer's employ, Customer may designate another one of its employees to serve as Administrator to replace the departing employee.

23 **Indemnification.** Skydio will indemnify Customer's officers, directors, and employees ("**Customer Indemnitees**") against all claims, demands, losses, and reasonable expenses arising out of a third-party claim against an Customer Indemnitee resulting from any negligent act, error or omission, or willful misconduct by Skydio under this Agreement, except to the extent of Customer's negligence or willful misconduct, or claims under workers compensation.

24 **IP Indemnification.** Skydio will indemnify Customer Indemnitees against all claims, losses, and reasonable expenses from any third-party claim alleging that the use of Skydio Products or services infringes or misappropriates the third-party's intellectual property rights. Customer must promptly provide Skydio with written notice of such claim, tender to Skydio the defense or settlement of such claim at Skydio's expense and cooperate fully with Skydio in the defense or settlement of such claim. Skydio's IP indemnification obligations do not apply to claims based on (a) modification of Skydio Products or services by Customer or a third-party not approved by Skydio; (b) use of Skydio Products and services in combination with hardware or services not approved by Skydio; (c) use of Skydio Products and services other than as permitted in this Agreement; or (d) use of Skydio Software that is not the most current release provided by Skydio.

25 **Customer Responsibilities.** Customer is responsible for (a) Customer's use of Skydio Products; (b) breach of this Agreement or violation of applicable law by Customer or a Customer's authorized end user; and (c) a dispute between Customer and a third-party over Customer's use of Skydio Products.

26 **Export Sales and Export Controls.** Customer acknowledges that the Skydio Products, services and technology are subject to export controls under the laws and regulations of the United States (U.S.). Customer shall comply with such laws and regulations governing use, export, re-export, and transfer of Skydio Products, services and technology and shall obtain all required U.S. and local authorizations, permits, or licenses. Skydio and Customer each agree to provide the other such information and assistance as may reasonably be required by the other in connection with securing such authorizations and licenses, and to take timely action to obtain all required supporting documentation.

* * * *

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Axon Commander™ Software Appendix

5 **License**. Axon owns all executable instructions, images, icons, sound, and text in Commander. All rights are reserved to Axon. Axon grants a non-exclusive, royalty-free, worldwide right and license to use Commander. "Use" means storing, loading, installing, or executing Commander exclusively for data communication with an Axon Device. Agency may use Commander in a networked environment on computers other than the computer it installs Commander on, so long as each execution of Commander is for data communication with an Axon Device. Agency may make copies of Commander for archival purposes only. Agency shall retain all copyright, trademark, and proprietary notices in Commander on all copies or adaptations.

6 **Term**. The Quote will detail the duration of the Commander license, as well as any maintenance. The term will begin upon installation of Commander by Axon.

7 **License Restrictions**. All licenses will immediately terminate if Agency does not comply with any term of this Agreement. Agency may not use Commander for any purpose other than as expressly permitted by this Agreement. Agency may not:

7.1 modify, tamper with, repair, or otherwise create derivative works of Commander;
7.2 reverse engineer, disassemble, or decompile Commander or apply any process to derive the source code of Commander, or allow others to do the same;
7.3 access or use Commander to avoid incurring fees or exceeding usage limits or quotas;
7.4 copy Commander in whole or part, except as expressly permitted in this Agreement;
7.5 use trade secret information contained in Commander;
7.6 resell, rent, loan or sublicense Commander;
7.7 access Commander to build a competitive device or service or copy any features, functions, or graphics of Commander; or
7.8 remove, alter, or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon or Axon's licensors on or within Commander or any copies of Commander.

8 **Support**. Axon may make available updates and error corrections ("**Updates**") to Commander. Axon will provide Updates electronically via the Internet or media as determined by Axon. Agency is responsible for establishing and maintaining adequate access to the Internet to receive Updates. Agency is responsible for maintaining the computer equipment necessary to use Commander. Axon may provide technical support of a prior release/version of Commander for 6 months from when Axon made the subsequent release/version available.

9 **Termination**. Axon may terminate Agency's license immediately for Agency's failure to comply with any of the terms in this Agreement. Upon termination, Axon may disable Agency's right to login to Axon Commander.

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Axon Application Programming Interface Appendix

1 **Definitions**.
"**API Client**" means the software that acts as the interface between Agency's computer and the server, which is already developed or to be developed by Agency.

"**API Interface**" means software implemented by Agency to configure Agency's independent API Client Software to operate in conjunction with the API Service for Agency's authorized Use.

"**Axon Evidence Partner API, API or AXON API**" (collectively "**API Service**") means Axon's API which provides a programmatic means to access data in Agency's Axon Evidence account or integrate Agency's Axon Evidence account with other systems.

"**Use**" means any operation on Agency's data enabled by the supported API functionality.

2 **Purpose and License**.
2.1 Agency may use API Service and data made available through API Service, in connection with an API Client developed by Agency. Axon may monitor Agency's use of API Service to ensure quality, improve Axon devices and services, and verify compliance with this Agreement. Agency agrees to not interfere with such monitoring or obscure from Axon Agency's use of API Service. Agency will not use API Service for commercial use.
2.2 Axon grants Agency a non-exclusive, non-transferable, non-sublicensable, worldwide, revocable right and license during the Term to use API Service, solely for Agency's Use in connection with Agency's API Client.
2.3 Axon reserves the right to set limitations on Agency's use of the API Service, such as a quota on operations, to ensure stability and availability of Axon's API. Axon will use reasonable efforts to accommodate use beyond the designated limits.

3 **Configuration**. Agency will work independently to configure Agency's API Client with API Service for Agency's applicable Use. Agency will be required to provide certain information (such as identification or contact details) as part of the registration. Registration information provided to Axon must be accurate. Agency will inform Axon promptly of any updates. Upon Agency's registration, Axon will provide documentation outlining API Service information.

4 **Agency Responsibilities**. When using API Service, Agency and its end users may not:
4.1 use API Service in any way other than as expressly permitted under this Agreement;
4.2 use in any way that results in, or could result in, any security breach to Axon;
4.3 perform an action with the intent of introducing any viruses, worms, defect, Trojan horses, malware, or any items of a destructive nature to Axon Devices and Services;
4.4 interfere with, modify, disrupt or disable features or functionality of API Service or the servers or networks providing API Service;
4.5 reverse engineer, decompile, disassemble, or translate or attempt to extract the source code from API Service or any related software;
4.6 create an API Interface that functions substantially the same as API Service and offer it for use by third parties;
4.7 provide use of API Service on a service bureau, rental or managed services basis or permit other individuals or entities to create links to API Service;
4.8 frame or mirror API Service on any other server, or wireless or Internet-based device;
4.9 make available to a third-party, any token, key, password or other login credentials to API Service;
4.10 take any action or inaction resulting in illegal, unauthorized or improper purposes; or disclose Axon's API manual.

5 **API Content**. All content related to API Service, other than Agency Content or Agency's API Client

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content, is considered Axon's API Content, including:

5.1 the design, structure and naming of API Service fields in all responses and requests;

5.2 the resources available within API Service for which Agency takes actions on, such as evidence, cases, users, or reports; and

5.3 the structure of and relationship of API Service resources; and

5.4 the design of API Service, in any part or as a whole.

6 **Prohibitions on API Content**. Neither Agency nor its end users will use API content returned from the API Interface to:

6.1 scrape, build databases, or otherwise create permanent copies of such content, or keep cached copies longer than permitted by the cache header;

6.2 copy, translate, modify, create a derivative work of, sell, lease, lend, convey, distribute, publicly display, or sublicense to any third-party;

6.3 misrepresent the source or ownership; or

6.4 remove, alter, or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices).

7 **API Updates**. Axon may update or modify the API Service from time to time ("**API Update**"). Agency is required to implement and use the most current version of API Service and to make any applicable changes to Agency's API Client required as a result of such API Update. API Updates may adversely affect how Agency's API Client access or communicate with API Service or the API Interface. Each API Client must contain means for Agency to update API Client to the most current version of API Service. Axon will provide support for 1 year following the release of an API Update for all depreciated API Service versions.

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Advanced User Management Appendix

1 **Scope**. Advanced User Management allows Agency to (a) utilize bulk user creation and management, (b) automate user creation and management through System for Cross-domain Identity Management ("**SCIM**"), and (c) automate group creation and management through SCIM.

2 **Advanced User Management Configuration**. Agency will work independently to configure Agency's Advanced User Management for Agency's applicable Use. Upon request, Axon will provide general guidance to Agency, including documentation that details the setup and configuration process.

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Axon Channel Services Appendix

1 **Definitions**.
"**Axon Digital Evidence Management System**" means Axon Evidence or Axon Commander, as specified in the attached Channel Services Statement of Work.

"**Active Channel**" means a third-party system that is continuously communicating with an Axon Digital Evidence Management System.

"**Inactive Channel**" means a third-party system that will have a one-time communication to an Axon Digital Evidence Management System.

2 **Scope**. Agency currently has a third-party system or data repository from which Agency desires to share data with Axon Digital Evidence Management. Axon will facilitate the transfer of Agency's third-party data into an Axon Digital Evidence Management System or the transfer of Agency data out of an Axon Digital Evidence Management System as defined in the Channel Services Statement of Work ("**Channel Services SOW**"). Channel Services will not delete any Agency Content. Agency is responsible for verifying all necessary data is migrated correctly and retained per Agency policy.

3 **Purpose and Use**. Agency is responsible for verifying Agency has the right to share data from and provide access to third-party system as it relates to the Services described in this Appendix and the Channel Services SOW. For Active Channels, Agency is responsible for any changes to a third-party system that may affect the functionality of the channel service. Any additional work required for the continuation of the Service may require additional fees. An Axon Field Engineer may require access to Agency's network and systems to perform the Services described in the Channel Services SOW. Agency is responsible for facilitating this access per all laws and policies applicable to Agency.

4 **Project Management**. Axon will assign a Project Manager to work closely with Agency's project manager and project team members and will be responsible for completing the tasks required to meet all contract deliverables on time and budget.

5 **Warranty.** Axon warrants that it will perform the Channel Services in a good and workmanlike manner.

6 **Monitoring**. Axon may monitor Agency's use of Channel Services to ensure quality, improve Axon devices and services, prepare invoices based on the total amount of data migrated, and verify compliance with this Agreement. Agency agrees not to interfere with such monitoring or obscure from Axon Agency's use of channel services.

7 **Agency's Responsibilities.** Axon's successful performance of the Channel Services requires Agency:

- **7.1** Make available its relevant systems for assessment by Axon (including making these systems available to Axon via remote access);
- **7.2** Provide access to the building facilities and where Axon is to perform the Channel Services, subject to safety and security restrictions imposed by the Agency (including providing security passes or other necessary documentation to Axon representatives performing the Channel Services permitting them to enter and exit Agency premises with laptop personal computers and any other materials needed to perform the Channel Services);
- **7.3** Provide all necessary infrastructure and software information (TCP/IP addresses, node names, and network configuration) for Axon to provide the Channel Services;
- **7.4** Ensure all appropriate data backups are performed;
- **7.5** Provide Axon with remote access to the Agency's network and third-party systems when required for Axon to perform the Channel Services;
- **7.6** Notify Axon of any network or machine maintenance that may impact the performance of

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the Channel Services; and

7.7 Ensure the reasonable availability by phone or email of knowledgeable staff, personnel, system administrators, and operators to provide timely, accurate, complete, and up-to-date documentation and information to Axon (these contacts are to provide background information and clarification of information required to perform the Channel Services).

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VIEVU Data Migration Appendix

1 **Scope**. Agency currently has legacy data in the VIEVU Solution from which Agency desires to move to Axon Evidence. Axon will work with Agency to copy legacy data from the VIEVU solution into Axon Evidence ("**Migration**"). Before Migration, Agency and Axon will work together to develop a Statement of Work ("**Migration SOW**") to detail all deliverables and responsibilities. The Migration will require the availability of Agency resources. Such resources will be identified in the SOW. On-site support during Migration is not required. Upon Agency's request, Axon will provide on-site support for an additional fee. Any request for on-site support will need to be pre-scheduled and is subject to Axon's resource availability.

A small amount of unexposed data related to system information will not be migrated from the VIEVU solution to Axon Evidence. Upon request, some of this data can be manually exported before Migration and provided to Agency. The Migration SOW will provide further detail.

2 **Changes**. Axon is only responsible to perform the Services described in this Appendix and Migration SOW. Any additional services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in the charges or schedule.

3 **Project Management**. Axon will assign a Project Manager to work closely with Agency's project manager and project team members and will be responsible for completing the tasks required to meet all contract deliverables on time and budget.

4 **Downtime**. There may be downtime during the Migration. The duration of the downtime will depend on the amount of data that Agency is migrating. Axon will work with Agency to minimize any downtime. Any VIEVU mobile application will need to be disabled upon Migration.

5 **Functionality Changes**. Due to device differences between the VIEVU solution and the Axon's Axon Evidence solution, there may be functionality gaps that will not allow for all migrated data to be displayed the same way in the user interface after Migration

6 **Acceptance**. Once the Migration is complete, Axon will notify Agency and an acceptance form. Agency is responsible for verifying that the scope of the project has been completed and all necessary data is migrated correctly and retained per Agency policy. Agency will have 90 days to provide Axon acceptance that the Migration was successful, or Axon will deem the Migration accepted.

In the event Agency does not accept the Migration, Agency agrees to notify the Axon within a reasonable time. Agency also agrees to allow Axon a reasonable time to resolve any issue. In the event Agency does not provide the Axon written rejection of the Migration during these 90 days, Agency may be charged for additional monthly storage costs. After Agency provides acceptance of the Migration, the Axon will delete all data from the VIEVU solution 90 days after the Migration.

7 **Post-Migration**. After Migration, the VIEVU solution may not be supported and updates may not be provided. Axon may end of life the VIEVU solution in the future. If Agency elects to maintain data within the VIEVU solution, Axon will provide Agency 90 days' notice before ending support for the VIEVU solution.

8 **Warranty.** Axon warrants that it will perform the Migration in a good and workmanlike manner.

9 **Monitoring**. Axon may monitor Agency's use of Migration to ensure quality, improve Axon devices and services, prepare invoices based on the total amount of data migrated, and verify compliance with this Agreement. Agency agrees not to interfere with such monitoring or obscure from Axon Agency's use of Migration.

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Axon Support Engineer Appendix

1 **Axon Support Engineer Payment.** Axon will invoice for Axon Support Engineer ("**ASE**") services, as outlined in the Quote, when the Axon Support Engineer commences work on-site at Agency.

2 **Full-Time ASE Scope of Services.**

2.1 A Full-Time ASE will work on-site four (4) days per week.

2.2 Agency's Axon sales representative and Axon's Agency Success team will work with Agency to define its support needs and ensure the Full-Time ASE has skills to align with those needs. There may be up to a 6-month waiting period before the Full-Time ASE can work on-site, depending upon Agency's needs and availability of a Full-Time ASE.

2.3 The purchase of Full-Time ASE Services includes 2 complimentary Axon Accelerate tickets per year of the Agreement, so long as the ASE has started work at Agency, and Agency is current on all payments for the Full-Time ASE Service.

The Full-Time ASE Service options are listed below:

Ongoing System Set-up and Configuration • Assisting with assigning cameras and registering docks • Maintaining Agency's Axon Evidence account • Connecting Agency to "Early Access" programs for new devices
Account Maintenance • Conducting on-site training on new features and devices for Agency leadership team(s) • Thoroughly documenting issues and workflows and suggesting new workflows to improve the effectiveness of the Axon program • Conducting weekly meetings to cover current issues and program status
Data Analysis • Providing on-demand Axon usage data to identify trends and insights for improving daily workflows • Comparing Agency's Axon usage and trends to peers to establish best practices • Proactively monitoring the health of Axon equipment and coordinating returns when needed
Direct Support • Providing on-site, tier 1 and tier 2 technical support for Axon devices • Proactively monitoring the health of Axon equipment • Creating and monitoring RMAs on-site • Providing Axon app support • Monitoring and testing new firmware and workflows before they are released to Agency's production environment
Agency Advocacy • Coordinating bi-annual voice of customer meetings with Axon's Device Management team • Recording and tracking Agency feature requests and major bugs

3 **Regional ASE Scope of Services**

3.1 A Regional ASE will work on-site for 3 consecutive days per quarter. Agency must schedule the on-site days at least 2 weeks in advance. The Regional ASE will also be available by phone and email during regular business hours up to 8 hours per week.

3.2 There may be up to a 6-month waiting period before Axon assigns a Regional ASE to Agency, depending upon the availability of a Regional ASE.

3.3 The purchase of Regional ASE Services includes 2 complimentary Axon Accelerate tickets per year of the Agreement, so long as the ASE has started work at Agency and Agency is current on all payments for the Regional ASE Service.

The Regional ASE service options are listed below:

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Account Maintenance • Conducting remote training on new features and devices for Agency's leadership • Thoroughly documenting issues and workflows and suggesting new workflows to improve the effectiveness of the Axon program • Conducting weekly conference calls to cover current issues and program status • Visiting Agency quarterly (up to 3 consecutive days) to perform a quarterly business review, discuss Agency's goals for your Axon program, and continue to ensure a successful deployment of Axon devices
Direct Support • Providing remote, tier 1 and tier 2 technical support for Axon devices • Creating and monitoring RMAs remotely
Data Analysis • Providing quarterly Axon usage data to identify trends and program efficiency opportunities • Comparing an Agency's Axon usage and trends to peers to establish best practices • Proactively monitoring the health of Axon equipment and coordinating returns when needed
Agency Advocacy • Coordinating bi-yearly Voice of Agency meetings with Device Management team • Recording and tracking Agency feature requests and major bugs

4 **Out of Scope Services.** The ASE is responsible to perform only the Services described in this Appendix. Any additional Services discussed or implied that are not defined explicitly in this Appendix will be considered out of the scope.

5 **ASE Leave Time**. The ASE will be allowed up 7 days of sick leave and up to 15 days of vacation time per each calendar year. The ASE will work with Agency to coordinate any time off and will provide Agency with at least 2 weeks' notice before utilizing any vacation days.

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Axon Enterprise, Inc.
17800 N 85th St.
Scottsdale, Arizona 85255
United States
VAT: 86-0741227
Domestic: (800) 978-2737
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Q-402765-44810.753GM

Issued: 09/06/2022
Quote Expiration: 09/30/2022
EST Contract Start Date: 11/01/2022
Account Number: 158186
Payment Terms: N30
Delivery Method: Fedex - Ground

SHIP TO	BILL TO
Business;Delivery;Invoice-595 N Hicks Rd 595 N Hicks Rd Palatine, IL 60067-3608 USA	Palatine Police Department - IL 595 N Hicks Rd Palatine, IL 60067-3608 USA Email:

SALES REPRESENTATIVE	PRIMARY CONTACT
Geoff Matthews Phone: +1 5132399452 Email: gmatthews@axon.com Fax:	Bryce Baker Phone: (847) 359-9004 Email: bbaker@palatine.il.us Fax:

Program Length	120 Months
TOTAL COST	$3,452,622.00
ESTIMATED TOTAL W/ TAX	$3,452,622.00

Bundle Savings	$1,074,359.65
Additional Savings	$552,882.77
TOTAL SAVINGS	$1,627,242.42

PAYMENT PLAN

PLAN NAME	INVOICE DATE	AMOUNT DUE
Year 1	Oct, 2022	$2,877,375.80
Year 1 Fleet	May, 2023	$575,246.20

BILLED ON FULFILLMENT

PLAN NAME	INVOICE DATE	AMOUNT DUE

Attachment: Palatine PD Sept 6 Update for signature (Police Dept. Axon Enterprise Inc. Contract)

None	As Fulfilled	$0.00

Quote Details

Bundle Summary

Item	Description	QTY
AB3C	AB3 Camera Bundle	107
AB3MBD	AB3 Multi Bay Dock Bundle	14
ProLicense	Pro License Bundle	23
DynamicBundle	Dynamic Bundle	1
DynamicBundle	Dynamic Bundle	1
VRCK	VR Controller Kit	2
OSP7+10Year	2021 - OFFICER SAFETY PLAN 7 PLUS 10 Year	105
Unlimited7+10yr	2021 Unlimited7+ 10 Year Bundle	2
DynamicBundle	Dynamic Bundle	1
Fleet3A10Yr	Fleet 3 Advanced 10 Year	30
DynamicBundle	Dynamic Bundle	1

Bundle: AB3 Camera Bundle Quantity: 107 Start: 11/1/2022 End: 10/31/2032 Total: 72549.21 USD

Category	Item	Description	QTY	List Price	Discount	Tax	Net Price	Total(USD)
Camera	73202	AXON BODY 3 - NA10 - US - BLK - RAPIDLOCK	107	$699.00	3.00%	$0.00	$678.03	$72,549.21
Spare Camera	73202	AXON BODY 3 - NA10 - US - BLK - RAPIDLOCK	3	$0.00	0.00%	$0.00	$0.00	$0.00
Camera Mount	11508	MOLLE MOUNT, DOUBLE, AXON RAPIDLOCK	118	$0.00	0.00%	$0.00	$0.00	$0.00
USB	11534	USB-C to USB-A CABLE FOR AB3 OR FLEX 2	118	$0.00	0.00%	$0.00	$0.00	$0.00

Bundle: AB3 Multi Bay Dock Bundle Quantity: 14 Start: 11/1/2022 End: 10/31/2032 Total: 21329.14 USD

Category	Item	Description	QTY	List Price	Discount	Tax	Net Price	Total(USD)
Dock	74210	AXON BODY 3 - 8 BAY DOCK	14	$1,495.00	1.00%	$0.00	$1,480.05	$20,720.70
Power Cord	71019	NORTH AMER POWER CORD FOR AB3 8-	14	$0.00	0.00%	$0.00	$0.00	$0.00

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		BAY, AB2 1-BAY / 6-BAY DOCK						
Wall Mount	70033	WALL MOUNT BRACKET, ASSY, EVIDENCE.COM DOCK	14	$43.90	1.00%	$0.00	$43.46	$608.44

Bundle: Pro License Bundle Quantity: 23 Start: 11/1/2022 End: 10/31/2032 Total: 90776.4 USD

Category	Item	Description	QTY	List Price	Discount	Tax	Net Price	Total(USD)
E.com License	73746	PROFESSIONAL EVIDENCE.COM LICENSE	23	$39.00	15.67%	$0.00	$32.89	$90,776.40
A La Carte Storage	73683	10 GB EVIDENCE.COM A-LA-CART STORAGE-	69	$0.00	0.00%	$0.00	$0.00	$0.00

Bundle: Dynamic Bundle Quantity: 1 Start: 11/1/2022 End: 10/31/2032 Total: 19749.85 USD

Category	Item	Description	QTY	List Price	Discount	Tax	Net Price	Total(USD)
Other	85147	CEW STARTER	1	$2,750.00	0.00%	$0.00	$2,750.00	$2,750.00
Other	85055	AXON FULL SERVICE	1	$17,000.00	0.00%	$0.00	$16,999.85	$16,999.85

Bundle: Dynamic Bundle Quantity: 1 Start: 11/1/2022 End: 10/31/2032 Total: 207270 USD

Category	Item	Description	QTY	List Price	Discount	Tax	Net Price	Total(USD)
Other	20378	HTC FOCUS 3 VR HEADSET	5	$1,800.00	100.00%	$0.00	$0.00	$0.00
Other	20370	FULL VR TASER 7 ADD-ON USER ACCESS	105	$17.50	6.00%	$0.00	$16.45	$207,270.00
Other	100197	HTC FOCUS 3 VR HEADSET - WARRANTY	5	$5.63	100.00%	$0.00	$0.00	$0.00
Other	20370	FULL VR TASER 7 ADD-ON USER ACCESS	3	$17.50	100.00%	$0.00	$0.00	$0.00

Bundle: VR Controller Kit Quantity: 2 Start: End: Total: 0 USD

Category	Item	Description	QTY	List Price	Discount	Tax	Net Price	Total(USD)
Controller Case	100126	AXON VR TACTICAL BAG	2	$125.00	100.00%	$0.00	$0.00	$0.00
Controller	20298	VR-ENABLED GLOCK 19 CONTROLLER	2	$750.00	100.00%	$0.00	$0.00	$0.00
Wrist Tracker	100186	HTC FOCUS 3 WRIST TRACKER	4	$150.00	100.00%	$0.00	$0.00	$0.00
Tablet	20296	SAMSUNG S7+ TABLET FOR VR SIMULATOR	2	$1,000.00	100.00%	$0.00	$0.00	$0.00
Tablet Case	20297	SAMSUNG S7+ TABLET CASE FOR VR SIMULATOR	2	$60.00	100.00%	$0.00	$0.00	$0.00
Standoff Cartridges	22196	TASER 7 VR CARTRIDGE, STANDOFF (3.5-DEGREE)	4	$90.00	100.00%	$0.00	$0.00	$0.00

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CQ Cartridges	22197	TASER 7 VR CARTRIDGE, CLOSE-QUARTERS (12-DEGREE)	4	$90.00	100.00%	$0.00	$0.00	$0.00
Warranty	100198	AXON VR CONTROLLER KIT - WARRANTY	2	$6.23	100.00%	$0.00	$0.00	$0.00

Bundle: 2021 - OFFICER SAFETY PLAN 7 PLUS 10 Year Quantity: 105 Start: 11/1/2022 End: 10/31/2032 Total: 2424870 USD

Category	Item	Description	QTY	List Price	Discount	Tax	Net Price	Total(USD)
Bundle Scaler	999999	BUNDLE SCALER	1	$0.00	0.00%	$0.00	$0.00	$14.16
Bundle Scaler	999999	BUNDLE SCALER	1	$0.00	0.00%	$0.00	$0.00	$0.00
E.com License	73746	PROFESSIONAL EVIDENCE.COM LICENSE	105	$39.00	53.12%	$0.00	$18.28	$230,381.55
Viewer License	73687	EVIDENCE.COM VIEWER LICENSE	1	$5.00	32.76%	$0.00	$3.36	$403.44
Device Storage	73686	EVIDENCE.COM UNLIMITED AXON DEVICE STORAGE	105	$24.00	32.76%	$0.00	$16.14	$203,330.40
A La Carte Storage	73683	10 GB EVIDENCE.COM A-LA-CART STORAGE-	1050	$0.40	32.75%	$0.00	$0.27	$33,894.00
Respond Plus	73680	RESPOND DEVICE PLUS LICENSE	105	$19.00	32.76%	$0.00	$12.78	$160,970.25
Records	73681	AXON RECORDS FULL	105	$29.00	32.76%	$0.00	$19.50	$245,691.60
Citizen	73618	CITIZEN FOR COMMUNITIES USER LICENSE	105	$9.00	32.76%	$0.00	$6.05	$76,248.90
Redaction	73478	REDACTION ASSISTANT USER LICENSE	105	$9.00	32.76%	$0.00	$6.05	$76,248.90
Performance	73739	PERFORMANCE LICENSE	105	$9.00	32.76%	$0.00	$6.05	$76,248.90
Auto Tagging	73682	AUTO TAGGING LICENSE	105	$9.00	32.76%	$0.00	$6.05	$76,248.90
3rd Party Video	11642	THIRD-PARTY VIDEO SUPPORT LICENSE	105	$9.00	32.76%	$0.00	$6.05	$76,248.90
Active Channel	80225	ACTIVE CHANNEL LICENSE	1	$416.66	23.59%	$0.00	$318.36	$38,203.37
E.com Channel	80190	Evidence.com Channel Services	1	$5,000.00	23.59%	$0.00	$3,820.40	$3,820.40
Auto Tagging Implementation	79999	AUTO TAGGING / PERFORMANCE IMPLEMENTATION SERVICE	1	$0.00	0.00%	$0.00	$0.00	$0.00
Signal Sidearm Kit	75015	SIGNAL SIDEARM KIT	105	$249.00	32.76%	$0.00	$167.43	$17,580.15
Signal Sidearm Batteries	71044	BATTERY, SIGNAL SIDEARM, CR2430 SINGLE PACK	210	$1.00	33.00%	$0.00	$0.67	$140.70
Camera Warranty	80464	EXT WARRANTY, CAMERA (TAP)	105	$7.00	23.59%	$0.00	$5.35	$67,392.15
Camera Refresh 1 with Spares	73309	AXON CAMERA REFRESH ONE	108	$741.00	23.59%	$0.00	$566.18	$61,147.44
Camera Refresh 2 with Spares	73310	AXON CAMERA REFRESH TWO	108	$768.00	23.59%	$0.00	$586.81	$63,375.48
Camera Refresh 3 with Spares	73345	AXON CAMERA REFRESH THREE	108	$784.00	23.59%	$0.00	$599.04	$64,696.32
Camera Refresh 4 with Spares	73346	AXON CAMERA REFRESH FOUR	108	$792.00	23.59%	$0.00	$605.15	$65,356.20
Multi Bay Warranty	80465	EXT WARRANTY, MULTI-BAY DOCK (TAP)	14	$12.50	23.59%	$0.00	$9.55	$16,045.68

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Multi-bay Dock Refresh 1	73689	MULTI-BAY BWC DOCK 1ST REFRESH	14	$1,585.00	23.59%	$0.00	$1,211.07	$16,954.98
Multi-bay Dock Refresh 2	73688	MULTI-BAY BWC DOCK 2ND REFRESH	14	$1,643.00	23.59%	$0.00	$1,255.38	$17,575.32
Inactive Channel	80223	INACTIVE CHANNEL ACCESS LICENSE	1	$5,000.00	23.59%	$0.00	$3,820.40	$3,820.40
Multi-bay Dock Refresh 3	73347	MULTI-BAY BWC DOCK 3RD REFRESH	14	$1,677.00	23.59%	$0.00	$1,281.36	$17,939.04
Multi-bay Dock Refresh 4	73348	MULTI-BAY BWC DOCK 4TH REFRESH	14	$1,693.00	23.59%	$0.00	$1,293.59	$18,110.26
Spare Camera Warranty	80464	EXT WARRANTY, CAMERA (TAP)	3	$7.00	23.59%	$0.00	$5.35	$1,925.49
Bundle Scaler	999999	BUNDLE SCALER	1	$0.00	0.00%	$0.00	$0.00	$0.00
Halt Suit	20050	HOOK-AND-LOOP TRAINING (HALT) SUIT	2	$789.75	28.18%	$0.00	$567.22	$1,134.44
Hardware Placeholder	20242	TASER CERTIFICATION PROGRAM YEAR 6-10 HARDWARE	105	$3,931.00	28.18%	$0.00	$2,823.38	$296,454.90
Live Cartridges	22175	TASER 7 LIVE CARTRIDGE, STANDOFF (3.5-DEGREE) NS	315	$38.95	28.19%	$0.00	$27.97	$8,810.55
Live Cartridges	22176	TASER 7 LIVE CARTRIDGE, CLOSE QUARTERS (12-DEGREE) NS	315	$38.95	28.19%	$0.00	$27.97	$8,810.55
Battery & Warranty Bundle	20018	TASER 7 BATTERY PACK, TACTICAL	126	$90.56	28.17%	$0.00	$65.05	$8,196.30
Dock & Warranty Bundle	74200	TASER 7 6-BAY DOCK AND CORE	2	$1,500.00	28.18%	$0.00	$1,077.35	$2,154.70
Holsters	20160	TASER 7 HOLSTER - SAFARILAND, RH+CART CARRIER	105	$84.24	28.17%	$0.00	$60.51	$6,353.55
Handle License	20248	TASER 7 EVIDENCE.COM LICENSE	105	$5.00	28.18%	$0.00	$3.59	$45,248.70
Handle & Warranty Bundle	20008	TASER 7 HANDLE, YLW, HIGH VISIBILITY (GREEN LASER), CLASS 3R	105	$1,810.00	28.18%	$0.00	$1,300.00	$136,500.00
Taser 7 Target	80087	TASER 7 TARGET, CONDUCTIVE, PROFESSIONAL (RUGGEDIZED)	2	$157.95	28.17%	$0.00	$113.45	$226.90
Dock Mount	70033	WALL MOUNT BRACKET, ASSY, EVIDENCE.COM DOCK	2	$43.90	28.18%	$0.00	$31.53	$63.06
Inert Cartridges	22179	TASER 7 INERT CARTRIDGE, STANDOFF (3.5-DEGREE) NS	50	$50.23	28.17%	$0.00	$36.08	$1,804.00
Inert Cartridges	22181	TASER 7 INERT CARTRIDGE, CLOSE QUARTERS (12-DEGREE) NS	50	$50.23	28.17%	$0.00	$36.08	$1,804.00
Admin License	20248	TASER 7 EVIDENCE.COM LICENSE	2	$5.00	28.18%	$0.00	$3.59	$861.88
Spare Handle & Warranty Bundle	20008	TASER 7 HANDLE, YLW, HIGH VISIBILITY (GREEN LASER), CLASS 3R	3	$1,810.00	28.18%	$0.00	$1,300.00	$3,900.00
Taser 7 Frame	80090	TARGET FRAME, PROFESSIONAL, 27.5 IN. X 75 IN., TASER 7	2	$78.98	28.17%	$0.00	$56.73	$113.46
Training Live Cartridges	22176	TASER 7 LIVE CARTRIDGE, CLOSE QUARTERS (12-DEGREE) NS	210	$38.95	28.19%	$0.00	$27.97	$5,873.70

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Training Live Cartridges	22175	TASER 7 LIVE CARTRIDGE, STANDOFF (3.5-DEGREE) NS	210	$38.95	28.19%	$0.00	$27.97	$5,873.70
Training Live Cartridges	22175	TASER 7 LIVE CARTRIDGE, STANDOFF (3.5-DEGREE) NS	210	$38.95	28.19%	$0.00	$27.97	$5,873.70
Training Live Cartridges	22176	TASER 7 LIVE CARTRIDGE, CLOSE QUARTERS (12-DEGREE) NS	210	$38.95	28.19%	$0.00	$27.97	$5,873.70
Training Live Cartridges	22176	TASER 7 LIVE CARTRIDGE, CLOSE QUARTERS (12-DEGREE) NS	210	$38.95	28.19%	$0.00	$27.97	$5,873.70
Training Live Cartridges	22175	TASER 7 LIVE CARTRIDGE, STANDOFF (3.5-DEGREE) NS	210	$38.95	28.19%	$0.00	$27.97	$5,873.70
Training Live Cartridges	22175	TASER 7 LIVE CARTRIDGE, STANDOFF (3.5-DEGREE) NS	210	$38.95	28.19%	$0.00	$27.97	$5,873.70
Training Live Cartridges	22176	TASER 7 LIVE CARTRIDGE, CLOSE QUARTERS (12-DEGREE) NS	210	$38.95	28.19%	$0.00	$27.97	$5,873.70
Training Live Cartridges	22176	TASER 7 LIVE CARTRIDGE, CLOSE QUARTERS (12-DEGREE) NS	210	$38.95	28.19%	$0.00	$27.97	$5,873.70
Training Live Cartridges	22175	TASER 7 LIVE CARTRIDGE, STANDOFF (3.5-DEGREE) NS	210	$38.95	28.19%	$0.00	$27.97	$5,873.70
Dock Power Cord	71019	NORTH AMER POWER CORD FOR AB3 8-BAY, AB2 1-BAY / 6-BAY DOCK	2	$10.45	28.23%	$0.00	$7.50	$15.00
Training Halt Cartridges	22177	TASER 7 HOOK-AND-LOOP TRN (HALT) CARTRIDGE, STANDOFF NS	210	$38.95	28.19%	$0.00	$27.97	$5,873.70
Training Halt Cartridges	22177	TASER 7 HOOK-AND-LOOP TRN (HALT) CARTRIDGE, STANDOFF NS	210	$38.95	28.19%	$0.00	$27.97	$5,873.70
Training Halt Cartridges	22178	TASER 7 HOOK-AND-LOOP TRN (HALT) CARTRIDGE, CLOSE QUART NS	210	$38.95	28.19%	$0.00	$27.97	$5,873.70
Training Halt Cartridges	22178	TASER 7 HOOK-AND-LOOP TRN (HALT) CARTRIDGE, CLOSE QUART NS	210	$38.95	28.19%	$0.00	$27.97	$5,873.70
Duty Cartridge Replenishment Plan	20246	TASER 7 DUTY CARTRIDGE REPLACEMENT LICENSE	105	$2.50	28.18%	$0.00	$1.80	$22,624.35
Master Instructor Course Vouchers	20119	TASER 7 MASTER INSTRUCTOR SCHOOL VOUCHER	1	$1,495.00	28.18%	$0.00	$1,073.76	$1,073.76
Master Instructor Course Vouchers	20119	TASER 7 MASTER INSTRUCTOR SCHOOL VOUCHER	1	$1,495.00	28.18%	$0.00	$1,073.76	$1,073.76
Master Instructor Course Vouchers	20119	TASER 7 MASTER INSTRUCTOR SCHOOL VOUCHER	1	$1,495.00	28.18%	$0.00	$1,073.76	$1,073.76
Master Instructor Course Vouchers	20119	TASER 7 MASTER INSTRUCTOR SCHOOL VOUCHER	1	$1,495.00	28.18%	$0.00	$1,073.76	$1,073.76
Master Instructor Course Vouchers	20119	TASER 7 MASTER INSTRUCTOR SCHOOL VOUCHER	1	$1,495.00	28.18%	$0.00	$1,073.76	$1,073.76
Instructor Course	20120	TASER 7 INSTRUCTOR COURSE VOUCHER	1	$375.00	28.18%	$0.00	$269.34	$269.34

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Vouchers								
Instructor Course Vouchers	20120	TASER 7 INSTRUCTOR COURSE VOUCHER	1	$375.00	28.18%	$0.00	$269.34	$269.34
Instructor Course Vouchers	20120	TASER 7 INSTRUCTOR COURSE VOUCHER	1	$375.00	74.02%	$0.00	$97.42	$97.42
Instructor Course Vouchers	20120	TASER 7 INSTRUCTOR COURSE VOUCHER	1	$375.00	28.18%	$0.00	$269.34	$269.34
Instructor Course Vouchers	20120	TASER 7 INSTRUCTOR COURSE VOUCHER	1	$375.00	28.18%	$0.00	$269.34	$269.34
Other	80374	EXT WARRANTY, TASER 7 BATTERY PACK	126	$0.44	28.17%	$0.00	$0.32	$4,340.70
Other	80396	EXT WARRANTY, TASER 7 SIX BAY DOCK	2	$6.58	28.18%	$0.00	$4.73	$1,030.26
Other	80395	EXT WARRANTY, TASER 7 HANDLE	105	$6.58	28.18%	$0.00	$4.73	$54,088.65
Other	80395	EXT WARRANTY, TASER 7 HANDLE	3	$6.58	28.18%	$0.00	$4.73	$1,545.39

Bundle: 2021 Unlimited7+ 10 Year Bundle Quantity: 2 Start: 11/1/2022 End: 10/31/2032 Total: 40831.2 USD

Category	Item	Description	QTY	List Price	Discount	Tax	Net Price	Total(USD)
Bundle Scaler	999999	BUNDLE SCALER	1	$0.00	0.00%	$0.00	$0.00	$1.12
E.com License	73746	PROFESSIONAL EVIDENCE.COM LICENSE	2	$39.00	62.56%	$0.00	$14.60	$3,504.72
Device Storage	73686	EVIDENCE.COM UNLIMITED AXON DEVICE STORAGE	2	$24.00	62.56%	$0.00	$8.99	$2,156.76
A La Carte Storage	73683	10 GB EVIDENCE.COM A-LA-CART STORAGE-	20	$0.40	62.56%	$0.00	$0.15	$359.40
Respond Plus	73680	RESPOND DEVICE PLUS LICENSE	2	$19.00	62.56%	$0.00	$7.11	$1,707.42
Citizen	73618	CITIZEN FOR COMMUNITIES USER LICENSE	2	$9.00	62.56%	$0.00	$3.37	$808.80
Redaction	73478	REDACTION ASSISTANT USER LICENSE	2	$9.00	62.56%	$0.00	$3.37	$808.80
Performance	73739	PERFORMANCE LICENSE	2	$9.00	62.56%	$0.00	$3.37	$808.80
Auto Tagging	73682	AUTO TAGGING LICENSE	2	$9.00	62.56%	$0.00	$3.37	$808.80
3rd Party Video	11642	THIRD-PARTY VIDEO SUPPORT LICENSE	2	$9.00	62.56%	$0.00	$3.37	$808.80
Active Channel	80225	ACTIVE CHANNEL LICENSE	1	$416.66	57.45%	$0.00	$177.29	$21,274.48
E.com Channel	80190	Evidence.com Channel Services	1	$5,000.00	57.45%	$0.00	$2,127.48	$2,127.48
Signal Sidearm Kit	75015	SIGNAL SIDEARM KIT	2	$249.00	62.55%	$0.00	$93.24	$186.48
Signal Sidearm Batteries	71044	BATTERY, SIGNAL SIDEARM, CR2430 SINGLE PACK	4	$1.00	57.00%	$0.00	$0.43	$1.72
Camera Warranty	80464	EXT WARRANTY, CAMERA (TAP)	2	$7.00	57.45%	$0.00	$2.98	$714.84
Camera Refresh 1 with Spares	73309	AXON CAMERA REFRESH ONE	2	$741.00	57.45%	$0.00	$315.29	$630.58
Camera Refresh 2 with Spares	73310	AXON CAMERA REFRESH TWO	2	$768.00	57.45%	$0.00	$326.78	$653.56

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Camera Refresh 3 with Spares	73345	AXON CAMERA REFRESH THREE	2	$784.00	57.45%	$0.00	$333.59	$667.18
Camera Refresh 4 with Spares	73346	AXON CAMERA REFRESH FOUR	2	$792.00	57.45%	$0.00	$336.99	$673.98
Inactive Channel	80223	INACTIVE CHANNEL ACCESS LICENSE	1	$5,000.00	57.45%	$0.00	$2,127.48	$2,127.48

Bundle: Dynamic Bundle Quantity: 1 Start: 11/1/2022 End: 10/31/2032 Total: 0 USD

Category	Item	Description	QTY	List Price	Discount	Tax	Net Price	Total(USD)
Other	75010	MASTER INSTRUCTOR SCHOOL	5	$1,495.00	100.00%	$0.00	$0.00	$0.00
Other	20119	TASER 7 MASTER INSTRUCTOR SCHOOL VOUCHER	10	$1,495.00	100.00%	$0.00	$0.00	$0.00
Other	80090	TARGET FRAME, PROFESSIONAL, 27.5 IN. X 75 IN., TASER 7	4	$78.98	100.00%	$0.00	$0.00	$0.00
Other	20050	HOOK-AND-LOOP TRAINING (HALT) SUIT	2	$789.75	100.00%	$0.00	$0.00	$0.00
Other	80087	TASER 7 TARGET, CONDUCTIVE, PROFESSIONAL (RUGGEDIZED)	4	$157.95	100.00%	$0.00	$0.00	$0.00

Bundle: Fleet 3 Advanced 10 Year Quantity: 30 Start: 6/1/2023 End: 10/31/2032 Total: 568096.2 USD

Category	Item	Description	QTY	List Price	Discount	Tax	Net Price	Total(USD)
Bundle Scaler	999999	BUNDLE SCALER	1	$0.00	0.00%	$0.00	$0.00	($16.45)
Storage	80410	FLEET, UNLIMITED STORAGE, 1 CAMERA	60	$17.00	72.44%	$0.00	$4.69	$31,770.60
E.com License	80400	FLEET, VEHICLE LICENSE	30	$20.00	21.42%	$0.00	$15.72	$53,276.70
ALPR License	80401	FLEET 3, ALPR LICENSE, 1 CAMERA	30	$49.00	21.42%	$0.00	$38.50	$130,527.90
Respond License	80402	RESPOND DEVICE LICENSE - FLEET 3	30	$15.00	21.42%	$0.00	$11.79	$39,957.60
Camera Kit & Warranty	72036	FLEET 3 STANDARD 2 CAMERA KIT	30	$2,495.00	21.42%	$0.00	$1,960.55	$58,816.50
Spare Camera Kit & Warranty	72036	FLEET 3 STANDARD 2 CAMERA KIT	1	$2,495.00	21.42%	$0.00	$1,960.55	$1,960.55
Router	11634	CRADLEPOINT IBR900-1200M-B-NPS+5YR NETCLOUD	30	$1,509.00	21.42%	$0.00	$1,185.76	$35,572.80
Router Antenna	71200	FLEET ANT, AIRGAIN, 5-IN-1, 2LTE, 2WIFI, 1GNSS, BL	30	$249.00	21.42%	$0.00	$195.66	$5,869.80
Vehicle Installation	73391	FLEET 3 NEW INSTALLATION (PER VEHICLE)	30	$1,200.00	21.42%	$0.00	$942.95	$28,288.50
Camera Refresh 1	72040	FLEET REFRESH, 2 CAMERA KIT	30	$2,643.00	21.42%	$0.00	$2,076.85	$62,305.50
Spare Camera Refresh 1	72040	FLEET REFRESH, 2 CAMERA KIT	1	$2,643.00	21.42%	$0.00	$2,076.85	$2,076.85
Camera Refresh 2	100092	FLEET REFRESH TWO, 2 CAMERA KIT	30	$2,724.00	21.42%	$0.00	$2,140.50	$64,215.00
Spare Camera Refresh 2	100092	FLEET REFRESH TWO, 2 CAMERA KIT	1	$2,724.00	21.42%	$0.00	$2,140.50	$2,140.50

Attachment: Palatine PD Sept 6 Update for signature (Police Dept. Axon Enterprise Inc. Contract)

Axon Signal Unit	70112	AXON SIGNAL UNIT	30	$279.00	21.42%	$0.00	$219.24	$6,577.20
Vehicle Installation 2nd	73392	FLEET 3 UPGRADE INSTALLATION (PER VEHICLE)	30	$800.00	21.42%	$0.00	$628.63	$18,858.90
Other	80495	EXT WARRANTY, FLEET 3, 2 CAMERA KIT	30	$8.96	21.42%	$0.00	$7.04	$21,544.50
Other	80495	EXT WARRANTY, FLEET 3, 2 CAMERA KIT	1	$8.96	21.42%	$0.00	$7.04	$718.15
Other	80379	EXT WARRANTY, AXON SIGNAL UNIT	30	$1.16	21.42%	$0.00	$0.91	$3,281.40
SIM	72034	FLEET SIM INSERTION, VZW	30	$15.00	21.40%	$0.00	$11.79	$353.70

Bundle: Dynamic Bundle Quantity: 1 Start: 11/1/2022 End: 10/31/2032 Total: 7150 USD

Category	Item	Description	QTY	List Price	Discount	Tax	Net Price	Total(USD)
Other	100629	INVESTIGATE PRO DONGLE LICENSE, 10-YEAR	1	$30,000.00	100.00%	$0.00	$0.00	$0.00
Other	100537	INPUT-ACE DONGLE RENEWAL LICENSE	1	$166.25	100.00%	$0.00	$0.00	$0.00
Other	74066	FLEET INSTALLATION, WI-FI OFFLOAD SERVER	1	$1,500.00	0.00%	$0.00	$1,500.00	$1,500.00
Other	80218	WI-FI OFFLOAD, SOFTWARE LICENSE MAINTENANCE	1	$50.00	0.00%	$0.00	$50.00	$5,650.00

INDIVIDUAL ITEMS

Category	Item	Description	QTY	List Price	Discount	Tax	Net Price	Total(USD)
Other	80462	FLEET 3 ADVANCED BUNDLE WITH TAP TRUE UP	30	$108.00	100.00%	$0.00	$0.00	$0.00
							Total:	**$0.00**

Tax is estimated based on rates applicable at date of quote and subject to change at time of invoicing. If a tax exemption certificate should be applied, please submit prior to invoicing.

Contract Sourcewell Contract #010720-AXN is incorporated by reference into the terms and conditions of this Agreement. In the event of conflict the terms of Axon's Master Services and Purchasing Agreement shall govern.

Attachment: Palatine PD Sept 6 Update for signature (Police Dept. Axon Enterprise Inc. Contract)

Standard Terms and Conditions

Axon Enterprise Inc. Sales Terms and Conditions

Axon Master Services and Purchasing Agreement:

This Quote is limited to and conditional upon your acceptance of the provisions set forth herein and Axon's Master Services and Purchasing Agreement (posted at www.axon.com/legal/sales-terms-and-conditions), as well as the attached Statement of Work (SOW) for Axon Fleet and/or Axon Interview Room purchase, if applicable. In the event you and Axon have entered into a prior agreement to govern all future purchases, that agreement shall govern to the extent it includes the products and services being purchased and does not conflict with the Axon Customer Experience Improvement Program Appendix as described below.

ACEIP:

The Axon Customer Experience Improvement Program Appendix, which includes the sharing of de-identified segments of Agency Content with Axon to develop new products and improve your product experience (posted at www.axon.com/legal/sales-terms-and-conditions), is incorporated herein by reference. By signing below, you agree to the terms of the Axon Customer Experience Improvement Program.

Acceptance of Terms:

Any purchase order issued in response to this Quote is subject solely to the above referenced terms and conditions. By signing below, you represent that you are lawfully able to enter into contracts. If you are signing on behalf of an entity (including but not limited to the company, municipality, or government agency for whom you work), you represent to Axon that you have legal authority to bind that entity. If you do not have this authority, please do not sign this Quote.

Attachment: Palatine PD Sept 6 Update for signature (Police Dept. Axon Enterprise Inc. Contract)

Signature

Date Signed

9/6/2022

Attachment: Palatine PD Sept 6 Update for signature (Police Dept. Axon Enterprise Inc. Contract)

FLEET STATEMENT OF WORK BETWEEN AXON ENTERPRISE AND AGENCY

Introduction

This Statement of Work ("SOW") has been made and entered into by and between Axon Enterprise, Inc. ("AXON"), and Palatine Police Department - IL the ("AGENCY") for the purchase of the Axon Fleet in-car video solution ("FLEET") and its supporting information, services and training. (AXON Technical Project Manager/The AXON installer)

Purpose and Intent

AGENCY states, and AXON understands and agrees, that Agency's purpose and intent for entering into this SOW is for the AGENCY to obtain from AXON deliverables, which used solely in conjunction with AGENCY's existing systems and equipment, which AGENCY specifically agrees to purchase or provide pursuant to the terms of this SOW.

This SOW contains the entire agreement between the parties. There are no promises, agreements, conditions, inducements, warranties or understandings, written or oral, expressed or implied, between the parties, other than as set forth or referenced in the SOW.

Acceptance

Upon completion of the services outlined in this SOW, AGENCY will be provided a professional services acceptance form ("Acceptance Form"). AGENCY will sign the Acceptance Form acknowledging that services have been completed in substantial conformance with this SOW and the Agreement. If AGENCY reasonably believes AXON did not complete the professional services in conformance with this SOW, AGENCY must notify AXON in writing of the specific reasons within seven (7) calendar days from delivery of the Acceptance Form. AXON will remedy the issues to conform with this SOW and re-present the Acceptance Form for signature. If AXON does not receive the signed Acceptance Form or written notification of the reasons for rejection within 7 calendar days of the delivery of the Acceptance Form, AGENCY will be deemed to have accepted the services in accordance to this SOW.

Force Majeure

Attachment: Palatine PD Sept 6 Update for signature (Police Dept. Axon Enterprise Inc. Contract)

Neither party hereto shall be liable for delays or failure to perform with respect to this SOW due to causes beyond the party's reasonable control and not avoidable by diligence.

Schedule Change

Each party shall notify the other as soon as possible regarding any changes to agreed upon dates and times of Axon Fleet in-car Solution installation to be performed pursuant of this Statement of Work.

Axon Fleet Deliverables

Typically, within (30) days of receiving this fully executed SOW, an AXON Technical Project Manager will deliver to AGENCY's primary point of contact via electronic media, controlled documentation, guides, instructions and videos followed by available dates for the initial project review and customer readiness validation. Unless otherwise agreed upon by AXON, AGENCY may print and reproduce said documents for use by its employees only.

Security Clearance and Access

Upon AGENCY's request, AXON will provide the AGENCY a list of AXON employees, agents, installers or representatives which require access to the AGENCY's facilities in order to perform Work pursuant of this Statement of Work. AXON will ensure that each employee, agent or representative has been informed or and consented to a criminal background investigation by AGENCY for the purposes of being allowed access to AGENCY's facilities. AGENCY is responsible for providing AXON with all required instructions and documentation accompanying the security background check's requirements.

Training

AXON will provide training applicable to Axon Evidence, Cradlepoint NetCloud Manager and Axon Fleet application in a train-the-trainer style method unless otherwise agreed upon between the AGENCY and AXON.

Local Computer

Attachment: Palatine PD Sept 6 Update for signature (Police Dept. Axon Enterprise Inc. Contract)

AGNECY is responsible for providing a mobile data computer (MDC) with the same software, hardware, and configuration that AGENCY personnel will use with the AXON system being installed. AGENCY is responsible for making certain that any and all security settings (port openings, firewall settings, antivirus software, virtual private network, routing, etc.) are made prior to the installation, configuration and testing of the aforementioned deliverables.

Network

AGENCY is responsible for making certain that any and all network(s) route traffic to appropriate endpoints and AXON is not liable for network breach, data interception, or loss of data due to misconfigured firewall settings or virus infection, except to the extent that such virus or infection is caused, in whole or in part, by defects in the deliverables.

Cradlepoint Router

When applicable, AGENCY must provide AXON Installers with temporary administrative access to Cradlepoint's NetCloud Manager to the extent necessary to perform Work pursuant of this Statement of Work.

Evidence.com

AGENCY must provide AXON Installers with temporary administrative access to Axon Evidence.com to the extent necessary to perform Work pursuant of this SOW.

Wireless Upload System

If purchased by the AGENCY, on such dates and times mutually agreed upon by the parties, AXON will install and configure into AGENCY's existing network a wireless network infrastructure as identified in the AGENCY's binding quote based on conditions of the sale.

VEHICLE INSTALLATION

Preparedness

Attachment: Palatine PD Sept 6 Update for signature (Police Dept. Axon Enterprise Inc. Contract)

On such dates and times mutually agreed upon by the parties, the AGENCY will deliver all vehicles to an AXON Installer less weapons and items of evidence. Vehicle(s) will be deemed 'out of service' to the extent necessary to perform Work pursuant of this SOW.

Existing Mobile Video Camera System Removal

On such dates and times mutually agreed upon by the parties, the AGENCY will deliver all vehicles to an AXON Installer which will remove from said vehicles all components of the existing mobile video camera system unless otherwise agreed upon by the AGENCY.

Major components will be salvaged by the AXON Installer for auction by the AGENCY. Wires and cables are ~~not~~ considered expendable and will not be salvaged. Salvaged components will be placed in a designated area by the AGENCY within close proximity of the vehicle in an accessible work space.

Prior to removing the existing mobile video camera systems, it is both the responsibility of the AGENCY and the AXON Installer to test the vehicle's systems' operation to identify and operate, documenting any existing component or system failures and in detail, identify which components of the existing mobile video camera system will be removed by the AXON Installer.

In-Car Hardware/Software Delivery and Installation

On such dates and times mutually agreed upon by the parties, the AGENCY will deliver all vehicles to an AXON Installer, who will install and configure in each vehicle in accordance with the specifications detailed in the system's installation manual and its relevant addendum(s). Applicable in-car hardware will be installed and configured as defined and validated by the AGENCY during the pre-deployment discovery process.

If a specified vehicle is unavailable on the date and time agreed upon by the parties, AGENCY will provide a similar vehicle for the installation process. Delays due to a vehicle, or substitute vehicle, not being available at agreed upon dates and times may results in additional fees to the AGENCY. If the AXON Installer determines that a vehicle is not properly prepared for installation ("Not Fleet Ready"), such as a battery not being properly charged or properly up-fit for in-service, field operations, the issue shall be reported immediately to the AGENCY for resolution and a date and time for the future installation shall be agreed upon by the parties.

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Upon completion of installation and configuration, AXON will systematically test all installed and configured in-car hardware and software to ensure that ALL functions of the hardware and software are fully operational and that any deficiencies are corrected unless otherwise agreed upon by the AGENCY, installation, configuration, test and the correct of any deficiencies will be completed in each vehicle accepted for installation.

Prior to installing the Axon Fleet camera systems, it is both the responsibility of the AGENCY and the AXON Installer to test the vehicle's existing systems' operation to identify, document any existing component or vehicle systems' failures. Prior to any vehicle up-fitting the AXON Installer will introduce the system's components, basic functions, integrations and systems overview along with reference to AXON approved, AGENCY manuals, guides, portals and videos. It is both the responsibility of the AGENCY and the AXON Installer to agree on placement of each components, the antenna(s), integration recording trigger sources and customer preferred power, ground and ignition sources prior to permanent or temporary installation of an Axon Fleet camera solution in each vehicle type. Agreed placement will be documented by the AXON Installer.

AXON welcomes up to 5 persons per system operation training session per day, and unless otherwise agreed upon by the AGENCY, the first vehicle will be used for an installation training demonstration. The second vehicle will be used for an assisted installation training demonstration. The installation training session is customary to any AXON Fleet installation service regardless of who performs the continued Axon Fleet system installations.

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The customary training session does not ‘certify’ a non-AXON Installer, customer-employed Installer or customer 3rd party Installer, since the AXON Fleet products does not offer an Installer certification program. Any work performed by non-AXON Installer, customer-employed Installer or customer 3rd party Installer is not warrantied by AXON, and AXON is not liable for any damage to the vehicle and its existing systems and AXON Fleet hardware.

Attachment: Palatine PD Sept 6 Update for signature (Police Dept. Axon Enterprise Inc. Contract)

Consider a Motion Authorizing the Village Manager to Negotiate an Agreement with the Claims Administrator Selected in the Recent Request for Proposal

BACKGROUND:
The Village employs a third-party administrator to administer loss claims on behalf of the Village. The incumbent vendor was retained in 2008 and has been selected through successive requests for proposal (RFP) awards. The current agreement expires on December 31, 2022. In June, a Request for Proposal was released, and three qualified responses were received. Finalists were interviewed by a committee, including the HR Director, HR Assistant, Deputy Village Manger, HR Intern and Risk Management Consultant.

KEY ISSUES:
- It is important to select a cost-effective claims administrator that understands the challenges of municipal claims, retains knowledgeable staff, is responsive, and has a robust electronic claims reporting system.
- After interviews, Staff recommends selecting the existing vendor, CCMSI. The CCMSI claims model meets the Village's needs. The CCMSI electronic claims tracking system is a reliable and important resource. CCMSI staff members assigned to Village of Palatine are knowledgeable, responsive, and effectively manage cases to resolution. Alternate vendor proposals were not better in quality or cost.
- The agreement contemplates a three-year period with an option to renew. The cost is $38,095 in the first year. Over the three-year term of the agreement, the cost reflects an increase of 6.15% over the existing agreement. The first-year expense is budgeted in the 2023 budget.

ALTERNATIVES:

1. Accept the Village's recommendation to retain CCMSI as claims administrator.
2. Refer back to Staff for further review.

RECOMMENDATION:
Staff recommends approval of a motion authorizing the Village Manager to negotiate an agreement with CCMSI for Risk Management Broker Services.

ACTION REQUIRED:
A motion authorizing the Village Manager to negotiate an agreement with CCMSI for Risk Management Broker Services.

ATTACHMENTS:

- VILLAGE OF PALATINE SA 12.31.22 - 12.30.25
- CCMSI's RFP Response to VOP

SERVICE AGREEMENT BETWEEN
VILLAGE OF PALATINE AND
CANNON COCHRAN MANAGEMENT SERVICES, INC.

THIS SERVICE AGREEMENT is made and entered into this 31st day of December, 2022, by and between Village of Palatine (the "Client"), an authorized self-insured entity, and Cannon Cochran Management Services, Inc. ("CCMSI"), a Delaware corporation. It is agreed between the parties hereto as follows:

A. APPOINTMENT OF CCMSI. The Client hereby appoints CCMSI, and CCMSI hereby agrees to serve, as Third Party Administrator ("Administrator") of the Client's self-insurance program created and existing under the State of Illinois ("State") Self-Insurance Regulations.

B. FUNCTIONS OF CCMSI. During the term of this Agreement, the regular functions of CCMSI as the Client's Administrator shall include the following:

1. Claim Administration.

(a) Claim Management and Administration. In compliance with its Best Practices, CCMSI will manage and administer all claims of the Client that occur during the period of this Agreement. All claim payments shall be made with Client funds. CCMSI will act on behalf of Client in handling, monitoring, investigating, overseeing and adjusting all such actual and alleged claims.

(b) Claim Settlement. CCMSI will settle claims of the Client with Client funds in accordance with reasonable limits and guidelines established with the Client.

(c) Claim Reserves. CCMSI will establish reserves for unpaid reported claims and unpaid claim expenses.

(d) Allocated Claim Expenses. CCMSI will pay all Allocated Claim Expenses with Client Funds. Allocated Claim Expenses are charges for services provided in connection with specific claims by persons or firms which are eligible claim expenses under the Client's program. Notwithstanding the foregoing, Allocated Claim Expenses will include all expenses incurred in connection with the investigation, adjustment, settlement or defense of Client claims, even if such expenses are incurred by CCMSI. Allocated Claim Expenses will include, but not be limited to, charges for:

1) Independent medical examinations of claimants;

2) Managed care expenses, which include the services provided by comp mc™, CCMSI's proprietary managed care program. Examples of managed care expenses includes but is not limited to state fee schedule, PPO net works, utilization review, nurse case management, medical bill audits and medical bill review;

Attachment: VILLAGE OF PALATINE SA 12.31.22 - 12.30.25 (2023 Claims Administrator)

3) Fraud detection expenses, such as surveillance, which include the services provided by *FIRE,* CCMSI's proprietary Special Investigation Unit (SIU), and other related expenses associated with the detection, reporting and prosecution of fraudulent claims, including legal fees;

4) Attorneys, experts and special process servers;

5) Court costs, fees, interest and expenses;

6) Depositions, court reporters and recorded statements;

7) Independent adjusters and appraisers;

8) Index bureau and OFAC (Office of Foreign Assets Control) charges;

9) MMSEA/SCHIP compliance charges;

10) Electronic Data Interchanges, EDI, charges if required by State law;

11) CCMSI personnel, at their customary rate or charge, but only with respect to claims outside the State and only if such customary rate is communicated to the Client prior to incurring such cost;

12) Actual reasonable expenses incurred by CCMSI employees outside the State for meals, travel, and lodging in conjunction with claim management;

13) Police, weather and fire report charges that are related to claims being administered under Client's program;

14) Charges associated with accident reconstruction, cause and origin investigations, etc.;

15) Charges for medical records, personnel documents, and other documents necessary for adjudication of claims under Client's program;

16) Charges associated with Medicare Set-Aside Allocations; and

17) Other expenses normally recognized as ALAE by industry standards.

(e) Subrogation. CCMSI will monitor claims for subrogation.

(f) Provision of Reports. CCMSI agrees to provide reports to the Client as specified in the Schedule of Reports attached hereto as Exhibit A.

2. Risk Management Services. CCMSI will provide the Client with additional Risk Management Services not contemplated in the Agreement upon mutual agreement of the parties. The Schedule of additional Risk Management Services to be provided is attached hereto as Exhibit B.

Attachment: VILLAGE OF PALATINE SA 12.31.22 - 12.30.25 (2023 Claims Administrator)

3. Loss Control Services. CCMSI will provide the Client loss control services upon mutual agreement of the parties. The client shall remain fully responsible for the implementation and operation of its own safety programs and for the detection and elimination of any unsafe conditions or practices.

   CCMSI assumes no responsibility for the detection, identification, communication, mitigation, or elimination of any unsafe condition or practice associated with the safety program of any client. Further, CCMSI assumes no responsibility for any injury sustained by an employee of the client. The Schedule of Loss Control Services to be provided is attached hereto as Exhibit C.

4. Managed Care Services. CCMSI will provide the Client with managed care services (comp mc™) upon mutual agreement of the parties. The Schedule of Managed Care Services to be provided is attached hereto as Exhibit D.

C. CLIENT RESPONSIBILITIES. Client agrees to:

1. Report all claims, incidents, reports or correspondence relating to potential claims in a timely manner.

2. Reasonably cooperate in the disposition of all claims.

3. Provide adequate funds to pay all claims and expenses in a timely manner.

4. Respond to reasonable information requests in a timely manner.

5. Identify in writing all insurance carriers applicable to CCMSI's claim handling responsibilities contemplated in this Service Agreement that CCMSI will have claim or data reporting requirements. In this regard, Client agrees to provide CCMSI with a complete copy of the current excess or other insurance policies, including applicable endorsements and audits, applicable to Clients insurance program and this Service Agreement. CCMSI assumes no responsibility of any kind for not reporting an otherwise reportable claim to any carrier that Client has failed to disclose to CCMSI and/or provide CCMSI with a copy of the applicable insurance policy and reporting instructions relative to that carrier.

6. Pay any fees or costs charged by any carrier or prior TPA of Client for the conversion of data associated with CCMSI handling run off claims for Client, or for the general transfer of data to CCMSI's operating systems.

7. Promptly pay CCMSI's fees.

D. OPERATING EXPENSES. The Client agrees to be responsible for and pay all of its own operating expenses other than service obligations of CCMSI. Such operating expenses shall include but not be limited to charges for the following:

Attachment: VILLAGE OF PALATINE SA 12.31.22 - 12.30.25 (2023 Claims Administrator)

1. All costs associated with Client meeting its State security and licensing requirements;

2. Certified Public Accountants

3. Attorneys, other than provided for in Section B.1. (d) 3) and B.1. (d) 4) of this Agreement;

4. Outside consultants, actuarial services or studies and State audits;

5. Independent payroll audits;

6. Allocated Claims Expenses incurred pursuant to Section B. 1. (d) of this Agreement;

7. All applicable regulatory fees and taxes;

8. Educational and/or promotional material, industry-specific loss control material, customized forms and/or stationery, supplies and extraordinary postage, such as bulk mailing, express mail or messenger service.

9. National Council on Compensation Insurance, NCCI, charges;

10. Excess and other insurance premiums;

11. Costs associated with the development, record keeping and filing of fraud statistics and plans, but only if required by any State or regulatory authority having jurisdiction over Client;

12. Other operating costs as normally incurred by the Client.

E. <u>BOOKS AND RECORDS</u>.

1. (a)CCMSI shall maintain all claim information relating specifically to the Client which is necessary to the performance of CCMSI's obligations under this Agreement (the "Records"). The Records shall remain at all times the sole property of the Client.

(b)The Records shall not include any manuals, forms, files and reports, documents, customer lists, rights to solicit renewals, computer records and tapes, financial and strategic data, or information which documents CCMSI's processes, procedures and methods, or which CCMSI employs to administer programs other than the Client. The items specified in this Paragraph E. 1. (b) shall at all times be and remain the sole and exclusive property of CCMSI, and the Client shall not have any ownership, interest, right to duplicate or right to utilize these items except for the above documentation or information that relates solely to Client's Program.

2. During the term of this Agreement, CCMSI shall provide the Client with copies of the Records, if so requested by the Client. Any reasonable costs of reproduction of the Records shall be borne by the Client.

Attachment: VILLAGE OF PALATINE SA 12.31.22 - 12.30.25 (2023 Claims Administrator)

3. CCMSI shall make the Records available for inspection by any duly authorized representative of the Client, or any governmental or regulatory authority having jurisdiction over CCMSI or the Client.

F. NON-SOLICITATION OF EMPLOYEES. During the term of the Agreement and for two (2) years thereafter, the Client and CCMSI mutually agree not to recruit, solicit or hire any employee of the other without written permission.

G. OTHER INSURANCE. If CCMSI places any specific or aggregate excess insurance, reinsurance, or other insurance product associated with this Agreement, then customary commissions and fees will be retained by CCMSI.

H. TERM AND TERMINATION.

1. Term of Agreement. The first term of this Agreement shall be for three (3) years beginning on December 31, 2022 and terminating on December 30, 2025. Unless the Agreement is terminated as set forth in paragraph H. 2., it will automatically renew for successive three (3) year terms. At least ninety (90) days prior to the expiration of each three (3) year term of this Agreement, the parties shall enter into good-faith negotiations regarding any proposed change in Agreement terms or fees. If there are no changes requested by either party, then the Agreement will automatically renew under the same terms and fee arrangement as the prior term.

2. Termination of Agreement. This Agreement may be terminated:

   (a) By mutual agreement of the parties hereto;

   (b) Upon expiration of the current term of this Agreement if either party has given the other at least ninety (90) days written notice of its intention to terminate as set forth in paragraph H. 1.;

   (c) Upon dissolution of the Client's self-insurance program whether voluntary or due to cessation of Client's authority to self-insure;

   (d) Upon dissolution of the Client's self-insurance program due to Client insolvency or bankruptcy;

   (e) Upon ninety (90) days written notice by either party if the other party is in material breach of any term, covenant or condition contained herein; provided, however, that as a condition precedent to termination under this Section H. 2. (e), the terminating party shall give written notice to the other party, who shall have sixty (60) days from the date of such notice to cure or correct the grounds for termination. If the grounds of termination are not corrected or cured during the sixty (60) day period, this Agreement may be terminated on the termination date specified in the notice, but not prior to the expiration of the ninety (90) day period described herein.

Attachment: VILLAGE OF PALATINE SA 12.31.22 - 12.30.25 (2023 Claims Administrator)

3. Services Following Termination of Agreement. Should this Agreement be terminated or non-renewed for any reason, CCMSI will cease providing services, turn over to the Client all Client files in CCMSI's possession, which shall include all open and closed files.

   Upon the Client's request and subject to agreement by CCMSI, CCMSI will be paid a reasonable negotiated fee to:

   (a) Provide for continued administration of the open claim files;

   (b) Cooperate with any successor administrator in the orderly transfer of all functions, including providing a runoff listing of open claim files if desired by the Client and any other records reasonable and necessary for a successor administrator; and

   (c) Provide an electronic transfer of data if such is feasible, with the cost of providing such borne by the Client. The electronic transfer of data will be subject to a flat fee of $2,500.

I. SERVICE FEE PAYMENTS. The Client shall pay to CCMSI a service fee as outlined in the Fee and Payment Schedule attached hereto as Exhibit E.

J. ARBITRATION. If an irreconcilable difference of opinion or claim should arise between the Client and CCMSI as the interpreters of any matter relating to this Agreement, such matter will be submitted to mediation or arbitration as the sole remedy available to both parties. Any such mediation or arbitration will take place in the City of Chicago, Illinois and will be conducted in accordance with the then-current rules of the American Arbitration Association.

K. RELATIONSHIP OF PARTIES. With respect to the services provided by CCMSI in this Agreement, CCMSI is considered an independent contractor. Nothing in this Agreement shall be construed to create a relationship of employer/employee, partners or joint ventures between the Client and CCMSI. This Agreement is non-exclusive, and CCMSI shall have the right to perform services on behalf of other individuals, firms, corporations and entities.

L. INDEMNIFICATION.

1. Indemnification by Client. The Client agrees that it will indemnify and hold harmless CCMSI and CCMSI's directors, officers, employees, agents, shareholders, subsidiaries and other affiliates from and against any and all claims, losses, liability, costs, damages and reasonable attorney's fees incurred by CCMSI as a result of breach of this Agreement by the Client, explicit instruction by the Client, or alleged misconduct, error or omissions by the Client, or by any of the Client's trustees, directors, officers, employees, agents, shareholders, subsidiaries, or other affiliates in connection with the performance of this Agreement. Agents as used herein include third party vendors selected by Client.

2. Indemnification by CCMSI. CCMSI agrees that it will indemnify and hold harmless the Client and the Client's trustees, directors, officers, employees, agents, shareholders, subsidiaries, members, or other affiliates from and against any and all claims, losses, liability, costs, damages and reasonable attorney's fees incurred by the Client as the result of breach of this Agreement by

Attachment: VILLAGE OF PALATINE SA 12.31.22 - 12.30.25 (2023 Claims Administrator)

CCMSI or alleged misconduct, error or omissions by CCMSI, or by any of CCMSI's directors, officers, employees, agents, shareholders, subsidiaries or other affiliates in connection with the performance of this Agreement.

M. **CHANGE IN CIRCUMSTANCES**. In the event the adoption of any statute, rule or regulation materially changes the nature of the relationship between the parties hereto or the legal or economic premises upon which this Agreement is based, the parties hereto shall undertake good faith negotiations to amend the terms of this Agreement to account for such changes in a reasonable manner. This includes the happening or development of a local, regional, national or global health situation, crisis, pandemic, or catastrophic event that would impact the volume and type of claims to be administered by CCMSI under this Agreement. In the event of any such occurrence, either party may contact the other in good faith and seek to amend the terms and / or service fees applicable to this Agreement.

N. **SOFTWARE ACCESS.** The Client may be provided with the right to use one or more CCMSI Applications in connection with the services provided by CCMSI in this Agreement. CCMSI Applications include iCE, MyReports, Loss Control ASAP, Loss Control Resources and iCEBAR. The right to use CCMSI Applications is non-exclusive, limited to the term of this Agreement per paragraph H.1., non-transferable and is solely for the internal business use of Client.

CCMSI owns and reserves all rights, title, and interest in and to the CCMSI Applications. Client has no right to receive a copy of the object code or source code to the CCMSI Applications. Client may not attempt to:

1. License, sell, lease or otherwise make the CCMSI Applications available to any other party. Client will not provide any access, passwords or other information regarding the CCMSI Applications to any third parties and/or competitors of CCMSI without the prior written consent of CCMSI;
2. Use the CCMSI Applications in any way that violates any law, regulation or mandate, or the term of this Agreement; or
3. Take any action that jeopardizes confidential or proprietary information held by CCMSI.

Client is responsible for any confidential or proprietary information accessed or downloaded by Client from the CCMSI Applications, including the implementation of appropriate information security controls surrounding such information.

Except as expressly provided in this Agreement, CCMSI Applications are provided "as-is". CCMSI disclaims all other warranties, express, implied, or statutory, including the implied warranties or merchantability, satisfactory quality, title, fitness for a particular purpose, non-infringement, compatibility, security, quiet enjoyment, or accuracy. Without limiting the foregoing, CCMSI does not warrant that access to or use of the CCMSI Applications will be uninterrupted or error-free. CCMSI will provide support for the CCMSI Applications in the two most recent two versions of the Internet Explorer, Chrome, Firefox and Safari browsers.

Attachment: VILLAGE OF PALATINE SA 12.31.22 - 12.30.25 (2023 Claims Administrator)

O. MISCELLANEOUS.

1. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Illinois without regard to principles of conflicts of law.

2. Timing of Services. CCMSI may exercise its own reasonable judgment, within the parameters set forth herein and in compliance with State regulations, as to the time and manner in which it performs the services required hereunder. Additionally, CCMSI will be held to a standard of like administrators performing like services for customers such as Client.

3. Successors in Interest. This Agreement shall be binding upon, and inure to the benefit of, the successors in interest and permitted assigns of the parties hereto.

4. Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if the invalid or unenforceable provision had been revised to the minimum extent necessary to make it valid and fully enforceable under applicable law.

5. Paragraph Headings. All paragraph headings in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

6. Waiver. The failure of any party to enforce any provisions of this Agreement shall not constitute a waiver by such party of any provision. A past waiver of a provision by either party shall not constitute a course of conduct or a waiver in the future with respect to that same provision.

7. Notice Provision. All notices, requests and other communications required under this Agreement shall be in writing and delivered by hand or mailed, registered or certified, return receipt requested, postage paid, or sent via a nationally recognized overnight courier to the other party at the following address:

   Client: Village of Palatine
   Attn : HR Director
   200 E. Wood Street
   Palatine, IL 60067

   CCMSI: Cannon Cochran Management Services, Inc.
   2 E. Main St.
   Danville, IL 61832
   Attn: Chief Operating Officer

8. File Destruction Policy. CCMSI will maintain electronic claim file records or hard copy files (where applicable) on all closed files on behalf of Client for a period of fifteen (15) years after the month of closure, or for as long as necessary to protect the applicable statute of limitations, whichever is longer. It is the sole responsibility of Client to advise CCMSI if files are not to be destroyed per this policy.

Attachment: VILLAGE OF PALATINE SA 12.31.22 - 12.30.25 (2023 Claims Administrator)

9. Insurance. CCMSI will purchase and maintain insurance coverages for its performance of the services contemplated in this Agreement. Minimum policy limits are as follows:

Workers Compensation – Statutory
Professional - $5,000,000
General Liability - $1,000,000 / $2,000,000
Umbrella - $5,000,000
Cyber Coverage - $5,000,000

10. Escheatment. CCMSI is responsible for complying with all applicable abandoned property or escheat laws, making any required payments, and filing any required reports on CCMSI escrow accounts.

11. Confidential Information. Confidential Information includes nonpublic information that is exchanged between the Client and CCMSI, including, without limitation, information relating to the business, financials, personnel, customer data and operating procedures. Confidential Information includes information whether in written, electronic, or oral form created and relating to services provided under the Agreement. All Confidential Information is proprietary. Client and CCMSI may use the other party's Confidential Information only for the purpose of this Agreement and will limit its disclosure to only those persons reasonably necessary to perform under the Agreement. CCMSI will share non-personal bulk claim data with the IDS National Database unless the Client directs otherwise.

12. Information Security. CCMSI is responsible for the protection of the confidentiality, availability, privacy and integrity of Client information in our custody. CCMSI has implemented an Information Security Policy that has been developed to comply with applicable federal and state laws or regulations and industry best practices. The Information Security Policy applies to all CCMSI personnel, including temporary employees, independent contractors and vendors with access to CCMSI systems.

13. Entire Agreement/Amendment. This Agreement sets forth the full and final understanding of the parties hereto with respect to the matters described herein, and supersedes any and all prior agreements and understandings between them, whether written or oral. This Agreement may be amended only by written document executed by the Client and CCMSI.

Attachment: VILLAGE OF PALATINE SA 12.31.22 - 12.30.25 (2023 Claims Administrator)

Executed this ____ day of _____, 20__.

CANNON COCHRAN MANAGEMENT SERVICES, INC.

By:_____
Rodney J. Golden

Its: Chief Operating Officer/Executive Vice President

VILLAGE OF PALATINE

By:_____

Its:_____

Attachment: VILLAGE OF PALATINE SA 12.31.22 - 12.30.25 (2023 Claims Administrator)

EXHIBIT A

SCHEDULE OF REPORTS

1. A detailed listing of all claims broken down by location, policy year and line of coverage. (MONTHLY)

2. A summary of all claims broken down by location, policy year and line of coverage. (MONTHLY)

3. A check register listing all checks issued during a reporting period. (MONTHLY)

Attachment: VILLAGE OF PALATINE SA 12.31.22 - 12.30.25 (2023 Claims Administrator)

EXHIBIT B

SCHEDULE OF RISK MANAGEMENT SERVICES

None to be provided.

Attachment: VILLAGE OF PALATINE SA 12.31.22 - 12.30.25 (2023 Claims Administrator)

EXHIBIT C

SCHEDULE OF LOSS CONTROL SERVICES

None to be provided.

CCMSI will provide the Client loss control services upon mutual agreement of the parties. The client shall remain fully responsible for the implementation and operation of its own safety programs and for the detection and elimination of any unsafe conditions or practices.

CCMSI assumes no responsibility for the detection, identification, communication, mitigation, or elimination of any unsafe condition or practice associated with the safety program of any client. Further, CCMSI assumes no responsibility for any injury sustained by an employee of the client.

Attachment: VILLAGE OF PALATINE SA 12.31.22 - 12.30.25 (2023 Claims Administrator)

EXHIBIT D

SCHEDULE OF comp mc ™ SERVICES AND FEES

Provider Bill Re-pricing

Service	***Fee***
Usual and Customary re-pricing	$9.00 per bill
Fee Schedule state re-pricing	$9.00 per bill
Medical Bill State Reporting for applicable medical bills to reportable state	$1.50 per reportable bill

PPO Re-pricing / Out of Network Negotiations

PPO re-pricing / Specialty and Hospital bill negotiation is billed at 33% of savings

Pharmacy Network Services

Pharmacy Network services are priced at 33% of savings.

Attachment: VILLAGE OF PALATINE SA 12.31.22 - 12.30.25 (2023 Claims Administrator)

EXHIBIT E

FEE AND PAYMENT SCHEDULE

Service Agreement Term: 12.31.22 – 12.30.25

Services:	***Fees:***
Claims Administration (minimum)	**1st Year - $32,095** **2nd Year - $32,705** **3rd Year - $33,300**

CCMSI will manage all workers' compensation and liability claims for the **Life of Agreement** for an annual fee as shown above.

Claims will be analyzed by the number and type of claim on an on-going basis and priced on a per claim basis as outlined below.

Year 1: 12/31/22 – 12/30/23

Line of Coverage	# Claims	Per Claim Fee	Est. Fee
General Liability - BI	2	$900	$1,800
General Liability - PD	9	$465	$4,185
Auto Liability - BI	1	$900	$900
Auto Liability - PD	9	$465	$4,185
Auto Physical Damage	3	$425	$1,275
Errors & Omissions	1	$1,125	$1,125
Employment Practices	1	$1,125	$1,125
Property	15	$575	$8,625
Crime	0	$550	$0.00
WC Medical only	15	$175	$2,625
WC Indemnity	5	$1,025	$5,125
Law Enforcement Liability	1	$1,125	$1,125
Report Only Incidents	0	$40	$0
Subtotal Claim Fee Minimum Annual	62		**$32,095**

Attachment: VILLAGE OF PALATINE SA 12.31.22 - 12.30.25 (2023 Claims Administrator)

Year 2: 12/31/23 – 12/30/24

Line of Coverage	# Claims	Per Claim Fee	Est. Fee
General Liability - BI	2	$915	$1,830
General Liability - PD	9	$475	$4,275
Auto Liability - BI	1	$915	$915
Auto Liability - PD	9	$475	$4,275
Auto Physical Damage	3	$435	$1,305
Errors & Omissions	1	$1,145	$1,145
Employment Practices	1	$1,145	$1,145
Property	15	$585	$8,775
Crime	0	$550	$0.00
WC Medical only	15	$178	$2,670
WC Indemnity	5	$1,045	$5,225
Law Enforcement Liability	1	$1,145	$1,145
Report Only Incidents	0	$40	$0
Subtotal Claim Fee Minimum Annual	**62**		**$32,705**

Year 3: 12/31/24 – 12/30/25

Line of Coverage	# Claims	Per Claim Fee	Est. Fee
General Liability - BI	2	$930	$1,860
General Liability - PD	9	$485	$4,365
Auto Liability - BI	1	$930	$930
Auto Liability - PD	9	$485	$4,365
Auto Physical Damage	3	$445	$1,335
Errors & Omissions	1	$1,165	$1,165
Employment Practices	1	$1,165	$1,165
Property	15	$595	$8,925
Crime	0	$570	$0.00
WC Medical only	15	$180	$2,700
WC Indemnity	5	$1,065	$5,325
Law Enforcement Liability	1	$1,165	$1,165
Report Only Incidents	0	$40	$0
Subtotal Claim Fee Minimum Annual	**62**		**$33,300**

Any additional charges over the annual minimum claim fee will be billed quarterly thereafter.

There will be a 3% fee increase to claim fees only per year.

Attachment: VILLAGE OF PALATINE SA 12.31.22 - 12.30.25 (2023 Claims Administrator)

Workers' Compensation Claim Definitions ▪ **Indemnity Claims** – Claims involving lost-time, questionable compensability, legal involvement, subrogation, second injury fund, probable permanent impairment/disability, jurisdictional issues, coverage issues or claims involving complex issues that are assigned or transferred to the indemnity adjuster for claims handling. ▪ **Medical Only Claims** – Claims which have no issues of lost time, no evidence of other indemnity benefit exposure, no obvious question of compensability, no evidence of potential subrogation or second injury fund recovery, no evidence of problematic medical issues and no requirement or need for any formal statements. ▪ **Report Only/Incident Only Claims** – Reported claims which require only input into RMIS system and requires no claims management activity.	
Annual Administration Fee	**$5,000**
• Dedicated client service team • Development of specific client service requirements • Monthly loss reporting • Quarterly claim reviews at client's request-(Two (2) attended in-person and two (2) attended remotely • Issuance of 1099's • Assistance in filing of all required state forms including state mandated assessments ○ If Client has directed CCMSI to utilize a third party vendor selected by Client for the provision of services then such assistance will be the responsibility of the third party vendor • Workers' compensation claim packets/state forms • Preparation for, compliance with and response to regulatory audits • Account Management and Administration	
Annual Internet Claim Access Fees	**$1,000**
Internet claims system access which includes: • Viewing access to all claims data • Risk Management statistical analysis • Comprehensive and complete access to claims management process • On-line reports • On-line reporting capability via the internet • Ability to generate OSHA 301 Form First Report of Injury	

Attachment: VILLAGE OF PALATINE SA 12.31.22 - 12.30.25 (2023 Claims Administrator)

<table>
<tr><td>Managed Care Service Fees</td><td>See Detail</td></tr>
<tr><td>
Provider Bill Re-pricing
<table>
<tr><td>Service</td><td>Fee</td></tr>
<tr><td></td><td></td></tr>
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Pharmacy Network Services
<table>
<tr><td>Pharmacy Network services are priced at 33% of savings.</td></tr>
</table>
</td><td></td></tr>
<tr><td>State Reporting EDI Fees

Initial reporting $15 per report
Subsequent reports $10 per report</td><td>$15 FROI
$10 SROI</td></tr>
<tr><td>Index Bureau

Note: The index fee is a direct pass through charge for ISO. If ISO increases their current market rate per index, CCMSI will adjust the fee accordingly.</td><td>Current ISO Market Rate</td></tr>
<tr><td>MMSEA Section 111 Reporting Fee</td><td>$25/Per Claim Hit</td></tr>
<tr><td>CCMSI in conjunction with our reporting agent will comply with MMSEA Section 111 Reporting on behalf of Village of Palatine.
All injury claims will be queried to CMS for Medicare eligibility (no charge).
CCMSI will collect additional mandatory data on claims where Medicare eligibility has been verified. CCMSI along with our reporting agent will report all claims meeting the reporting guidelines as set forth by CMS. (one-time $25 per claim fee)</td><td></td></tr>
<tr><td>Carrier Fees</td><td>As Outlined</td></tr>
<tr><td>If applicable, Client will be responsible for payment of any carrier fees associated with the transition of claim handling responsibilities to CCMSI.</td><td></td></tr>
<tr><td>Special System Reports</td><td>$125 an hour</td></tr>
<tr><td>CCMSI will provide special reports, (reports not currently programmed or written) for a fee of $125 per hour for system programming time. CCMSI will provide an estimate of charges before any work will be done.</td><td></td></tr>
</table>

Attachment: VILLAGE OF PALATINE SA 12.31.22 - 12.30.25 (2023 Claims Administrator)

Taxes	**See Detail**
CCMSI fees will be increased by any applicable Sales, Gross Receipts, or similar (excluding income) taxes imposed by Federal, State or Local bodies.	
GRAND TOTAL	**1st Year $38,095** **2nd Year $38,705** **3rd Year $39,300**
Fee & Payment Schedule	

1st Year - The total fee of $38,095 will be payable to CCMSI in quarterly installments of $9,523.75 and will be due on the first day of January 2023, April 2023, July 2023 and October 2023.

2nd Year - The total fee of $38,705 will be payable to CCMSI in quarterly installments of $9,676.25 and will be due on the first day of January 2024, April 2024, July 2024 and October 2024.

3rd Year - The total fee of $38,095 will be payable to CCMSI in quarterly installments of $9,825 and will be due on the first day of January 2025, April 2025, July 2025 and October 2025.

Subsequent year service fees shall be subject to an annual 3% increase as previously indicated in Exhibit E.

Executed this ____ day of _____, 20__.

CANNON COCHRAN MANAGEMENT SERVICES, INC.

By:_____
Rodney J. Golden

Its: Chief Operating Officer/Executive Vice President

VILLAGE OF PALATINE

By:_____

Its:_____

Attachment: VILLAGE OF PALATINE SA 12.31.22 - 12.30.25 (2023 Claims Administrator)

PROPOSAL TO:

Village of Palatine

PREPARED BY:

Rob Fitzgerald
Account Manager

Phone: (630) 649-6034
rfitzgerald@ccmsi.com

3333 Warrenville Rd., Suite 650
Lisle, IL 60532

July 2022

CCMSI®

www.ccmsi.com

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

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Pricing

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1. *Audited Financial Statement*
2. *Client Service Team Biographies*
3. *Standard Service Agreement*
4. *Insurance Coverage Certificates*
5. *iCE, Internet Claims Edge, Print Screens & Sample Reports*
6. *Corporate Claims Handling Best Practices*
7. *Litigation Management Guidelines*
8. *Internal Auditing Guidelines & Worksheets*
9. *Comp MC Managed Care Program*
10. *Loss Control Services*

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CCMS

CCMSI

Cover Letter

July 18, 2022

Mike Nugent
nugentllc@comcast.net

RE: VILLAGE OF PALATINE REQUEST FOR PROPOSAL CLAIMS ADMINISTRATION

Dear Mr. Nugent,

Cannon Cochran Management Services, Inc. (CCMSI) is pleased to present the attached proposal for the Village of Palatine. We have provided these services to the Village since 2007. We are confident that we can continue to positively contribute to your ongoing quest of lowering your total cost of risk while also providing your injured employees and claimants with prompt, courteous claims service. Our response will indicate how our business model, our values, our systems, and our people combine to produce those results.

CCMSI believes that no one facet of our service offerings is more critical to achieving recognition as a superior claims administrator than ensuring that our customers are completely satisfied with the level of service they receive whenever they interact with staff members of their designated team.

We have two primary goals with respect to serving as the Village's claim administration firm of choice:

1. Serve as an extension of the Village's Risk Management Department by providing technical and strategic claims insight, superior claims management technology and systems, and seamless administrative support; and
2. Reduce the Village's overall cost of risk.

There are several reasons why CCMSI is the leader and trusted advisor in third party claims administration. In addition to our professional staff, our state of the art technology and our reputation for outstanding client satisfaction, we provide the following services, which truly set us apart from our competition.

- Aggressive investigations, FIRE Fraud Program and Claim Risk Assessment (CRA)
- Thorough communication in-person, over the phone and via adjuster claim file log notes
- Best Practices for reserving, settlements, subrogation, and related concerns with the Village
- CLEAR Legal Bill Review Program
- Comp MC Managed Care Program
- Tracking financial data (i.e., reserves, settlements, expenses and medical costs) via our *"iCE"* (Internet Claims Edge) claim technology, so as to exhibit measurable savings for the Village
- Allowing real-time access to *"iCE",* including training the Village's staff to file initial claim reports electronically, produce meaningful risk and financial reports for management, and engaging other Risk Management functions.
- SOC 1 Credentialing & Other Data Security Policies
- Providing designated adjusters to manage the Village's account.
- Conducting Quarterly Claim and Stewardship meetings to ensure goals are met.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

All of your communication concerning this request for proposal should be directed to:

Rob Fitzgerald
Account Manager
Phone: 630-649-6034
rfitzgerald@ccmsi.com

We thank you for considering CCMSI as a partner in managing this important responsibility and look forward to the opportunity to continue to serve the Village of Palatine.

Sincerely,

Rob Fitzgerald, Account Manager

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CCMS

CCMSI

RFP Response

GENERAL CONDITIONS

1. Proposers must include general information about their firm including the latest audited financial statements.

Since 1978, **Cannon Cochran Management Services, Inc. (CCMSI)**, a Delaware registered S-Corporation, has lead the way as the gold standard third-party administrator for property/casualty programs, including workers' compensation, liability, and property claims management. We bring together the best talent in the TPA industry and prioritize the needs, goals, and expectations of our clients, utilizing innovative solutions, cutting-edge technology, and tailored approaches to claim services, loss control, managed care, internet claims analysis, and reporting services.

As a privately held, ***100% employee-owned*** company, CCMSI is beholden to our clients—not insurance carriers, brokers, or private equity funds. This empowers our team to make client-centric decisions and focus on long-term client value creation versus short-term financial performance. Our dedication to transparency and reputation for the highest quality client satisfaction, superior results, integrity, and fulfillment of promises has earned us the respect of our clients and partners nationwide.

CCMSI does not believe in a one-size-fits-all approach and understands each client comes to us with unique needs. We listen and collaborate with you to deliver strategic, efficient, and cost-saving solutions and pride ourselves in exceeding expectations. This client-focused approach has established CCMSI as the quality standard in our industry with a ***client retention rate of 98%***. We partner with self-insured groups and individual employers in a wide range of industries, including governmental, retail, manufacturing, healthcare, gaming, construction, transportation, and higher education.

CCMSI has been certified as a great workplace by the analysts at Great Place to Work®. Ensuring we have a positive work environment is essential to CCMSI's success and future growth. Our culture allows us to attract and retain the highest quality staff and maintain the lowest turnover percentage in the industry. This provides continuity and consistent delivery of exceptional service for our clients. Without our greatest asset, our staff, we would not be able to successfully *deliver what matters most* to our clients. See all results here: http://reviews.greatplacetowork.com/ccmsi

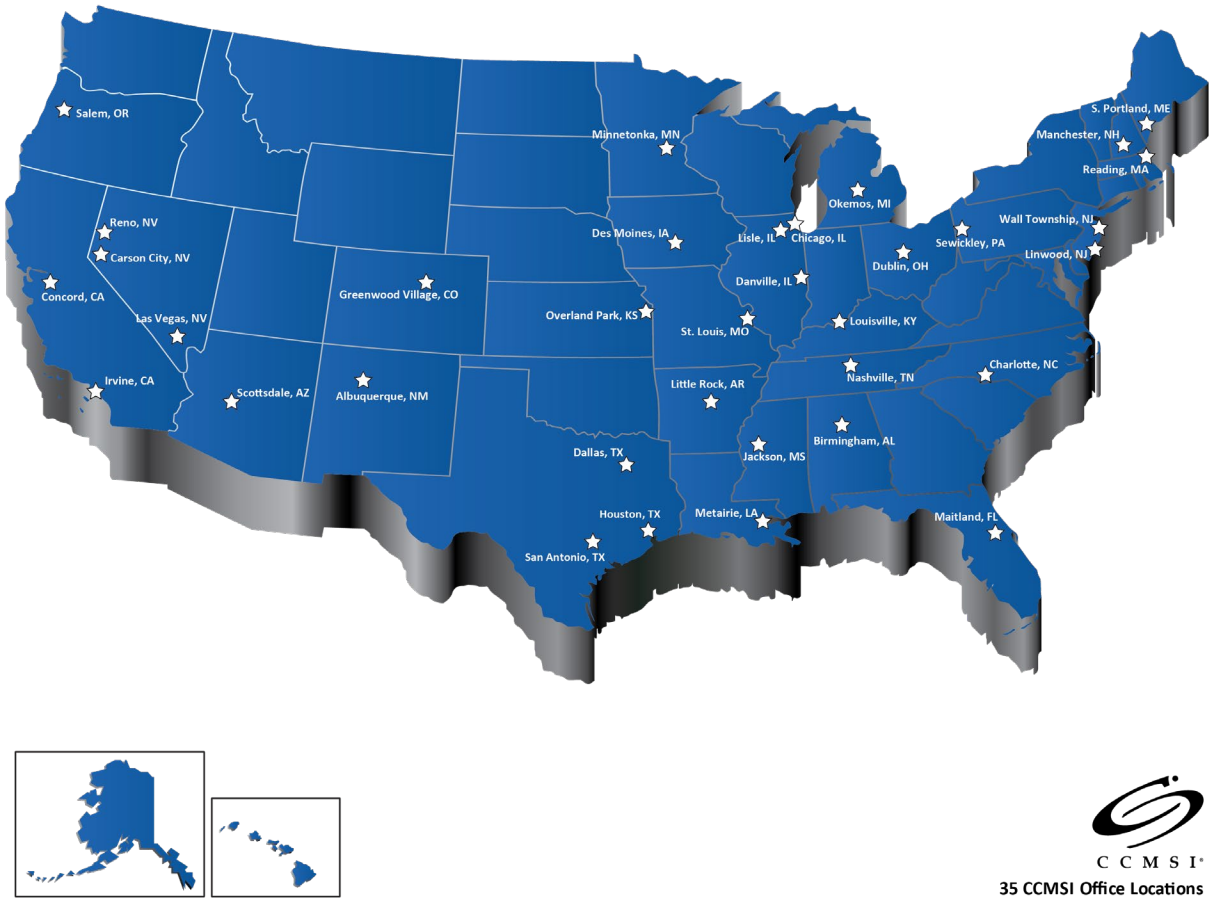
CCMSI offers clients a wide range of risk management services designed for comprehensive coverage and administration efficiencies. Services include:

- Client-specific Third-party Claims Administration
- Self-insured Group Administration Services: accounting, underwriting, marketing, and excess placement
- Loss Control: industry-specific loss control programs
- iCE: CCMSI's internet claims analysis and reporting tool
- Comp MC: CCMSI's private label managed care program
- FIRE: CCMSI's Special Investigation Unit program
- CLEAR: CCMSI's legal bill review program

CCMSI has over 1,400 employees from 35 office locations for 500+ individual self-insured employers, 10+ captives, 40+ primary insurance companies, and 50+ self-insurance groups.

Please refer to Exhibit 1 for our Audited Financial Statements.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)



C C M S I

35 CCMSI Office Locations

2. The Village of Palatine will award a three-year contract for services with options to renew for two one-year extensions.

   Understood.

3. The Village of Palatine will have the right to terminate the contract at any time by giving notice of service problem, and if not corrected within 60 days, written notice to cancel. No cancellation penalty provisions will be acceptable.

   Understood.

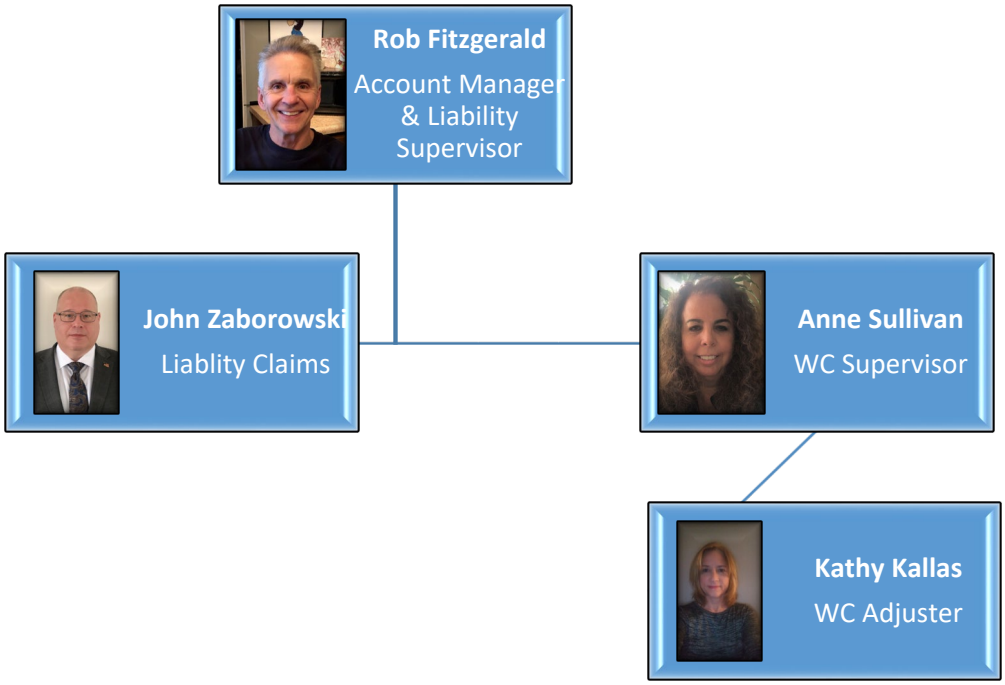
4. Proposers shall provide per claim pricing on a Life of Contract basis. A flat fee option should be offered.

   Understood. For detailed pricing information, please reference the “Fee Proposal” Tab in this RFP.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

5. TPA shall include resumes of each service team member. The Village will only consider adjusters with material past / current Illinois municipal experience.

The following represent staff that is currently handling claims for the Village of Palatine.



Please refer to Client Service Team Biographies in Exhibit 2.

6. TPA will provide three references from clients of proposed adjusters.

See answer to question 7 in the "Question Section" of the RFP

7. TPA shall include current caseload and target caseload of each adjuster.

CCMSI differs from other TPAs in that we understand the value of assigning our claim representatives manageable caseloads, enabling them to be both more productive and proactive. When allocating, we take into account jurisdiction variance, experience level, and lines of coverage being handled.

Assignments depend upon several factors, which include: total number of claims, type of claims being handled, number of new claims received monthly, number of claims closed monthly, severity/complexity of claims, claim representative's level of experience, and MICA's claim handling/reporting requirements.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

The average caseload for workers' compensation claims representatives is:

- Indemnity: 125 (maximum 150)
- Medical Only: 200 (maximum 250)

The average caseload for liability claims representatives is:

- Property Damage Liability: 100-125 (maximum 125)
- Bodily Injury Liability: 90-110 (maximum 125)

Account managers run caseload reports on a monthly basis to verify claims representatives are not consistently above the average caseload standard. If an adjuster's caseload is too high, we will reassign files and add client service team members as needed. CCMSI recognizes a commitment to a manageable caseload is a key component of client service and customer satisfaction.

8. TPA shall identify any exceptions to the scope of services in the proposal.

We have reviewed the Village's Proposed Scope of Services. We understand and will fully comply with each and every requirement. No exceptions.

CCMSI currently serves over 5,000 governmental entities across the U.S. with proven results in providing superior service and loss cost savings including the Village.

9. TPA will provide a proposed service contract. Upon selection, the Village will negotiate contract terms with selected firm. If acceptable contract language cannot be secured the Village will move on to second ranked firm, and so on.

Please refer to Exhibit 3 for our standard service agreement.

10. TPA shall provide a certificate of insurance evidencing $2,000,000 in errors and omissions insurance coverage.

Please refer to Exhibit 4 for copies of our insurance coverage certificates.

11. TPA shall be a licensed adjusting firm in the State of Illinois

Yes, CCMSI is a licensed adjusting firm in the State of Illinois.

12. The Village of Palatine reserves the right to select that proposal which best fits its needs.

Understood.

SCOPE OF SERVICE

1. TPA will provide costs for reporting claims via internet, email, fax and phone.

   CCMSI agrees to intake claims via email, fax or phone. The Village will also have the option to submit claims via iCE - CCMSI's Internet claims analysis and reporting tool at no cost. Charges for reporting claims by telephone will be $25 per report.

2. TPA will set initial reserves as soon as possible.

   Our Corporate Claims Best Practices dictate that initial reserves will be established and input into the claim system within 10 business days from receipt of loss. Reserves will then be re-evaluated every 30-90 days thereafter depending on activity and severity of the claim.

3. Each new claim will be investigated including site visit and collection of recorded statements as appropriate.

   CCMSI agrees that each new claim will be investigated, including site visit and collection of recorded statements as deemed appropriate by CCMSI. CCMSI will handle as much of the investigation as possible telephonically. However, there may be claims, that due to their complexity, magnitude of exposure, etc., that require an on-site investigation. In those instant situations, we would not make any referrals to an independent loss adjuster until we had the pre-approval of the Village.

4. Adjuster will make contact with claimants as appropriate in a reasonable period of time, and document contact in claim notes. For workers compensation claims, claimant will be contacted within 24 hours of receipt of claim from the Village. Witnesses will also be contacted as soon witness information is available.

   Our Corporate Claim Handling Best Practices dictates that initial contact with the injured worker is to be made within 2 business days of receiving the claim. However, we will agree to the Villages requirement for contact within one business day after receipt of the WC report. This process usually only applies to Indemnity/Lost time claims unless there is something unusual about a Medical Only claim.

5. Initial claim notices will be sent to the Village contact and will include the claim number, date of loss, claimant name, adjuster name and initial reserve. Initial claim notices are to be sent within ten days of receipt of the claim by the TPA.

   CCMSI will provide client with electronic notice for all claims reported thru the direct on-line reporting in our iCE claims system assuming there are no website security/ firewall issues.

6. TPA will send a special report whenever a reserve is increased by more than $10,000 and when a claim is closed.

   CCMSI agrees to provide notice when reserves are increased as indicated.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

7. TPA will request settlement authority in writing.

   CCMSI agrees to obtain authority as indicated.

8. TPA will handle all necessary state filings

   CCMSI agrees to handle.

9. TPA will provide written status report on each claim three days prior to the four quarterly claims review meetings.

   CCMSI agrees to provide.

10. Outsourcing adjusting to other firms will not be allowed.

    CCMSI agrees.

11. TPA shall maintain files on each claim and have files available for audit and/or inspection at any time. At termination of the contract, TPA shall return all files to The Village of Palatine at no cost to the Village.

    CCMSI agrees.

12. No files will be destroyed without prior written consent of the Village.

    CCMSI agrees.

13. TPA will provide a tape transfer of all historic loss data at termination of agreement at no cost to the Village.

    CCMSI agrees to provide our standard data extract at termination. There is a fee for this which is $2500. In the event any special programming is required this will be billed at our current programming rate at the time.

14. TPA will report all qualified claims to excess insurers based on each insurer's requirements.

    CCMSI agrees to provide these reports.

15. TPA will provide the following monthly loss reports (these can be posted on web portal):

    a. Summary loss report showing number of open, closed and total claims by pool year, including run-in policy period. Amounts paid (separating expenses), reserved (separating expenses) and total incurred, Amounts due / received from excess insurers, net experience.
    b. Claim experience report for each policy period showing same data as in A., by line of coverage.
    c. Monthly financial report showing all payments and changes in reserves for all claims

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

d. Monthly claim register showing all claims.

CCMSI agrees to provide the listed monthly Loss Reports.

16. Monthly loss report is to be sent electronically to the Village and its consultant.

CCMSI agrees to provide.

17. TPA will provide client with internet access to loss data and adjusters notes. Client will have seven users.

CCMSI agrees to provide access as requested.

18. TPA will maintain a claims paying checking account and provide a monthly check register and bank reconciliation. TPA will request wire transfers when account is below an agreed amount. Client will replenish account within 48 hours before any charges are incurred.

CCMSI agrees to maintain a claims paying checking account and to provide a monthly check register and bank reconciliation. In addition, we agree to request wire transfers when the account is below an agreed amount.

19. TPA will not make personnel changes without prior approval of client.

CCMSI agrees. However, if employees leave the company, or are promoted and changes are needed, these will be discussed with client.

20. TPA will secure approval prior to incurring any charged expense to a claim file.

CCMSI agrees to secure approval prior to incurring any charged expense to a claim file. However, some items of expense will be incurred on most claims files – expense for bill review, indexing etc.—and these would be discussed and agreed to with client at inception of program. Other types of expenses such as legal, investigative, etc. would be discussed and approved by client.

21. The Village will assign legal counsel to each litigated claim. TPA will perform litigation management and review and approve legal bills using their criteria.

CCMSI agrees to perform litigation management and will review and approve legal bills using our litigation management guidelines.

22. TPA will develop claim handling instructions.

CCMSI will develop claim-handling instructions.

23. TPA will identify and pursue subrogation on all potential claims for no additional cost. Subrogation will include demand letters, negotiations etc, but not include cost of litigation should it become necessary. Amounts recovered by TPA will be deposited into Clients claims paying checking account and a notice of same sent to the Village.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CCMSI acknowledges that a client's claim costs can be reduced significantly by identifying, pursuing and achieving optimal recoveries when applicable. That being said, when there is a third party involved in a claim, it may be possible to recover significant amounts of money from the third party directly or from their insurance carrier.

CCMSI's claim representatives are well versed in the pursuit of subrogation and the potential recovery of funds when available and accessible. Subrogation investigations are conducted on all claims that show potential subrogation involvement.

CCMSI agrees to identify and pursue all claims with subrogation potential at no additional cost. In the event a claim is reported for ONLY subrogation and no underlying claim is being handled then the subrogation claim will be billed according to appropriate rate per claim.

24. TPA will maintain client pyramid and include at least 4 levels.

CCMSI agrees to this structure.

25. TPA will have $0 settlement authority on all claims.

CCMSI agrees.

26. TPA will provide claim electronic forms to be used by the client in filing claims. Claims shall be filed on line.

CCMSI agrees.

27. TPA will provide or outsource MSSEA services.

CCMSI agrees. CCMSI along with our partner Exam Works have completed our development of a comprehensive solution that addresses both Mandatory Insurer Reporting (MIR) Requirements per MMSEA Section 111 and Medicare Secondary Payer (MSP) Compliance.

We work with our client to assist in determining and administering proper RRE registration and maintenance. CCMSI will serve as the Account Manager per MMSEA definition. Our partner Exam Works will serve as the Reporting Agent.

28. Adjusters / supervisors will attend 4 quarterly claim reviews at the Village.

CCMSI agrees.

QUESTIONS

1. Provide names, phone numbers, email addresses, addresses and resume of each team member

The following represent staff that is currently handling claims for the Village of Palatine.

Name	*Title*	*Phone*	*Email*	*Address*
Rob Fitzgerald	Account Manager/Liability Supervisor	630.649.6034	rfitzgerald@ccmsi.com	3333 Warrenville Rd., Suite 550; Lisle, IL 60532
John Zaborowski	Liability Claims Adjuster	630.649.6038	jzaborowski@ccmsi.com	3333 Warrenville Rd., Suite 550; Lisle, IL 60532
Anne Sullivan	WC Supervisor	630.649.6022	asullivan@ccmsi.com	3333 Warrenville Rd., Suite 550; Lisle, IL 60532
Kathy Kallas	WC Adjuster	630.649.6015	kkallas@ccmsi.com	3333 Warrenville Rd., Suite 550; Lisle, IL 60532

Please refer to Exhibit 2 for client service team biographies.

2. How / how often will your staff communicate to Village staff?

Staff will communicate as needed with Village staff. We pride ourselves on our commitment to delivering superior customer service with open and transparent communication, and require that emails and phone calls be returned within twenty-four hours of receipt. Throughout the life of the claim, we maintain these open lines of communication regarding the course and progress of the relationship via the following methods:

- Site visits and introductions to client staff;
- Claim file reviews;
- Annual stewardship meetings;
- Regular telephone and email contact from handling adjusters regarding specific claim files and requests for information and authorization;
- Regular in-person, telephone, and email contact from account manager;
- Monthly claim reporting including loss runs, bank registers, and other claim reports (as desired);
- 24/7 real-time access to all claims activity and direct email capabilities to CCMSI via iCE;
- Newsletters, CCMSI website posts, and email blasts. CCMSI participates in many industry groups and seminars and advises clients on industry trends, issues, and developments, including regulatory and legislative changes and case law updates.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

3. Provide information on your team's experience with similar programs

CCMSI has extensive experience handling Illinois public entity clients including:

CLIENT PRIMARY NAME	CLIENT SINCE DATE
BLOOMINGTON PUBLIC SCHOOL DISTRICT #87	6/1/2009
CHA/PMIP	7/1/2004
CHAMPAIGN UNIT SCHOOL DISTRICT #4	6/30/1991
CHICAGO PARK DISTRICT	6/1/2016
CHICAGO PUBLIC SCHOOLS	7/1/2008
CHICAGO PUBLIC SCHOOLS-WC	1/1/2016
CITY OF BLUE ISLAND	9/1/2021
CITY OF CALUMET CITY	11/14/2003
CITY OF CHAMPAIGN	1/1/1985
CITY OF CHICAGO	7/1/2008
CITY OF CHICAGO GL	11/12/2020
CITY OF EAST MOLINE	3/1/2020
CITY OF EVANSTON	3/1/2009
CITY OF HARVEY	8/14/2020
CITY OF URBANA	11/1/1993
CITY OF WHEATON	11/1/2009
COOK COUNTY	12/13/2010
COUNTY OF KANE	12/1/2011
DANVILLE DISTRICT #118 SCHOOLS	10/24/2004
EAST AURORA SCHOOL DISTRICT #131	7/1/2015
GRUNDY COUNTY INSURANCE TRUST	1/1/1988
ILLINOIS MUNICIPAL LEAGUE RISK MANAGEMENT ASSOCIATION	1/1/1981
ILLINOIS PUBLIC RISK FUND	12/15/2008
ILLINOIS PUBLIC TRANSIT RISK MANAGEMENT ASSOCIATION	4/1/2007
LASALLE COUNTY INSURANCE TRUST	11/16/2004
MCLEAN COUNTY UNIT DISTRICT	7/1/2006
MCMRMA	7/1/2008
SECONDARY SCHOOL COOPERATIVE RISK MANAGEMENT PROG	7/1/2017
SOUTHWEST AGENCY FOR RISK MANAGEMENT	7/1/2005
SPRINGFIELD PUBLIC SCHOOLS DISTRICT #186	3/1/2007
TOWNSHIP OFFICIALS OF ILLINOIS RMA	6/1/1986
URBANA SCHOOL DISTRICT #116	6/30/2002
VERMILION COUNTY	12/1/1994
VILLAGE OF BELLWOOD	12/1/2010
VILLAGE OF BOLINGBROOK	5/1/2003
VILLAGE OF DOLTON	1/1/2008
VILLAGE OF GLENVIEW	1/15/2011
VILLAGE OF PALATINE	12/31/2007
VILLAGE OF ROSEMONT	1/3/2005
VILLAGE OF SCHAUMBURG	10/1/2014
VILLAGE OF UNIVERSITY PARK	12/16/2017

4. Will your firm receive any compensation from any third party in servicing the Village? If yes, please provide details

Yes. Fees may be received in connection with the electronic handling and processing of various components of the Managed Care services including PPO/ Bill Review.

5. Explain how you will investigate an auto liability bodily injury claim

- Contact both drivers involved
- Verify facts of loss
- Determine damages/appraisers if needed
- Rule out injuries to drivers/passengers
- Determine liability
- Determine any comparative negligence
- Obtain estimates of damages
- Pay accordingly

6. Explain how you will adjust a fire claim

- Immediate contact with insured about knowledge of cause, origin and damages.
- Talk to Fire Department/Fire Marshall for their assessment of the damage, cause and origin, and any other details they can provide.
- Preserve/secure structure and contents for evidentiary reasons. Take photos, talk to witnesses, etc.
- Retain necessary experts and vendors to make structural and/or contents restoration determination.
- Obtain a detailed estimate of loss.
- Determine subrogation potential; if potential exists pursue.

7. Provide your claims handling standards

Please refer to Exhibit 5 for a copy of our Corporate Claims Handling Best Practices.

8. Provide three references – current clients of assigned team, and one reference from an account that has terminated your services in the past 12 months.

VILLAGE OF WHEELING
Angela Peters-Asst. to Finance Director
2 Community Blvd
Wheeling, IL 60090
847 459 2612
apeters@wheelingil.gov

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LASALLE COUNTY INSURANCE TRUST
Melissa Pilch-HR Director
707 Etna Road
Ottawa, IL 61350
815 434 8244
mpilch@lasallecounty.org

GRUNDY COUNTY INSURANCE TRUST
Sandy Pommier
County Board Secretary
1320 Union Street
Morris, IL 60405
815 941 3420
spommier@grundyco.org

Terminated account
VILLAGE OF LOMBARD
Tim Sexton-Finance Director-630 620 5902 sextont@villageoflombard.org
Gina Sanders-Administrator-630 620 5904 sandersg@villageoflombard.org
255 E. Wilson Ave.
Lombard , IL 60148

9. Provide your litigation management guidelines

CCMSI's claim professionals have ultimate accountability for all litigation activities. They direct and monitor defense counsel activities. Legal bills are closely reviewed to confirm that charges are appropriate and substantiated before payment. We maintain regular contact with the claimant's attorney to achieve a prompt resolution of the claim. We discuss and develop a defense strategy plan with defense counsel and update this plan when the situation dictates a change. When appropriate, a defense budget for costs and expenses is developed and updated. On appropriate cases, arbitration or mediation will be utilized in an effort to save costs and achieve prompt settlements.

CCMSI's litigation philosophy is as follows: "To provide the best and most appropriate defense for CCMSI, its Clients and Insured's, and to vigorously defend non meritorious claims, as well as, claims where the demands are excessive."

Equally important, we realize that the Village has its' unique needs and expectations and are prepared to meet with the appropriate parties to formalize the process.

Highlights of CCMSI's litigation management philosophy include:

- Timely, quality communication/interaction with the Village designated individuals
- Consultative recommendations regarding the development, implementation and monitoring of the litigation strategy for each case

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

- Elimination of unnecessary, unproductive and duplicate efforts by members of the litigation team
- Monitoring defense counsel to insure timeliness of reports and adherence to budget
- Diary driven monitoring and re-evaluation of litigated claims and as appropriate, modification of the disposition strategy
- Concentration of legal expenditures on those activities that mitigate the Village's financial exposure
- Timely payment of legal fees and associated expenses that have been budgeted and subsequently approved by the Village

See Exhibit 6 for our full Litigation Management Guidelines.

CLEAR Legal Bill Review

CCMSI's partnership with Bottomline Technologies, Inc. provides comprehensive litigation expense management with our legal bill review program, CLEAR (Comprehensive Legal Expense Analysis & Review). Through the industry's leading legal spend management service, our clients benefit from line-by-line reviews and best-in-class technology, ensuring billing guideline compliance. Features of CLEAR include:

- Automated submission and tracking of all legal costs;
- All invoices managed in a centralized location, improving consistency and processing times;
- All invoices reviewed by Bottomline's US-based expert attorney auditors, a team of highly trained professionals solely dedicated to legal bill review;
- Detailed legal spend reports, including firm performance; and
- Benchmarking across CCMSI's client base, including ability to compare your program to other like programs and how your results stack up.

Benefits:

- Electronic submission of invoices and collection of data;
- Ability to leverage data to make informed decisions, including strengthening our panel counsel and utilizing the right firms for your cases;
- Cost control and reductions as a result of billing guideline compliance (10% average savings for CCMSI clients over the last ten years);
- Reporting and analytics, including spend by firm and compliance; and
- Enables claims professionals to focus more time on settling claims.

10. Provide information on your approach to setting reserves

Our practice is to establish reserves that reflect the anticipated ultimate financial result of the claim. Each claim is based on its own merits, and if initially only minimal information is available, then a minimum reserve will be established.

Proper reserve analysis includes many variables, including consideration of all past and future lost income and medical treatment, any permanent disability, and possible permanent total benefits, as well as expenses such as litigation, rehabilitative services, mileage, outside expert opinions, and potential settlement values. The designated claim professional will take into consideration red flag indicators, such as age, comorbidity factors, occupation, anticipated retirement,

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reduction in force, employer closures, and any known discipline issues that might impact the employee's ability or desire to return to work.

CCMSI works primarily with large self-insured and risk-sensitive programs, thus recognizing the importance and financial impact of establishing timely and accurate reserves. We have proven processes to effectively reserve claims and avoid stair stepping.

One area that makes us unique—we do not use cookie-cutter approaches to reserving. Most TPAs use standard reserve amounts for all claims, regardless of claim-specific information, leading to inaccurate reserves. We utilize various guidelines, but reserving is performed on a case-specific basis applying the knowledge, experience, and expertise of our claim professionals.

CCMSI has developed our own detailed reserving worksheet that is incorporated into our proprietary RMIS, which has been shared with major carriers, auditors, and workers' compensation governing bodies across the country. CCMSI consistently receives positive feedback by these industry experts that our reserve worksheets provide a detailed analysis of established reserves, including the adjuster's rationale, giving our clients' meaningful insight into the development of reserves. Utilized by all adjusters, the reserve worksheet links into our adjusters' software application (iCEBAR), allowing the adjuster to save reserve changes as a work in progress. This way, adjusters can pause, gather additional information (or work on another claim), and return to complete the worksheet (with all required information), capturing the reserve in a comprehensive and detailed format.

Moreover, the worksheet is tied to the claim file note, which is updated in CCMSI's claim system and iCE. All CCMSI clients have the ability to view adjuster notes and the entire reserve worksheet to fully understand how CCMSI's claim professional developed the reserve.

CCMSI establishes and reviews reserves as follows:

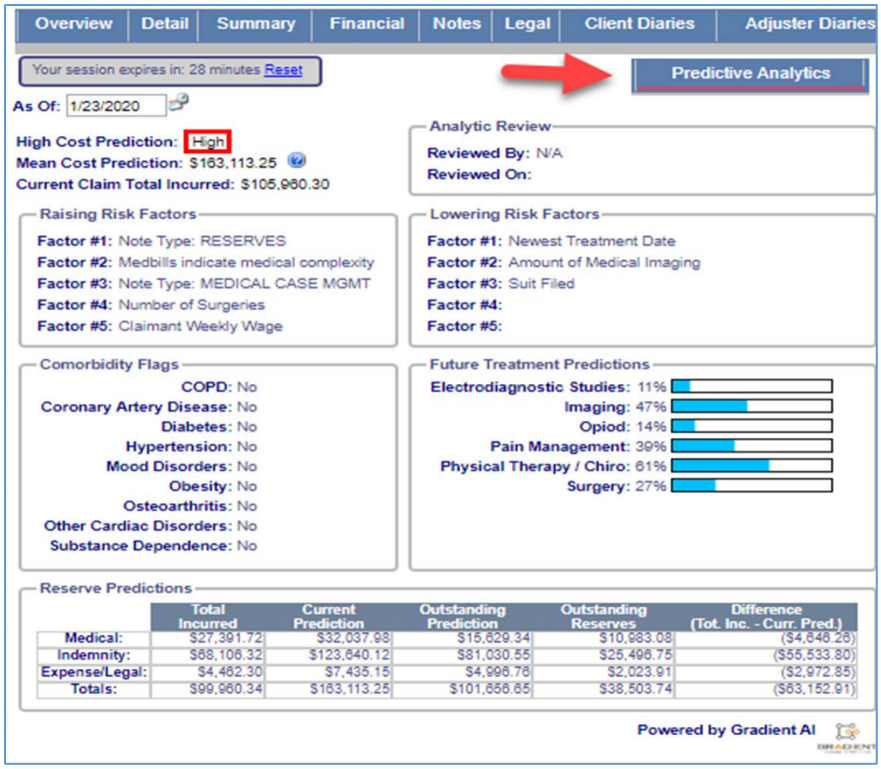
- Initial reserves are established and posted into the claims system within ten business days from receipt of loss.
- Reserves are re-evaluated every thirty to ninety days thereafter, depending on activity and severity of the claim.
- Reserves are reviewed by the claim supervisor within the first thirty days, at each adjuster and supervisor diary, then thereafter depending on the activity and severity of the claim, and will include log notes regarding rationale for any changes.
- Upon receiving new and pertinent claim documentation and/or information, reserves are to be re-evaluated by the adjuster within ten days. If additional information is required to fully evaluate the current exposure, it is requested in a timely manner.

Title	Maximum Reserve Authority
Chief Operating Officer	$3,000,000 & greater
V.P. Claims	$3,000,000
Regional V.P.	$1,000,000
Branch Manager/State Director	$500,000
Account Manager/Claim Manager/National Account Manager	$250,000
Sr. Claim Supervisor/Claim Supervisor/Claim Specialist	$200,000
Claim Consultant	$100,000
Claim Representative	$50,000
Claim Associate	$25,000
Medical Only Claim Representative	$5,000
Claim Clerk	$0

We recognize the importance of establishing timely and appropriate reserves on all cases and the impact they have on our client's effort to manage their total cost of risk. It is equally important that our clients and their carriers are confident in our reserving practice and that they accurately reflect their current exposure on each claim.

While CCMSI claim professionals' experience and knowledge play a significant role in establishing case reserves, CCMSI has embraced predictive analytics (artificial intelligence) as another tool in our claims management process. Each day, claim adjusters handle an array of highly diverse documents necessary to process and apply to their claim handling strategies. Artificial intelligence (AI) and machine learning can assist adjusters by reading, understanding, and extracting relevant information that impacts the outcome of a claim, and can be used as a valuable tool to enhance the relevant information and drivers that adjusters, supervisors, and RaceTrac can use to obtain better outcomes and financial results. Providing the claims team with key information early in a claim's life (and daily thereafter), allows adjusters the ability to be more proactive in their clam handling and accurate in their reserving.

CCMSI's predictive analytics program identifies comorbidity flags and provides future treatment and cost predictions for each claim. The model looks at all claims in the data base, finds those with similar attributes, and provides an average cost prediction. Claims are scored daily and cost predictions are updated based on new information provided. Adjusters are then provided raising and lowering risk factors for each claim. While adjusters do not rely solely on AI to establish reserves, it is used as a component in the total reserving evaluation process. Please see sample screenshot below:



11. Provide sample monthly loss reports

Please refer to Exhibit 7 for sample iCE reports.

CCMSI's iCE (Internet Claims Edge) risk management system is designed to provide timely, accurate, and robust data for our clients. Users can easily retrieve claims and loss control data via standard and ad hoc online reports as high level or as detailed as they choose.

- ***Standard*** Over the years, CCMSI has developed a catalog of over four hundred reports based specifically on the requirements of our clients, including detailed claim information, summary (at various reporting levels), check and payment registers, and loss ratio (by desired operating levels). These static reports are posted online within five business days and available 24/7 within iCE.

- ***Ad hoc*** Our clients can generate a wide array of useful ad hoc reports with the opportunity to sort and categorize by various fields and data. Robust analytics are provided, including valuable charts and graphs.

- ***Special Customized*** On the rare occasion our clients' reporting needs cannot be met by our catalog of standard or ad hoc capabilities, we can custom design and develop reports to fit their precise needs. Our standard fee is $150/hour for development; however, if the custom report requests are minimal, this will most likely be free of charge.

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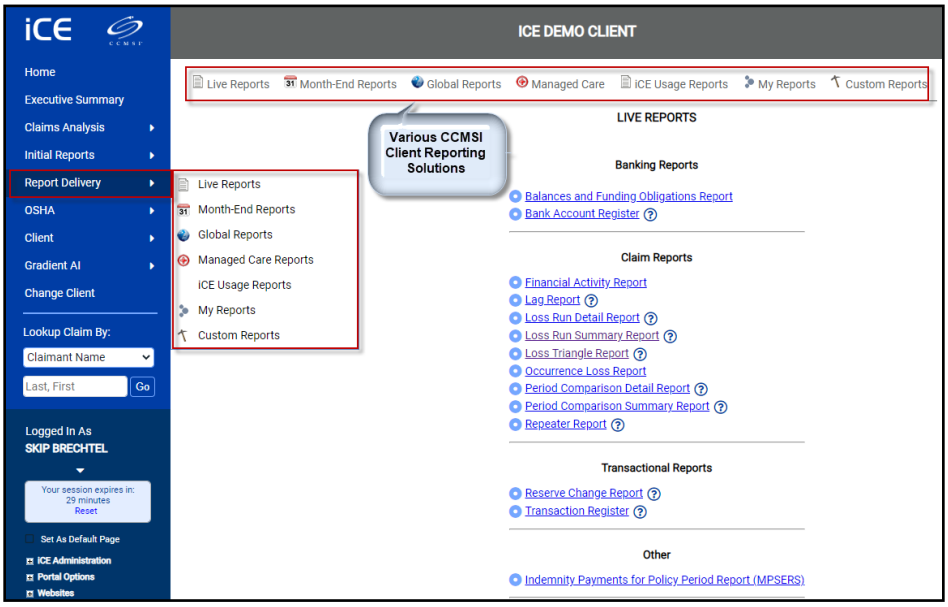
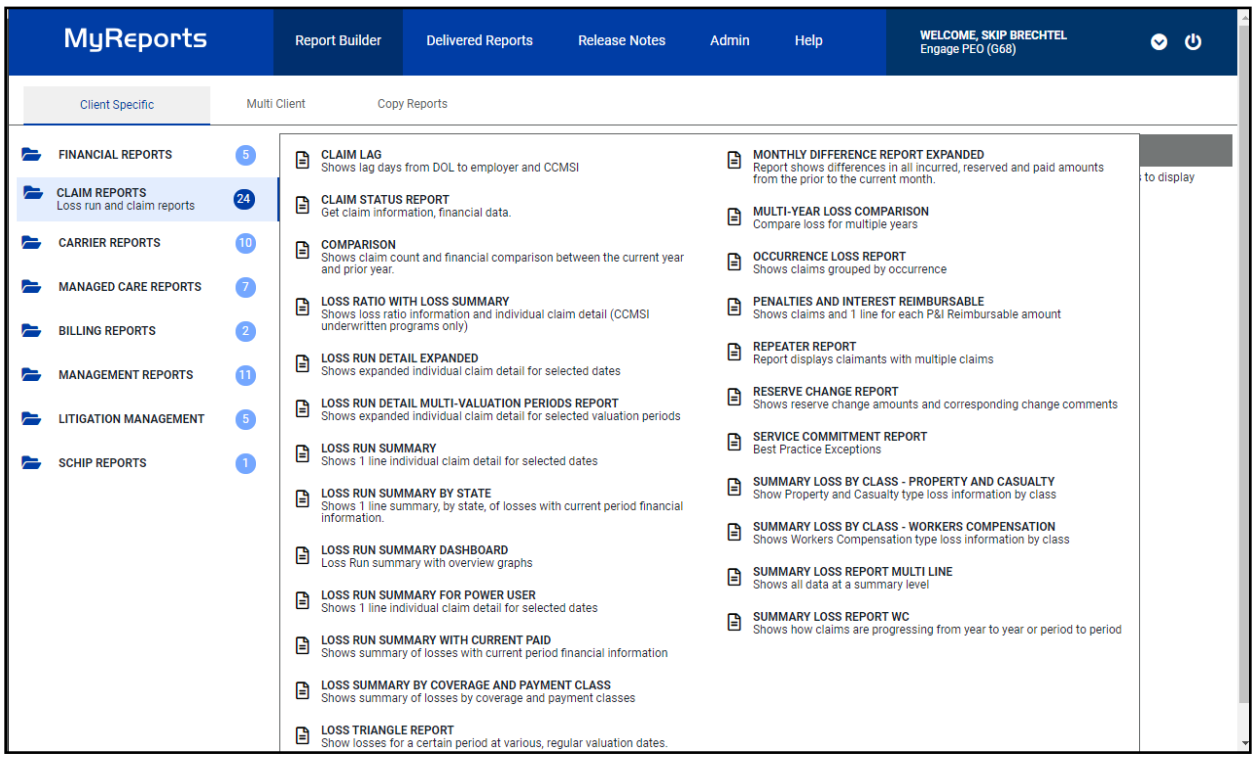
- ***Live*** This feature provides the thirteen most commonly used reports by our clients, including detail and summary loss runs, comparative period, loss triangles, and reserve change reports. These reports can be generated with user-selected periods and *as of* dates.



- ***MyReports*** MyReports allows the client to build a customized loss run with over three hundred fields from which to choose. This report can be scheduled to run automatically on a regular basis, then emailed in PDF or Excel or posted to iCE. Our customer service team is available to assist in creating these reports.



Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

12. Provide information on your firms on-line data capabilities

iCE (Internet Claims Edge), CCMSI's trailblazing Risk Management Information System software, was designed with your needs in mind. As with all CCMSI solutions, iCE is customizable and tailored to the requirements of our clients. Through this web-based, mobile-friendly system, you can view each claim in real time, 24/7 by user-defined filters, including type of claim and date of loss—at a high level or in detail—including adjuster's notes and bill images. Reporting features include online access to monthly standard reports dating back twenty-four months, analytical tools (including historical and current period comparisons with graphical presentation), and cost containment savings and fee reporting.

This powerful claim analysis and reporting tool provides:

- ***Initial Reporting*** Create initial report forms online in iCE or send us claims via web service or through a custom-built interface. Offers industry-specific custom reporting, such Accident Reports created specifically for specific industry clients.
- ***Executive Summary Dashboard*** View and customize a broad overview of your risk management analysis.
- ***Claims Analysis*** A powerful and flexible analysis tool enabling users to view claims in as little or as much detail as they wish.
- ***MyReports*** CCMSI's enterprise reporting engine offers countless possible combinations of data for analysis. Reports can be exported to PDF or Excel, scheduled for systematic delivery directly to an email inbox, or posted to iCE.
- ***Comp MC*** MyReports allows users to run managed care reports for Comp MC (CCMSI's managed care program) with the ability to choose any number of reports from our library—such as PPO penetration or savings by a specific location.
- ***OSHA Reporting*** Removes the need for duplicate data entry by compiling claims information recorded in the Initial Report to create OSHA 300 (Log), 300-A (Summary), and 301 (Incident Report) forms, which may be printed at any time for any location.
- ***Claim Risk Assessment*** Predictive modeling module identifying claims that have the potential to be higher risk, allowing for early intervention and better outcomes.
- ***Claim View*** Mobile-friendly claimant portal for injured workers, allowing them to view their lost time payments and active drug cards, upload photos of documents, and communicate with their adjuster.
- ***Stewardship and Benchmarking*** Utilizing historical trends and other benchmarking sources (such as WCRI and IDS), we can perform regular and detailed analysis of our performance, providing clients extensive metrics to drive the success of the claims management program.

General Features –

- 24-7 internet access to live data
- Flexible user friendly navigation
- Capability to receive data from multitude of data sources
- Password protection with varying levels of security access
- Allows hierarchy of up to 25 levels to track data by state, department etc.
- Ability to create customized user fields
- Ability to view all claim summary and detail

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- Ability to view adjuster notes by category including; summary, medical, litigation, reserves etc.
- Ability to generate state specific First Report of Injury and other state forms in PDF
- Ability for clients to upload documents directly to the claim file/adjuster
- OSHA reporting
- Medical bill and medical report viewing on-line
- CCMSI Mobile app allowing the client to view claim data including summary and notes
- CCMSI ClaimView app allowing claimants to view payments made to them, view active drug card, and communicate with their adjuster
- Claim Risk Assessment to identify possible risk drivers for indemnity claims
- Predictive Analytics which utilizes daily AI functionality to determine risk drivers, future treatments, and estimated financial incurred values

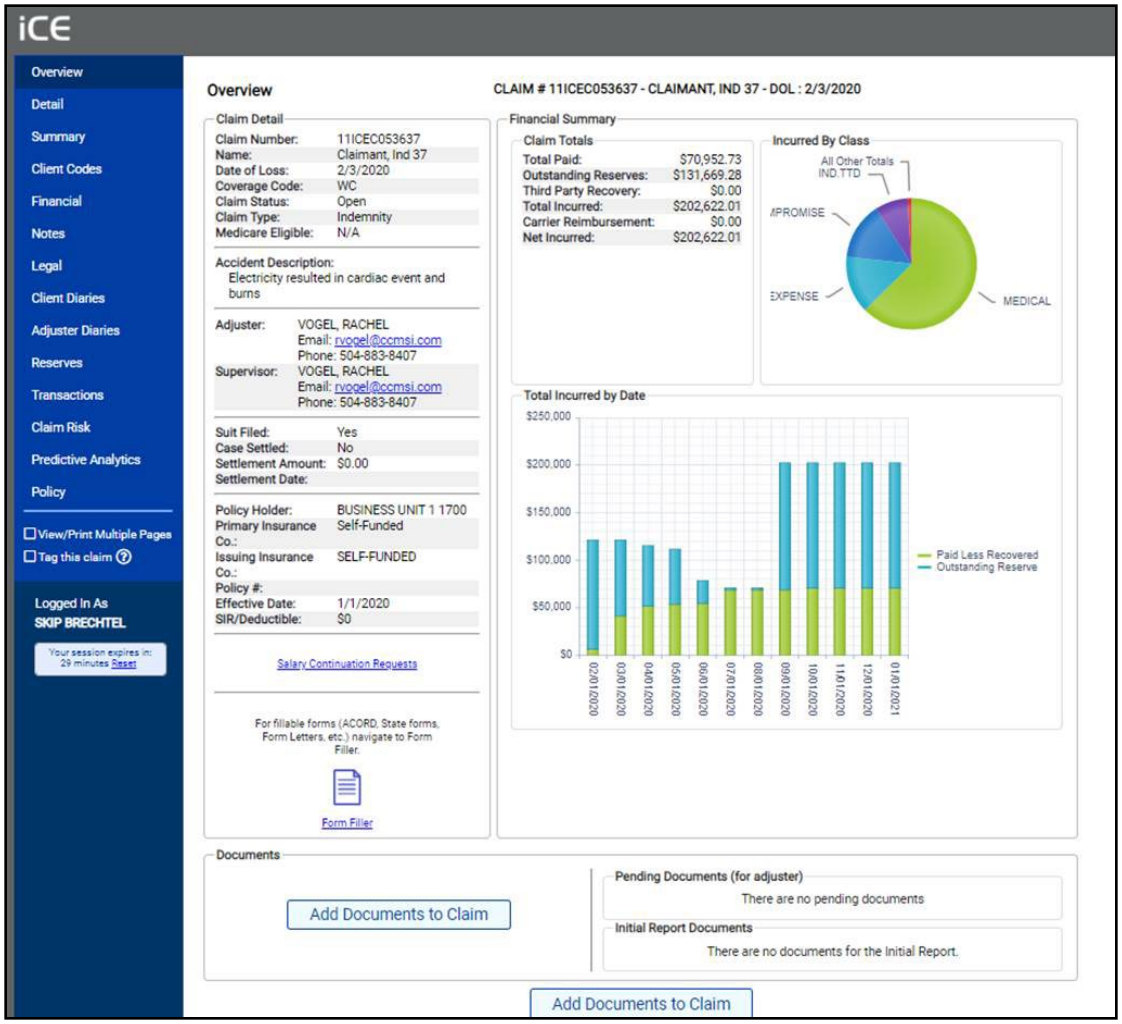
Reporting Features –

- On-line access to monthly standard reports dating back 24 months
- User specific Executive Portal showing key data upon log-in
- Dashboard functionality which the user customizes to their specific needs
- Complete ad-hoc reporting capabilities including financial, claims detail and loss control data.
- Summary and detail claim reporting including drill-down capabilities
- Analytical tools including historical and current period comparisons including various graphical presentation
- Cost containment savings and fee reporting

Levels of access are assigned to the client's designated employees, who are then able to review every aspect of the claims file from a selected group (e.g., department or division), a particular time period, or the client as a whole. Client-specific reports, including loss reports, financial reports, summary reports, monthly check registers, and monthly vendor payments will be posted on the client's iCE report tab and maintained in PDF format for a rolling twelve-month period.

All payments made on a claim are listed on the financial transaction screens which provide information on each individual payment and a link to scanned images of medical bills and reports, complete with commentary. In addition, we offer *as of date* financial information with a simple calendar selector, allowing information rollback to a previous date.

The following screenshots display claim file categories and a navigational sidebar containing other key elements available for client review.



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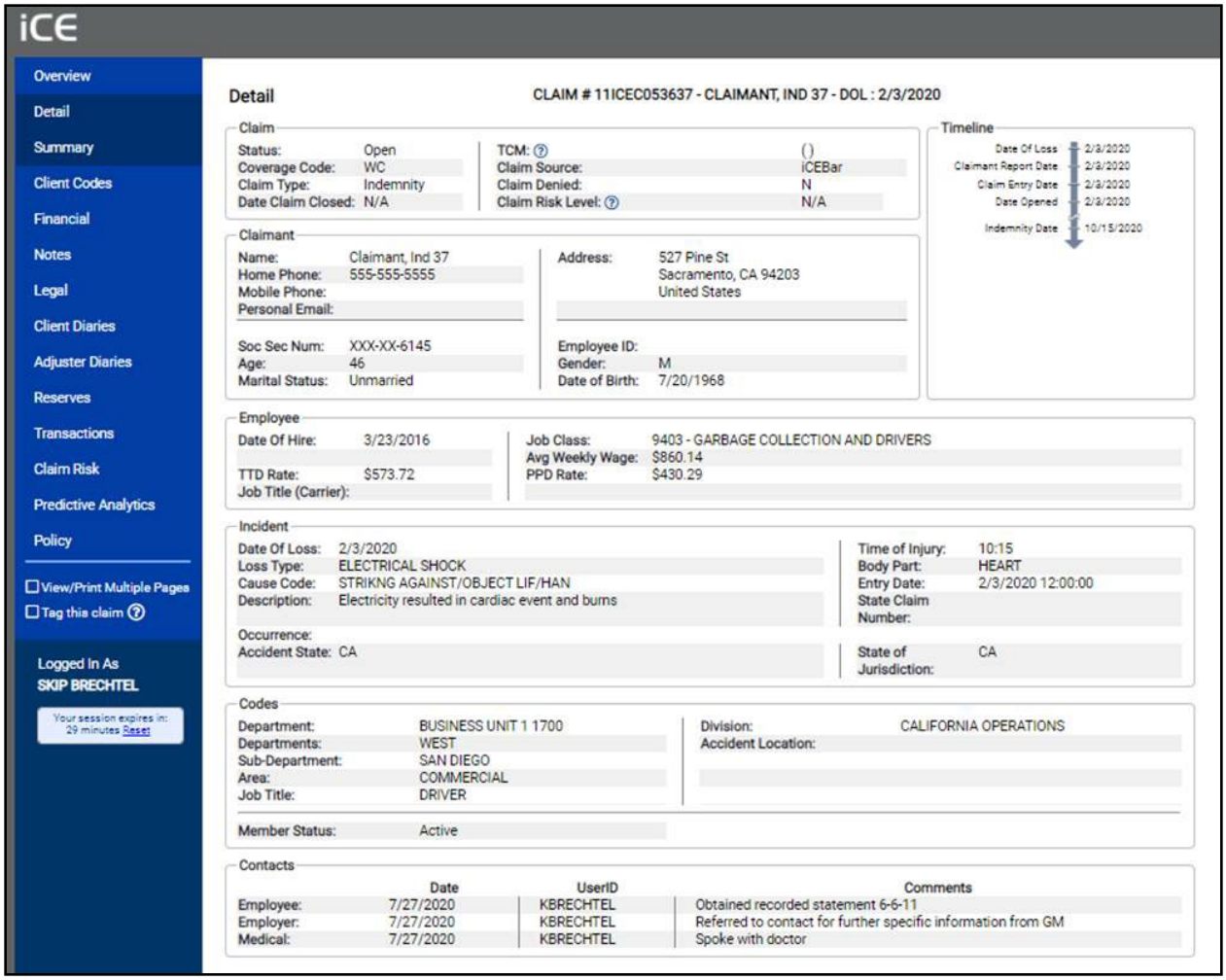

CCMSI's clients have the ability to filter claim information by a multitude of data fields, including date of loss, claimant name and/or Social Security Number, claims denied, and total incurred over a specific dollar amount. Once the desired claim has been located, the client can view and download information, such as claim status (open, closed, pending), detailed summary of claim facts and information, employment information (e.g., average weekly wage, PPD rate), as well as all adjustor log notes, including action plan/diary review, settlement evaluation, and summary of medical treatment and case management activity. In addition, clients can quickly view financial transactions and analysis, including detailed payments, medical invoices, and charts to provide a comprehensive and visual breakdown of claim reserves and reserve development.

13. Provide information on your quality controls

Our entire quality assurance program is driven to ensure our strict adherence to Best Practices, and even more importantly, to our client's definition of quality—the individualized Quality Service Plan.

CCMSI is guided by our commitment to provide superior claims management for our clients. As such, the Quality Assurance Team, with a wealth of experience from claims management, system

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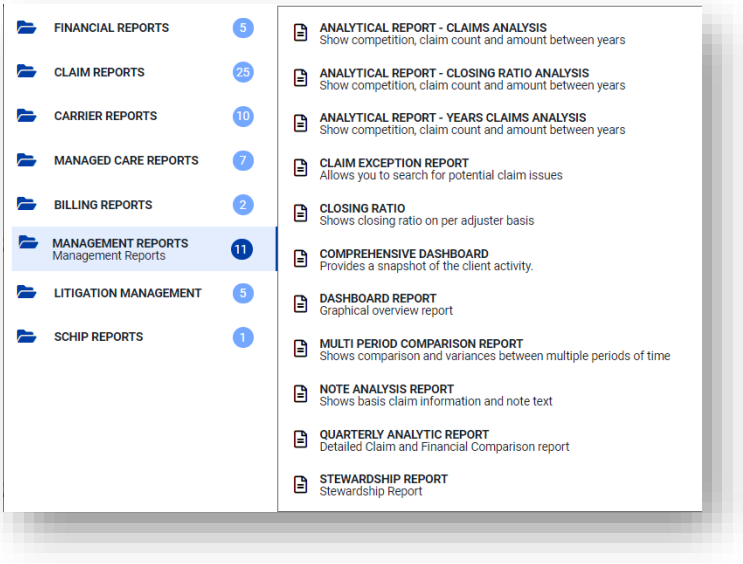
training, auditing, and management training, has developed the resources that enable us to consistently provide quality, aggressive claims management.

Quality Service Plan In order to design the structure of the program to meet the exact specifications of each client, custom and detailed handling instructions are created. We work diligently with the client to ensure continuous and consistent compliance with these instructions.

Monthly Report Review Your account manager will run Management Reports from MyReports to review data and claims trends.



Annual Stewardship Meetings We hold annual performance evaluations and strategy meetings to review the prior year's performance, including service, claim causes, and loss cost trends and analysis. In addition, we collaborate with the client to develop and implement strategies for improving the results of the program in the next year.

Annual Corporate Audits CCMSI performs annual audits on a sample of claims handled by each adjuster through a standard method understood by all claims staff. After each review, discussion and feedback sessions take place with the individual office and claim personnel applicable to the audit. If needed, management of that office and the audit team (if requested) implement action plans to address any areas identified as needing improvement.

Goals of the Audit Team

- Ensure compliance with Best Practices, client handling instructions, and carrier requirements;
- Provide an objective audit with constructive feedback;
- Help management and claims staff proactively identify areas for improvement;
- Work with our claims staff to provide solutions to any areas identified as needing improvement;
- Foster understanding of our Mission with all claims staff;
- Streamline processes to ensure timely delivery of services to our clients; and
- Ensure quality service and value to our clients.

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Basic Process

- The audit will include eight to ten files for each adjuster, unless additional information is needed. If clear trends are evident after reviewing eight claims, the auditor may elect not to review further files.
- Four claims will be audited for staff who earned 93% or higher on their last two audits. If the new score is 93% or higher, the score on these four claims will be used as the final score. If the score is below 93%, an additional four to six claims will be reviewed for a full audit.
- The claims selected will include those assigned to the adjuster during the time period since the last internal audit. Typically, this will be a date range of the prior eight to nine months in order to finalize the prior audit, and then not within the last one to two months.
- For indemnity adjusters, it is preferred they are assigned to the claim from the start or receive the transfer from a medical only adjuster; avoiding transfers from another indemnity adjuster, if at all possible.
- The audit will include a review of all adjusters handling files, including supervisors with significant caseloads, P&C adjusters, indemnity adjusters, and medical only adjusters.

If there are any serious issues identified, an earlier repeat audit may be recommended. This continuous evaluation of the claims staff, as well as the processes and systems, is communicated to senior management, fostering growth and development in the claims staff and local management, and encouraging continuous improvement in CCMSI's quality handling of claims.

See Exhibit 8 for Internal Auditing Guidelines & Worksheets.

External Audits and File Reviews CCMSI coordinates audits and file reviews with our clients, brokers, and excess insurers. We welcome the opportunity to validate our quality procedures, gauge our performance, and address any improvements that are needed. The account manager facilitates the auditor's review and coordinates the company's written response and procedural action items.

Supervisor Reviews We perform reviews utilizing a detailed quality checklist to ensure compliance with internal best practices and Main Event's specific Quality Service Plan. Supervisor reviews are performed upon claim intake and no fewer than thirty to ninety days thereafter, based on claim complexity. Supervisors will not simply check off Best Practice compliance, but diligently push proactive and aggressive claims handling to drive rapid file closure.

Supervisor Audits File audits are conducted on a designated number of files for each adjuster and client on a monthly basis.

SOC Reports CCMSI completes annual SOC 1 and SOC 2 audits to demonstrate that our financial, technology, and security controls are properly designed and operate effectively regarding the confidentiality, integrity and availability of customer information.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

14. Identify areas of outsourced service that will be charged to the claim file

CCMSI will pay all Allocated Claim Expenses with Client Funds. Allocated Claim Expenses are charges for services provided in connection with specific claims by persons or firms other than CCMSI and which are eligible claim expenses under the Village's program. Notwithstanding the foregoing, Allocated Claim Expenses will include all expenses incurred in connection with the investigation, adjustment, settlement or defense of Client claims, even if such expenses are incurred by CCMSI. Allocated Claim Expenses will include, but not be limited to, charges for:

1) Independent medical examinations of claimants
2) Managed care expenses, which include the services provided by Comp MC, CCMSI's proprietary managed care program. Examples of managed care expenses includes but is not limited to PPO net works, utilization review, nurse case management, medical bill audits and medical bill review
3) Fraud detection expenses, such as surveillance, which include the services provided by *fire,* CCMSI's proprietary Special Investigation Unit (SIU), and other related expenses associated with the detection, reporting and prosecution of fraudulent claims, including legal fees
4) Attorneys, experts and special process servers
5) Court costs, fees, interest and expenses
6) Depositions, court reporters and recorded statements
7) Independent adjusters and appraisers
8) Index bureau and OFAC (Office of Foreign Assets Control) charges
9) MMSEA Reporting
10) Electronic Data Interchanges, EDI, charges if required by State law
11) CCMSI personnel, at their customary rate or charge, but only with respect to claims outside the Village and only if such customary rate is communicated to the Village prior to incurring such cost
12) Actual reasonable expenses incurred by CCMSI employees outside the Village for meals, travel, and lodging in conjunction with claim management
13) Police, weather and fire report charges that are related to claims being administered under Client's program
14) Charges associated with accident reconstruction, cause and origin investigations, etc.
15) Charges for medical records, personnel documents, and other documents necessary for adjudication of claims under Client's program
16) Charges associated with Medicare Set-Aside Allocations
17) Other expenses normally recognized as ALAE by industry standards

15. Provide a statement on why your firm should be selected

CCMSI has provided service to the Village in connection with the handling of claims since 2008. Over the years we have worked closely with the Village staff to establish processes, procedures and channels of communication to effectively handle the claims and reduce the Village's overall cost of losses. We have also successfully recovered $775,083.86 through our efforts at managing subrogation recoveries. In addition, our Comp MC program has resulted in savings arising from WC medical expenses of $1,535,223.38.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

We apply the 5 CCMSI Principles and CCMSI Core Values as the foundation of our business practices. This foundation in tandem with our solutions, technology and expertise has and will continue to produce successful results for our clients. At CCMSI, our focus is delivering what matters most to our clients.

CCMSI is a leader in the TPA industry with extensive experience in claims administration. The areas that we feel distinguish us as a leader from our competitors are listed below:

Transparent & Candid

- We are honest and forthright with our clients. Our candor ensures that our clients always get the truth, even when the issue is difficult.
- Business models matter. We believe in sharing information about our business model and providing our clients with a method to evaluate their true costs.
- We do not have revenue sharing arrangements with our vendors. We choose the vendor based on their ability to produce the best outcome for our clients, and our clients actively participate in their selection.

Innovative & Proactive

- We are committed to providing our clients innovative and progressive technology. Our customer dashboard makes client result visible, real time, any time.
- As a privately held, Boutique firm, we make decisions based on doing what is right for our clients.
- We proactively communicate with our clients, ensuring that they are kept abreast of all significant changes in the status of their risk.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

Consistent & Flexible

- We believe in creating partnerships between our clients and our claims managers. Our employees distinguish themselves by the dedication they place in achieving client results.
- We believe to effectively manage a claim, caseloads must be manageable. We keep caseloads low so we can pay bills on time, aggressively manage and close cases which ultimately keep client costs down. Our national claims supervisors ensure this consistency across all markets.
- We follow client instructions. We take their preferences into account and build a partnership. There are no cookie cutter plans here.

	CCMSI	Model 2	Model 3	Model 4	Model 5
Caseloads	Reasonable, low caseloads	Higher caseloads, high use of vendors	Higher caseloads, high use of vendors	Very high caseloads, very high use of internal support (e.g., nurse case managers)	Carrier-owned and -operated
Revenue-Sharing Model	No revenue sharing (allows for unbiased vendor selection)	Revenue sharing based on volume given to vendor	Revenue sharing based on volume given to vendor (may unbundle with turnkey program)	Revenue sharing based on volume given to vendor (can't unbundle without destroying their profit model)	Revenue sharing based on volume given to vendor (unlikely to unbundle, turnkey programs)
Adjuster Turnover	Very low, won't reassign based on client size	Higher, often moved to larger clients	Higher, often moved to larger clients	Not relevant, most work done by nurses	
Ability to Customize and Build Client-Centered Process	Boutique approach, model built on customization	Difficulty customizing, necessarily process-driven	Difficulty customizing, necessarily process-driven	Difficulty customizing, necessarily process-driven	Difficulty customizing, as claims management is not primary business
Profit Model	Claims Management Fees (easy for client to understand)	Low Claims Management fees, high revenue sharing, vertically integrated suppliers (difficult model to understand)	Low Claims Management fees, high revenue sharing, vertically integrated suppliers (difficult model to understand)	Very low Claims Management fees to acquire clients for company's main business (PPO)	Competitive Claims Management fees, profit is driven by insurance coverage fees
Allocated Loss Adjustment Expense Percentage	6-8%	13-17%	18-21%	24-27%	32+%

16. Provide information on your WC PPO

Comp MC utilizes a mosaic approach to PPO networks. We look closely at the savings results of all the available PPO networks in each state and place the one with the best results in a primary position. Other networks are then placed in secondary positions to maximize savings. Bills are matched against the primary network and fall to the next network if a match is not found. This approach maximizes the PPO network penetration – the number of bills that are repriced.

The Comp MC program includes the best available PPO networks. Access to these outstanding networks allows us to realize the maximum savings possible.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

The Comp MC mosaic varies from client to client and state to state. An illustration of a PPO mosaic follows:

- Primary PPO — Coventry Health
- Second PPO — Prime Health
- Third PPO — Mulitiplan
- Fourth PPO — Careworks
- Fifth PPO — Healthsmart

The Comp MC PPO mosaic is regularly reviewed to ensure the most beneficial selection is utilized based on actual claim activity and available networks. Comp MC has no ownership interest in the national PPO networks we offer our clients. Our approach is always to achieve the best overall savings for our clients.

Comp MC contracts with several national PPO Networks and compliments these resources with regional or local networks in specific geographic regions. Pre-negotiated discounts are integrated into this system, creating the greatest penetration and client savings achievable through a layered network. We can also work to add providers the client works with who are not already in one of our networks. A listing of PPO Networks in the Comp MC program includes but is not limited to the following:

- Blue Cross of California
- Careworks
- CHN
- Corvel
- Coventry
- Employer's Choice
- First MCO
- HealthLink
- HFN
- Indiana Health Network
- Healthsmart
- Multiplan
- Novacare
- OHARA
- Premier
- Prime Health
- Procura
- Sierra Health
- Specialty Health
- Tennessee Healthcare
- TLC
- TRPN

17. Provide information on your WC prescription drug plan

Comp MC has an integrated pharmacy program linked directly to our proprietary claims software called Comp MC RX. For this program, we partner with Mitchell and Optum as our PBM partners. CCMSI has full data integration with them for both claim and payment files.

Adjusters control the activation or deactivation of the drug card through our claims system. Through our data transfer process, this information is sent directly to our PBM partner. Once activated in their system, a drug card is mailed to the injured worker to use at the pharmacy.

Edits can also be set to control such things as the type of medication, specific prescriptions and the prescribing physicians for each claimant. If the claimant is attempting to fill a prescription that is not covered, an email will be sent to the adjuster for them to review and approve if needed. This greatly reduces the possibility of the claimant using the card for non-work related conditions.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

The comp mc Rx program also allows us to capture "First Fills" with a temporary prescription drug card. Studies indicate the first fills account for 80% of all pharmacy costs; therefore, any successful program must capture this event. This temporary drug card allows the employee to avoid out of pocket expense and provides discounts averaging over 50% below fee schedule or AWP nationwide. First fill cards are generally limited to $150 and 14 day supply of the medication. These cards are terminated automatically 10 days from activation date.

Additional information about our PBM includes:

- Over 72,000 pharmacies located in all 50 states including all major chains and most independently owned
- First Fill Capture - allowing claimants to immediate have a drug card available at the time of injury
- Controlled Online Eligibility
- Drug Exception Authorization
- Reduction of the "third party biller" quagmire. Files are directly transmitted via EDI and therefore circumventing third party billers and the additional costs.
- Our adjusters have the ability to look up data from the pharmacy, doctor and patient via one screen. We can view drug information and pricing on a real time basis; approve medication real time; view recent reject history real time; view recent claim history real time.
- With the reporting, we will be able to provide you with informational data allowing you to make sound decisions as it pertains to your program.
- The formulary list displays medications that are most commonly approved for worker's compensation injuries. The plan reserves the right to use its protocols to determine compensability of drugs for its members and may add or delete medications that may or may not be on the formulary. When appropriate and available, generic medications are to be utilized.
- No predisposing affiliations with Pharmaceutical manufactures, or chain drug stores. The intentions are always in the best interest of the employer group. We never sell prescription processing information or employers' claims data.
- Full Mail Order Services available to maximize savings on long term or maintenance medications

With regards to rebates, through our program, the administrative rate for our clients was lowered to accommodate the PBM retaining manufacturer rebates. This allows our clients to still receive consideration for rebates but takes away the administrative burden for going back to apply rebates on all affected scripts / claims. This allows the program to run more efficiently.

18. Provide information on your managed care services and costs

See the Pricing Tab for costs.

CCMSI, through our unique **Comp MC** product, can offer managed care services to include:

- Bill Review-Fee Schedules /UC /PPOs
- Telephonic & Field Case Management
- Utilization Review
- Out of Network bill negotiation
- Discounted Diagnostics Imaging Networks

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

- Physical, Occupational Therapy & Chiropractic Networks
- Durable Medical Goods Program
- Discounted Prescription Drug Program with ability to capture first fills
- Downloadable Managed Care Savings Reports

Not all of these services are provided directly by CCMSI but some are provided by our preferred partners who are also approved by our clients.

For detailed information regarding Comp MC, please reference Exhibit 9.

19. Provide information on your MMSEA plan

CCMSI along with our partner Exam Works have completed our development of a comprehensive solution that addresses both Mandatory Insurer Reporting (MIR) Requirements per MMSEA Section 111 and Medicare Secondary Payer (MSP) Compliance.

We work with our client to assist in determining and administering proper RRE registration and maintenance. CCMSI will serve as the Account Manager per MMSEA definition. Our partner Exam Works will serve as the Reporting Agent.

20. Does your firm provide any loss control services? What is the scope of your loss control services for municipalities

CCMSI has over 30 loss control employees on staff at various offices who are ready to assist the client with any Loss Control questions or issues they may have.

Our Loss Control professionals are committed to providing clients with customized, cost-effective health and safety programs that will reduce the frequency and severity of injuries, increasing client profitability.

The 3 Key Elements of a Successful CCMSI Pre-Loss Management Program we feel are:

- Quantifiable, risk management on-site audits are conducted by our Loss Control professionals to determine the effectiveness of existing occupational health and safety efforts. This survey includes the evaluation of safety management, program elements, hazard-specific controls, and OSHA compliance.

- CCMSI Loss Control professionals assist clients in setting realistic, cost-conscious management and safety goals and procedures and developing timetables for their implementation. CCMSI provides the client with extensive technical assistance, managerial and hazard-specific training, as well as measurements of results.

- CCMSI Loss Control personnel are part of an overall “Client Service Team” that incorporates the operational functions of claims management and underwriting in order to provide integrated and coordinated client services.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CCMSI's Loss Control personnel are highly trained and professionally certified. The staff includes:

- Certified Safety Professionals (CSP)
- Certified Hazard Control Managers (CHCM)
- Associates in Risk Management (ARM)

Staff members are required to continually enhance their skills in order to provide the most modern and effective risk management services to their clients.

CCMSI's iCE based Loss Control Activity Tracking Application, ASAP, allows Loss Control Representatives the ability to log, track, and attach documents to all loss control activities. Additionally, loss control clients have access to our Internet Loss Control library. This library allows clients and our Loss Consultants access to a full range of tools and training material. We bring all the elements together to give you everything from a simple written program that addresses all key concerns, to the ability to design, implement and improve loss control services across your full range of needs, with services that include:

- Risk Management Consultation
- Technical Safety Assistance
- Risk Assessments
- OSHA Regulated Training
- Defensive Driving
- Ergonomic Interventions and Assessments
- Safety Program Auditing
- Written Program Development
- Flagger Training
- Coverage Reviews
- Safety Committee Participation
- Industrial Hygiene Services

Additional information may be referenced within Exhibit 10.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

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Pricing

Village of Palatine Pricing 2022-25

Year 1

Line of Coverage	# Claims	Per claim Fee	Estimated Fee
General Liability - BI	2	$900	$1,800
General Liability - PD	9	$465	$4,185
Auto Liability - BI	1	$900	$900
Auto Liability - PD	9	$465	$4,185
Auto Physical Damage	3	$425	$1,275
Errors & Omissions	1	$1,125	$1,125
Employment Practices	1	$1,125	$1,125
Property	15	$575	$8,625
Crime	0	$550	$0
WC Medical only	15	$175	$2,625
WC Indemnity	5	$1,025	$5,125
Law Enforcement Liability	1	$1,125	$1,125
Report Only Incidents	0	$40	$0
Subtotal Claim fee	**62**		**$32,095**
Annual Administration Fee			**$5,000**
Internet Claim Fee			**$1,000**
Take-Over Claims	0		We are incumbant
Other Fees (ALAE)			
State Reporting EDI	FROI/SROI	$15/$10 per Report	
Index Bureau		Market Rate	
MMSEA Section 111 Reporting		$25 per Claim Hit	
Legal Bill Review		2.2% Legal Bills Submitted	
Managed Care Service			
Provider Bill Re-pricing	Usual & Customary	$9.00 per bill	
	Fee Schedule	$9.00 per bill	
PPO Re-Pricing/Out of Network Negotiation		33% Savings	
Pharmacy Network		33% Savings	
Total Estimated Cost			**$38,095**

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

Year 2

Line of Coverage	# Claims	Per claim Fee	Estimated Fee
General Liability - BI	2	$915	$1,830
General Liability - PD	9	$475	$4,275
Auto Liability - BI	1	$915	$915
Auto Liability - PD	9	$475	$4,275
Auto Physical Damage	3	$435	$1,305
Errors & Omissions	1	$1,145	$1,145
Employment Practices	1	$1,145	$1,145
Property	15	$585	$8,775
Crime	0	$560	$0
WC Medical only	15	$178	$2,670
WC Indemnity	5	$1,045	$5,225
Law Enforcement Liability	1	$1,145	$1,145
Report Only Incidents	0	$40	$0
Subtotal Claim fee	**62**		**$32,705**
Annual Administration Fee	**0**		**$5,000**
Internet Claim Fee			**$1,000**
Take-Over Claims	0		We are incumbant
Other Fees (ALAE)			
State Reporting EDI	FROI/SROI	$15/$10 per Report	
Index Bureau		Market Rate	
MMSEA Section 111 Reporting		$25 per Claim Hit	
Legal Bill Review		2.2% Legal Bills Submitted	
Managed Care Service			
Provider Bill Re-pricing	Usual & Customary	$9.00 per bill	
	Fee Schedule	$9.00 per bill	
PPO Re-Pricing/Out of Network Negotiation		33% Savings	
Pharmacy Network		33% Savings	
Total Estimated Cost			**$38,705**

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

Year 3

Line of Coverage	# Claims	Per claim Fee	Estimated Fee
General Liability - BI	2	$930	$1,860
General Liability - PD	9	$485	$4,365
Auto Liability - BI	1	$930	$930
Auto Liability - PD	9	$485	$4,365
Auto Physical Damage	3	$445	$1,335
Errors & Omissions	1	$1,165	$1,165
Employment Practices	1	$1,165	$1,165
Property	15	$595	$8,925
Crime	0	$570	$0
WC Medical only	15	$180	$2,700
WC Indemnity	5	$1,065	$5,325
Law Enforcement Liability	1	$1,165	$1,165
Report Only Incidents	0	$40	$0
Subtotal Claim fee	**62**		**$33,300**
Annual Administration Fee	**0**		**$5,000**
Internet Claim Fee			**$1,000**
Take-Over Claims	0		We are incumbant
Other Fees (ALAE)			
State Reporting EDI	FROI/SROI	$15/$10 per Report	
Index Bureau		Market Rate	
MMSEA Section 111 Reporting		$25 per Claim Hit	
Legal Bill Review		2.2% Legal Bills Submitted	
Managed Care Service			
Provider Bill Re-pricing	Usual & Customary	$9.00 per bill	
	Fee Schedule	$9.00 per bill	
PPO Re-Pricing/Out of Network Negotiation		33% Savings	
Pharmacy Network		33% Savings	
Total Estimated Cost			**$39,300**

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

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Exhibits

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Exhibit 1 – Audited Financial Statement

CCMSI HOLDINGS, INC.

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEARS ENDED JUNE 30, 2021 AND 2020

WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

CLAconnect.com

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CCMSI HOLDINGS, INC.
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Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
CCMSI Holdings, Inc.
Danville, Illinois

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of CCMSI Holdings, Inc. and its subsidiary, which comprise the consolidated balance sheets as of June 30, 2021 and 2020, and the related consolidated statements of comprehensive income, stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

Board of Directors
CCMSI Holdings, Inc.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CCMSI Holdings, Inc. and its subsidiary as of June 30, 2021 and 2020, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information which includes the consolidating balance sheet, consolidating statement of comprehensive income, and the consolidating statement of cash flows is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Danville, Illinois
October 5, 2021

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CCMSI HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2021 AND 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents:		
Operating	$ 15,999,040	$ 11,809,308
Premium Trust	94,919	206,398
Debt Securities Available for Sale	7,085,309	-
Receivables:		
Management Fees, Net of Allowance for Doubtful Accounts of $200,000 and $250,000, Respectively	19,988,150	18,990,996
Premiums	1,616,675	635,722
Other	1,066,087	761,717
Prepaid Expenses and Other Assets	3,055,159	3,085,731
Total Current Assets	48,905,339	35,489,872
INVESTMENT IN LIMITED LIABILITY COMPANY	228,541	185,891
PROPERTY AND EQUIPMENT, NET	18,189,140	15,854,613
Total Assets	$ 67,323,020	$ 51,530,376
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts Payable	$ 4,626,130	$ 4,397,955
Accrued Expenses	11,263,528	5,965,366
Premium Accounts Payable	1,474,715	704,142
Payroll Tax Deferral - FICA Tax	2,015,147	-
Deferred Revenue	11,100,025	11,848,345
Total Current Liabilities	30,479,545	22,915,808
LONG-TERM LIABILITIES		
Payroll Tax Deferral - FICA Tax	2,015,147	1,234,104
Deferred Lease Liability	1,251,073	1,080,683
Total Long-Term Liabilities	3,266,220	2,314,787
Total Liabilities	33,745,765	25,230,595
STOCKHOLDERS' EQUITY		
Common Stock - $0.01 Par Value, 1,000,000 Shares Authorized; 290,353 Issued and Outstanding	2,903	2,903
Additional Paid-In Capital	4,797,112	4,797,112
Retained Earnings	28,768,894	21,499,766
Accumulated Other Comprehensive Income	8,346	-
Total Stockholders' Equity	33,577,255	26,299,781
Total Liabilities and Stockholders' Equity	$ 67,323,020	$ 51,530,376

See accompanying Notes to Consolidated Financial Statements.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CCMSI HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
OPERATING REVENUE	$ 179,778,444	$ 165,492,860
OPERATING EXPENSES		
Personnel Salaries and Benefits	131,830,196	120,881,823
Managed Care Services	14,103,870	12,488,306
Occupancy	11,060,183	11,211,614
Depreciation and Amortization	5,072,426	4,839,259
Supplies and Postage	1,967,776	2,101,195
Travel	1,816,111	2,938,607
Professional Fees	385,141	337,862
Consulting	958,630	979,659
Computer	2,856,448	2,200,936
Marketing and Sales	178,114	229,876
Miscellaneous	2,346,896	1,496,638
Total Operating Expenses	172,575,791	159,705,775
INCOME FROM OPERATIONS	7,202,653	5,787,085
OTHER INCOME (EXPENSE)		
Undistributed Equity in Income (Loss) of Limited Liability Company	42,649	(26,484)
Interest Income	23,826	238,323
Total Other Income (Expense)	66,475	211,839
NET INCOME	7,269,128	5,998,924
OTHER COMPREHENSIVE INCOME		
Unrealized Gains on Debt Securities Available for Sale	8,346	-
COMPREHENSIVE INCOME	$ 7,277,474	$ 5,998,924

See accompanying Notes to Consolidated Financial Statements.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CCMSI HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
YEARS ENDED JUNE 30, 2021 AND 2020

	Total	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income
BALANCE – JUNE 30, 2019	$ 20,300,857	$ 2,903	$ 4,797,112	$ 15,500,842	$ -
Net Income	5,998,924	-	-	5,998,924	-
BALANCE – JUNE 30, 2020	26,299,781	2,903	4,797,112	21,499,766	-
Unrealized Gains on Debt Securities	8,346	-	-	-	8,346
Net Income	7,269,128	-	-	7,269,128	-
BALANCE – JUNE 30, 2021	$ 33,577,255	$ 2,903	$ 4,797,112	$ 28,768,894	$ 8,346

See accompanying Notes to Consolidated Financial Statements.

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Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)
6.D.1.b

CCMSI HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 7,269,128	$ 5,998,924
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	5,072,426	4,839,259
Amortization on Debt Securities Available for Sale	89,671	-
Provision for Bad Debts	(50,000)	26,016
Noncash Compensation Expense	4,604,773	1,364,927
Undistributed Equity in (Income) Loss of Limited Liability Company	(42,650)	26,484
Effects of Changes in Operating Assets and Liabilities:		
Receivables	(2,232,477)	(2,005,227)
Prepaid Expenses and Other Assets	30,572	(810,130)
Accounts Payable	228,175	(636,304)
Accrued Expenses	1,463,962	(5,441,954)
Deferred Revenue	(748,320)	676,487
Payroll Tax Deferral - FICA Tax	2,796,190	1,234,104
Deferred Lease Liability	170,390	1,080,683
Net Cash Provided by Operating Activities	18,651,840	6,353,269
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Equipment and Leasehold Improvements	(7,406,953)	(5,393,565)
Purchases of Debt Securities Available for Sale	(15,086,869)	-
Proceeds from Sales and Maturities of Debt Securities	7,920,235	-
Net Cash Used by Investing Activities	(14,573,587)	(5,393,565)
NET INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	4,078,253	959,704
Cash, Cash Equivalents, and Restricted Cash – Beginning of Year	12,015,706	11,056,002
CASH, CASH EQUIVALTENTS, AND RESTRICTED CASH – END OF YEAR	$ 16,093,959	$ 12,015,706
Supplementary Disclosures:		
Operating Cash	$ 15,999,040	$ 11,809,308
Premium Trust (Restricted Cash)	94,919	206,398
Total Cash, Cash Equivalents, and Restricted Cash	$ 16,093,959	$ 12,015,706

See accompanying Notes to Consolidated Financial Statements.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CCMSI HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

CCMSI Holdings, Inc. (the Company) is a holding company whose subsidiary provides third-party administration services for workers' compensation, property/casualty, and professional liability self-insurance programs of various businesses, governments, and pooled associations. The Company is subject to regulations of certain regulatory agencies and undergoes periodic examinations by those regulatory agencies.

The significant accounting and reporting policies for CCMSI Holdings, Inc. follow:

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Cannon Cochran Management Services, Inc. (dba: CCMSI) and Comp MC, Inc. The accounts of Comp MC, Inc. are included with the accounts of CCMSI for financial statement presentation. All significant intercompany accounts and transactions have been eliminated in the consolidation.

The consolidated financial statements of the Company have been prepared in conformity with accounting principles generally accepted in the United States of America and conform to predominant practice within the industry.

Use of Estimates in Preparing Financial Statements

In preparing the accompanying consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from those estimates. Material estimates which are particularly susceptible to significant change in the near term include the fair value of the Company's shares of common stock outstanding determined by an independent appraisal of the Company. The fair value estimates of the Company's common stock are used to determine share-based compensation liabilities, ESOP compensation expenses, and stock repurchase commitments.

Fiduciary Assets and Liabilities

The Company collects funds used to pay claims for self-insurance programs administered by CCMSI. The funds are not assets of the Company and, accordingly, are not included in the accompanying consolidated financial statements.

Cash and Cash Equivalents

For purposes of the statements of cash flows, any highly liquid debt instruments with an original maturity of three months or less are considered to be cash equivalents, including investments in commercial paper. Amounts included in premium trust accounts represent restricted cash from insurance premiums collected from the insured and held by the Company. The restricted cash is required to be set aside by contractual agreement for the remittance of premiums collected on behalf of carriers.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CCMSI HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents (Continued)

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash.

Debt Securities

Management determines the appropriate classification of the securities at the time they are acquired and evaluates the appropriateness of such classifications at each balance sheet date. At June 30, 2021, the Company's debt securities were classified as available for sale. Debt securities that are classified as available for sale are stated at fair value, and unrealized holding gains, and losses are reported as accumulated other comprehensive income within stockholder's equity.

Realized gains and losses are determined on the basis of the cost of the securities sold. The cost of securities sold is based on the specific-identification method. The amortization of premiums and accretion of discounts are recognized in interest income using methods approximating the interest method over the period to maturity. For callable debt securities purchased at a premium, the amortization period is shortened to the earliest call date.

Receivables

Receivables are uncollateralized customer obligations which generally require payment within 30 days from the invoice date. Payments of accounts receivable are applied to the specific invoices identified on the customer's remittance advice or, if unspecified, to the earliest unpaid invoices.

The carrying amounts of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The allowance for doubtful accounts is based on management's assessment of the collectibility of specific customer accounts and the aging of the accounts receivable. If there is a deterioration of a major customer's credit worthiness or actual defaults are higher than the historical experience, management's estimates of the recoverability of amounts due the Company could be adversely affected. All accounts or portions thereof deemed to be uncollectible or to require an excessive collection cost are written off to the allowance for doubtful accounts.

Adoption of New Accounting Standards

In 2021, the Company adopted Financial Accounting Standards Board's Accounting Standards Codification Top 606, *Revenue from Contracts with Customers*, which requires the recognition of revenue from promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. There was no material impact on the Company's financial position and results of operations upon adoption of the new standard.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Standards

On January 1, 2020, the Company adopted ASU 2017-08, *Receivables – Nonrefundable Fees and Other Costs (Subtopic 310-20); Premium Amortization on Purchased Callable Debt Securities.* The standard required an entity to shorten the amortization period for certain purchased callable debt securities held at a premium to the earliest call date. The adoption of this ASU did not have a material impact on the Company's financial statements.

Revenue Recognition and Deferred Revenue

The Company recognizes revenues when control of the product or service has been delivered to the customer, in an amount that reflects the consideration that the Company expects to be entitled in the exchange. To determine revenue recognition arrangements that an entity determines to be in the scope of ASC 606, the Company performs the following five step evaluation: 1) identify the contract with a customer, 2) identify performance obligations in the contract, 3) determine the transaction price, 4) allocate the transaction price to the performance obligations, 5) recognize revenue when or as the entity satisfies a performance obligation.

The Company's principal revenue generating activities includes compensation for management services rendered in connection with the operation and management of self-insurance programs for stand-alone organizations and self-insured risk groups. The Company also receives compensation for certain medical bill review services (Comp MC). Fees for management services are recorded as earned over the period which the service is to be provided. Fees for medical bill review services are recognized in the period when the service is provided. The Company may bill and collect fees in advance for services to be performed over a period of time and those fees are deferred and recognized ratably over that same period or as the services are provided. The Company may also bill and collect fees subsequent to the performance of the services and those fees are recognized as earned in the period which the service is provided.

The Company uses independent brokers in connection with the marketing of certain self-insurance programs. Operating revenue is stated net of commissions paid to these brokers.

The timing of revenue recognition, billings, and cash collections results in receivables, contract assets, and contract liabilities. Accounts receivable are recorded when the right to consideration becomes unconditional and are presented separately in the consolidated balance sheets. When the Company's billing occurs subsequent to revenue recognition a contract asset is recognized and is recorded as unbilled receivables, which is included in management fees receivable in the consolidated balance sheets. When the Company is entitled to bill a customer in advance of the recognition of revenue, a contract liability is recognized and is recorded as deferred revenue in the consolidated balance sheets.

The Company may incur incremental costs to obtain a sales contract, which under ASC 606 should be capitalized and amortized over the life of the contract. The Company elected the practical expedient to allow the Company to expense these costs since the majority of the contracts are short term in nature with a life of one year or less.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CCMSI HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition and Deferred Revenue (Continued)

The Company disaggregates its revenue from contracts with customers as follows for the years ended June 30:

	2021	2020
Stand-Alone Organizations	$ 89,022,594	$ 81,417,907
Self-Insured Risk Groups	56,061,625	51,529,327
Comp MC Fees	29,935,412	27,740,472
Other Income	4,758,813	4,805,154
Total Operating Revenue	$ 179,778,444	$ 165,492,860

Investment in Limited Liability Company

The Company holds a 100% interest in HT Air, LLC. The Company is accounting for its investment in this company under the equity method of accounting since the assets and liabilities are not significant. The assets and liabilities of HT Air, LLC totaled $354,946 and $97,265 respectively as of June 30, 2021. The LLC had assets and liabilities of $410,879 and $195,847, respectively, as of June 30, 2020.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation. Depreciation is computed principally by accelerated methods over the estimated useful lives of the related assets. Artwork is carried at the lower of cost or market. Market values for artwork are determined using independent appraisers. The Company capitalizes certain costs to develop, purchase, or modify software for the internal use of the Company. The depreciation expense on assets acquired under capital leases, depreciated over the shorter of the term of the lease or their estimated useful lives, is included with depreciation expense on owned assets. Leasehold improvements are amortized over their estimated useful lives or the respective lease terms, whichever is shorter. The estimated economic useful lives are as follows:

Computer Equipment and Accessories, Including Software	3 to 5 Years
Furniture, Fixtures, and Equipment, Including Acquired	5 to 10 Years
Leasehold Improvements	3 to 10 Years

Impairment of Long-Lived Assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CCMSI HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising

The Company expenses advertising costs as incurred.

Income Taxes

The Company, with the consent of its stockholders, has elected to be taxed under sections of federal and state income tax law, which provide that, in lieu of corporation income taxes, the stockholders separately account for their prorata shares of the Company's items of income, deductions, losses, and credits. The election was effective as of July 1, 1998. As a result of this election, no income taxes have been recognized in the accompanying consolidated financial statements.

Share-Based Compensation

The Company has issued Stock Appreciation Rights (SARs) and Stock Warrants to certain employees that require the Company to pay the fair value of the SAR and warrant to the employee at the date of exercise. These awards are considered to be liability awards as defined in Codification Topic 718 *Compensation – Stock Compensation*. These awards are more fully described in Note 7.

Pending Accounting Standards

In February 2016, the FASB issued amended guidance for the treatment of leases. The guidance requires lessees to recognize a right-of-use asset and a corresponding lease liability for all operating and finance leases with lease terms greater than one year. The accounting for lessors will remain relatively unchanged. The guidance changes the accounting for sale and leaseback transactions to conform to the new revenue recognition standard. The guidance also requires both qualitative and quantitative disclosures regarding the nature of the entity's leasing activities. The amendments in the guidance are effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. Management is evaluating the impact of the amended lease guidance on the Company's consolidated financial statements.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses (ASC Topic 326): Measurement of Credit Losses on Financial Instruments*. This standard replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The measurement of expected credit losses under the CECL methodology is applicable to financial assets carried at amortized cost, including certain receivables and held-to-maturity securities. It also applies to off-balance sheet credit exposures not accounted for as insurance and leases recognized by a lessor. In addition, the standard made changes to the accounting for available-for-sale debt securities, including any credit losses to be presented as an allowance rather than as a write-down on available-for-sale debt securities management does not intend to sell or believes that it is more likely than not they will be required to sell. ASU 2016-13 is effective for fiscal years beginning after December 15, 2022. Management expects this standard will not have a material impact on the Company's consolidated financial statements.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CCMSI HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 2 PROPERTY AND EQUIPMENT

Property and equipment consists of:

	2021	2020
Computer Equipment, Accessories, and Software	$ 26,978,780	$ 28,492,513
Furniture, Fixtures, and Equipment	7,769,112	8,464,490
Leasehold Improvements	2,335,848	2,205,957
Total Property and Equipment	37,083,740	39,162,960
Less: Accumulated Depreciation	18,894,600	23,308,347
Property and Equipment, Net	$ 18,189,140	$ 15,854,613

Included in computer equipment, accessories, and software above are costs for internally developed software products. Total cost was $19,737,818 and $22,426,420, respectively, and accumulated depreciation was $9,933,693 and $13,552,898, respectively, for the years ended June 30, 2021 and 2020, respectively.

NOTE 3 INVESTMENT IN DEBT SECURITIES AND FAIR VALUE MEASUREMENTS

The following is a summary of the Company's investments in debt securities available for sale as of June 30, 2021:

	2021			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Corporate Bonds	$ 6,876,761	$ 12,352	$ (4,025)	$ 6,885,088
Municipal Bonds	200,202	19	-	200,221
Total	$ 7,076,963	$ 12,371	$ (4,025)	$ 7,085,309

The bonds included in debt securities available for sale at June 30, 2021 all mature within one year. Expected maturities may differ from contractual maturities because the issuers of debt securities may have the right to call or prepay their obligations without any prepayment penalties.

The *Fair Value Measurements and Disclosures* Topic of the FASB Standards Codification defines fair value and establishes a framework for measuring fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In determining fair value, the Company uses various methods including market, income, and cost approaches. Based on these approaches, the Company often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

NOTE 3 INVESTMENTS IN DEBT SECURITIES AND FAIR VALUE MEASUREMENTS (CONTINUED)

Based on the observability of the inputs used in the valuation techniques, the Company is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values.

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

The following are descriptions of the valuation methodologies used for instruments measured at fair value:

Debt Securities: Debt securities consisting of bonds in corporations, U.S government corporations and agencies, municipal bonds, and mortgage-backed securities are generally valued at the most recent price of the equivalent quoted yield for such securities, or those of comparable maturity, quality, and type. Such securities are generally classified within Level 2 of the valuation hierarchy.

The following table summarizes assets and liabilities measured at fair value on a recurring basis segregated by the level of the fair value hierarchy as of June 30, 2021:

	2021			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Corporate Bonds	$ -	$ 6,885,088	$ -	$ 6,885,088
Municipal Bonds	-	200,221	-	200,221
Total	$ -	$ 7,085,309	$ -	$ 7,085,309

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

NOTE 3 INVESTMENTS IN DEBT SECURITIES AND FAIR VALUE MEASUREMENTS (CONTINUED)

Securities with a decline in fair value below cost or amortized cost as of June 30, 2021, including the length of time of such decline, are shown in the following schedule. The Company does not consider the fixed income securities to be other than temporarily impaired, because management believes the Company carries high-quality securities and any fluctuations in fair value are due to changes in interest rates and the Company has the intent to hold such securities until maturity.

	2021					
	12 Months or More		Less than 12 Months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Corporate Bonds	$ -	$ -	$ 3,215,320	$ (4,025)	$ 3,215,320	$ (4,025)
Municipal Bonds	-	-	-	-	-	-
Total	$ -	$ -	$ 3,215,320	$ (4,025)	$ 3,215,320	$ (4,025)

NOTE 4 ACCRUED EXPENSES

The Company's accrued expenses are summarized as follows at June 30:

	2021	2020
Payroll, Commissions, and Bonuses	$ 2,205,788	$ 2,014,402
Stock Appreciation Rights (Vested)	4,807,040	904,214
Stock Warrants	2,476,215	1,930,923
Other	1,774,485	1,115,827
Total Accrued Expenses	$ 11,263,528	$ 5,965,366

Under the CARES Act, the employer's 6.2% Social Security tax on wages paid from March 27, 2020 through December 31, 2020 is deferred. Fifty percent of the deferral is due on December 31, 2021, and the remaining 50% is due on December 31, 2022. The accrued (deferred) employer Social Security tax totaled $4,030,294 and $1,234,104 as of June 30, 2021 and 2020, respectively.

NOTE 5 DEBT

Line of Credit

The Company has a line of credit of $15,000,000 of which $-0- was used as of June 30, 2021 and 2020. Amounts drawn against the line of credit are payable on demand and bear interest at the lender's prime rate minus 0.50% for an effective rate of 2.75% at June 30, 2021 and 2020. The line of credit is collateralized by substantially all of the Company's assets. The line of credit matures on March 7, 2022.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

NOTE 6 EMPLOYEE RETIREMENT PLANS

The Company sponsors a 401(k) savings plan under which eligible employees may choose to save a percentage of their salary on a pre-tax basis, subject to certain Internal Revenue Service (IRS) limits. The Company may make discretionary matching and profit sharing contributions to the plan. The Company did not make any matching or profit sharing contributions during the years ended June 30, 2021 and 2020.

The Company sponsors an Employee Stock Ownership Plan for the benefit of employees who meet certain eligibility requirements. The ESOP's shares were purchased by the ESOP with the proceeds of a note from the Company. The Company made annual contributions to the ESOP equal to the ESOP's debt service, less dividends received by the ESOP. As principal and interest were paid, shares were released from collateral and allocated to participants based on the proportion of debt service paid in the year. The ESOP allocates released shares to all participants who meet certain eligibility requirements. The ESOP's loan to the Company is paid off and all shares have been released into the ESOP.

Compensation expense is recorded for additional contributions paid to the ESOP for benefit payments to participants. Compensation expense for the ESOP was $4,200,000 and $3,150,000 for the years ended June 30, 2021 and 2020, respectively.

Company shares held in the ESOP and allocated to participants totaled 282,853 as of June 30, 2021 and 2020. In the event of termination from employment or if eligible participants elect to diversify their account balances, the Company may be required to purchase the shares from the participant at the shares' fair market value unless the ESOP fulfills this obligation. The repurchase obligation totaled approximately $70 million and $59 million as of June 30, 2021 and 2020, respectively.

NOTE 7 SHARE-BASED COMPENSATION

Stock Appreciation Rights (SARs)

Effective January 1, 2020, the Company issued 112,000 SARs to certain employees with a base value of $184.61 for each award and a vesting period of 33.33% each June 30. Through June 30, 2021, no SARs have been forfeited or exercised, resulting in 112,000 SARs outstanding as of June 30, 2021 and 2020 under the 2020 Plan. The vested portion of the outstanding SARs totaled $4,807,040 and $904,214 as of June 30, 2021 and 2020 and is included in Accrued Expenses in the accompanying consolidated balance sheets.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

NOTE 7 SHARE-BASED COMPENSATION (CONTINUED)

Stock Warrants

In December 2013 and January 2014, the Company issued 46,504 stock warrants in connection with the redemption of stock held by individuals. The Holders have the option to exercise the warrants at any time. Included in the redemption agreement is a put option in which the individual exercising the warrants has the right to require the Company to purchase the warrants by paying the Holder an amount equal to the difference between the fair market value at the surrender date of the warrants and the warrant strike price of $107.32 per warrant. From 2013 through 2021, 29,025 warrants were exercised, resulting in 17,479 warrants outstanding as of June 30, 2021 (19,022 warrants outstanding at June 30, 2020). At June 30, 2021 and 2020, the fair value of the outstanding warrants totaled $2,476,215 and $1,930,923, respectively, and is included in Accrued Expenses in the accompanying consolidated balance sheets.

The fair market value of the vested portion of all outstanding SARs and stock warrants included in accrued expenses is determined by an independent appraiser as of the reporting date. The Company's stock price was valued at $248.99 and $208.83 as of June 30, 2021 and 2020, respectively. The expense for the SARs and stock warrants totaled $4,604,773 and $1,364,927 for the years ended June 30, 2021 and 2020, respectively, and is included in Personnel Salaries and Benefits in the accompanying consolidated statements of comprehensive income.

NOTE 8 INCOME TAXES

The Company files consolidated income tax returns in the U.S. federal jurisdiction and multiple states. The Company is a pass-through entity for income tax purposes whereby any income tax liabilities or benefits are attributable to the Company's members. Any amounts paid by the Company for income taxes are accounted for as transactions with the Company's members. Federal and state income tax returns are subject to examination by the IRS and state taxing authorities, generally for three years after they are filed.

NOTE 9 COMMITMENTS

Lease Commitments

The Company has entered into lease agreements for the buildings it currently occupies and for office equipment which it accounts for as operating leases. Under terms of the building leases, the lessor is responsible for insurance and taxes with the lessee responsible for routine maintenance and utilities. The following summarizes future commitments under these leases.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

NOTE 9 COMMITMENTS (CONTINUED)

Year Ending June 30,	Amount
2022	$ 6,710,989
2023	6,624,123
2024	5,175,190
2025	4,144,714
2026	2,754,843
2027	2,058,652
Thereafter	4,642,089
Total	$ 32,110,600

Total rent expense incurred related to all operating leases totaled $7,821,228 and $8,037,715 for the years ended June 30, 2021 and 2020, respectively.

Deferred Lease Liability

Due to various rent abatements and escalation clauses included in certain office lease agreements, the Company has recorded a deferred lease liability. This liability reflects the difference between actual cash payments under the agreements and the straight-line expense to be recognized over the lease term. The deferred lease liability totaled $1,440,224 and $1,192,668 as of June 30, 2021 and 2020, respectively, with $1,251,073 and $1,080,683, respectively, reflected as a long-term liability in the accompanying consolidated balance sheets.

Stock Repurchase Commitment

The Company maintains stock repurchase agreements with all stockholders of the Company whereby at the stockholder's notification to the Company and the remaining stockholders of his intent to sell, the Company will repurchase the stockholder's stock at a price determined by an independent appraiser. The potential liability for the repurchase of shares held by the stockholders, other than the ESOP, is approximately $1,867,425 and $1,566,225 as of June 30, 2021 and 2020, respectively.

NOTE 10 CONTINGENT LIABILITIES

The Company is involved in litigation relating to various disputes with certain individuals and companies. The Company is vigorously defending its position in these cases and believes damages, if awarded to the defendants, will not be material. The Company includes in accrued expenses any expected settlements of these cases that are estimated to result in losses.

The Company acts as a third-party administrator of self-insurance programs for various businesses, governments, and pooled risk management associations. In carrying out these services, the Company has check signing authority over various cash accounts of these entities.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CCMSI HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 11 SELF-INSURANCE

The Company is self-insured for health benefits provided to employees. Medical claims exceeding $375,000 in 2021 and $250,000 in 2020 on any one individual, and aggregate losses in excess of approximately $17,431,000 and $16,525,000 incurred and paid during the years ended June 30, 2021 and 2020, respectively, were covered by stop-loss insurance purchased from a commercial insurance carrier. The Company has estimated a liability for claims incurred but not reported (IBNR) of $1,120,379 and $1,094,939, which is included in accrued expenses in the accompanying balance sheet for the years ended June 30, 2021 and 2020, respectively. Claims expense under the self-insured health plan totaled $14,840,843 and $12,549,996 for the years ended June 30, 2021 and 2020, respectively.

NOTE 12 RISKS AND UNCERTAINTIES

The World Health Organization declared the spread of the Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic continues to have significant effects on global markets, human resources, business operations, and communities. Management believes the Company is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events continue to develop.

NOTE 13 SUBSEQUENT EVENTS

Management evaluated subsequent events through October 5, 2021, the date the financial statements were available to be issued.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CCMSI HOLDINGS, INC.
CONSOLIDATING BALANCE SHEET
JUNE 30, 2021

ASSETS	CCMSI Holdings, Inc.	CCMSI	Eliminations	Total
CURRENT ASSETS				
Cash:				
Operating	$ 36,895	15,962,145	$ -	$ 15,999,040
Premium Trust	-	94,919	-	94,919
Debt Securities Available for Sale	-	7,085,309	-	7,085,309
Receivables:				
Management Fees, Net of Allowance of $200,000	-	19,988,150	-	19,988,150
Premiums	-	1,616,675	-	1,616,675
Other	-	1,066,087	-	1,066,087
Due From Related Party	-	0		
Prepaid Expenses and Other Assets	-	3,055,159	-	3,055,159
Total Current Assets	36,895	48,868,444	-	48,905,339
INVESTMENTS IN SUBSIDIARY AND LIMITED LIABILITY COMPANY	40,823,616	-	(40,595,075)	228,541
PROPERTY AND EQUIPMENT, NET	-	18,189,140	-	18,189,140
Total Assets	$ 40,860,511	$ 67,057,584	$ (40,595,075)	$ 67,323,020
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES				
Accounts Payable	$ -	$ 4,626,130	$ -	$ 4,626,130
Accrued Expenses	7,283,256	3,980,272	-	11,263,528
Premium Accounts Payable	-	1,474,715	-	1,474,715
Payroll Tax Deferral - FICA Tax	-	2,015,147	-	2,015,147
Deferred Revenues	-	11,100,025	-	11,100,025
Total Current Liabilities	7,283,256	23,196,289	-	30,479,545
LONG-TERM LIABILITIES				
Payroll Tax Deferral - FICA Tax	-	2,015,147	-	2,015,147
Deferred Lease Liability	-	1,251,073	-	1,251,073
Total Long-Term Liabilities	-	3,266,220	-	3,266,220
Total Liabilities	7,283,256	26,462,509	-	33,745,765
STOCKHOLDERS' EQUITY				
Common Stock	2,903	4,107	(4,107)	2,903
Additional Paid-In Capital	4,797,112	6,229,207	(6,229,207)	4,797,112
Accumulated Other Comprehensive Income	8,346	8,346	(8,346)	8,346
Retained Earnings	28,768,894	34,353,415	(34,353,415)	28,768,894
Total Stockholders' Equity	33,577,255	40,595,075	(40,595,075)	33,577,255
Total Liabilities and Stockholders' Equity	$ 40,860,511	$ 67,057,584	$ (40,595,075)	$ 67,323,020

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6.D.1.b

CCMSI HOLDINGS, INC.
CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED JUNE 30, 2021

	CCMSI Holdings, Inc.	CCMSI	Eliminations	Total
OPERATING REVENUE	$ -	$ 179,778,444	$ -	$ 179,778,444
OPERATING EXPENSES				
Personnel Salaries and Benefits	8,804,773	123,025,423	-	131,830,196
Managed Care Services	-	14,103,870	-	14,103,870
Occupancy	-	11,060,183	-	11,060,183
Depreciation and Amortization	-	5,072,426	-	5,072,426
Supplies and Postage	-	1,967,776	-	1,967,776
Travel	-	1,816,111	-	1,816,111
Professional Fees	-	385,141	-	385,141
Consulting	-	958,630	-	958,630
Computer	-	2,856,448	-	2,856,448
Marketing and Sales	-	178,114	-	178,114
Miscellaneous	-	2,346,896	-	2,346,896
Total Operating Expenses	8,804,773	163,771,018	-	172,575,791
INCOME (LOSS) FROM OPERATIONS	(8,804,773)	16,007,426	-	7,202,653
OTHER INCOME (EXPENSES)				
Equity in Income from Subsidiary	16,031,252	-	(16,031,252)	-
Undistributed Equity in Income of Limited Liability Company	42,649	-	-	42,649
Interest Income	-	23,826	-	23,826
Total Other Income (Expense)	16,073,901	23,826	(16,031,252)	66,475
NET INCOME	7,269,128	16,031,252	(16,031,252)	7,269,128
OTHER COMPREHENSIVE INCOME				
Unrealized Gains on Debt Securities Available for Sale	-	8,346	-	8,346
COMPREHENSIVE INCOME	$ 7,269,128	$ 16,039,598	$ (16,031,252)	$ 7,277,474

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Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)
6.D.1.b

CCMSI HOLDINGS, INC.
CONSOLIDATING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021

	CCMSI Holdings, Inc.	CCMSI	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Income	$ 7,269,128	$ 16,031,252	$ (16,031,252)	$ 7,269,128
Adjustments to Reconcile Net Income to Net Cash				
Provided (Used) by Operating Activities:				
Depreciation	-	5,072,426	-	5,072,426
Amortization on Debt Securities	-	89,671	-	89,671
Provision for Bad Debts	-	(50,000)	-	(50,000)
Noncash Compensation Expense	4,604,773	-	-	4,604,773
Equity in Net Income from Subsidiary	(16,031,252)	-	16,031,252	-
Undistributed Equity in Income of Limited Liability Company	(42,650)	-	-	(42,650)
Effects of Changes in Operating Assets and Liabilities:				
Receivables	-	(2,232,477)	-	(2,232,477)
Prepaid Expenses and Other Assets	-	30,572	-	30,572
Accounts Payable	-	228,175	-	228,175
Accrued Expenses	(156,654)	1,620,616	-	1,463,962
Deferred Revenue	-	(748,320)	-	(748,320)
Payroll Deferral - FICA Tax	-	2,796,190	-	2,796,190
Deferred Lease Liability	-	170,390	-	170,390
Net Cash Provided (Used) by Operating Activities	(4,356,655)	23,008,495	-	18,651,840
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of Equipment and Leasehold Improvements	-	(7,406,953)	-	(7,406,953)
Purchases of Debt Securities	-	(15,086,869)	-	(15,086,869)
Proceeds from Sales and Maturities of Debt Securities	-	7,920,235	-	7,920,235
Distributions from Common Stock of Subsidiary	4,356,656	-	(4,356,656)	-
Net Cash Provided (Used) by Investing Activities	4,356,656	(14,573,587)	(4,356,656)	(14,573,587)
CASH FLOWS FROM FINANCING ACTIVITIES				
Distributions to Stockholders	-	(4,356,656)	4,356,656	-
NET INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	1	4,078,252	-	4,078,253
Cash, Cash Equivalents, and Restricted Cash – Beginning of Year	36,895	11,978,811	-	12,015,706
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH – END OF YEAR	$ 36,896	$ 16,057,063	$ -	$ 16,093,959

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Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)
6.D.1.b

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Exhibit 2 – Client Service Team Biographies

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

Robert Fitzgerald

Account Manager - Lisle, IL

Biographical Information

Professional Experience

Mr. Fitzgerald joined Cannon Cochran Management Services, Inc. (CCMSI) in the capacity of liability account manager in 2005. Offering nearly thirty-five years of experience in the property and casualty claims industry, his primary responsibilities include client account management; staff supervision; quality compliance; and direct handling of complex, litigated claims. In addition to his jurisdictional expertise in all fifty states, he has experience adjudicating claims in Puerto Rico, Canada, and the United Kingdom.

Prior to CCMSI, he held the position of corporate analyst-major claim oversight (MCO) with CNA Insurance Company in Chicago. His responsibilities included managing all large loss exposures that met the MCO Unit's Central Region's Standard Line Commercial Auto and General Liability book reporting criteria. In addition, he provided management of their Major Transportation Specialty and Total Transport Excess & Select (commercial trucking) book nationwide, while also handling standard lines/unsupported umbrella exposures between five million dollars and twenty-five million dollars (policy limits) within the areas of products liability/completed operations, construction bodily injury and construction defect litigation, employment practices, molestation, and governmental entity defense.

Additionally, Mr. Fitzgerald's background includes his role as a corporate claims examiner for Budget Rent a Car, providing oversight of large-dollar cases for their six regional offices; casualty manager for Prudential Property and Casualty Insurance Company; and senior claim agent for the National Railroad Passenger Corporation, adjudicating Federal Employee Liability Act (FELA) claims.

Education and Professional Activities

Mr. Fitzgerald holds licenses in multiple jurisdictions and received a Bachelor of Arts (BA) in Political Science from St. Xavier University in Chicago, Illinois. Throughout his career, he has spoken at a number of industry events and seminars for organizations including The Harmonie Group and USLAW, and has served on Northwestern University's Litigation Management School's faculty, lecturing on the topic of legal consequences imposed by the courts for non-compliance with litigation discovery.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

Anne M. Sullivan

Account Manager – Lisle, IL

Biographical Information

Professional Experience

Ms. Sullivan joined Cannon Cochran Management Services, Inc. (CCMSI) in 2000 as a claim associate and has amassed knowledge and experience through her positions as claim specialist, claim supervisor, and presently account manager. Prior to the insurance industry, she taught in the Chicago Public School District and various suburban schools, later transitioning to the medical field as a medical transcriptionist in a clinical setting.

Her claim-handling background includes all lines of coverage, with a concentration on workers' compensation, in industries including construction, government, healthcare, restaurants, food production, education, manufacturing, and temporary staffing.

Education and Professional Training

Ms. Sullivan graduated from Eastern Illinois University with a bachelor's degree in Elementary Education and has completed her AIC 34 education. She holds adjuster licenses in Texas, Michigan, and Kentucky, and frequently attends workers' compensation seminars and continuing education courses to maintain her credentialing and remain current on industry changes.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

Kathy Kallas

Senior Claim Specialist - Lisle, IL

Biographical Information

Professional Experience

Ms. Kallas joined Cannon Cochran Management Services, Inc. (CCMSI) in 2006 and brings nearly thirty years of workers' compensation claim-handling experience to her position as a senior claim specialist. Her responsibilities include conducting investigations to determine compensability, early intervention, monitoring medical treatment, coordinating light-duty return to work, litigation management, subrogation recovery, and resolving any claim issues that may arise. She excels in driving timely and cost-effective claim resolution and building a strong rapport with her clients.

She began her workers' compensation career in 1989 at Travelers Insurance in a clerical position. She was later promoted to claim analyst and then claim representative. During her ten-year employment with CNA, she worked on various committees and special projects while serving as a senior claim representative, handling multi-jurisdictional workers' compensation claims, and later as an operations manager for two years.

Professional Training

Ms. Kallas holds a Texas Independent Adjuster license and participates in training and seminars regarding workers' compensation and management.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

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Exhibit 3 – Standard Service Agreement

SERVICE AGREEMENT BETWEEN
_____AND
CANNON COCHRAN MANAGEMENT SERVICES, INC.

THIS SERVICE AGREEMENT is made and entered into this ___ day of _____, ____, by and between _____ (the "Program"), a self-insurance group, created and existing under the State of _____ ("State") Self-Insurance Regulations and Cannon Cochran Management Services, Inc. ("CCMSI"), a Delaware corporation. It is agreed between the parties hereto as follows:

A. APPOINTMENT OF CCMSI. The Program hereby appoints CCMSI, and CCMSI hereby agrees to serve, as Third Party Administrator ("Administrator") of the Program under applicable State regulations and laws having jurisdiction over Program.

B. FUNCTIONS OF CCMSI. During the term of this Agreement, the regular functions of CCMSI as the Program's Administrator shall include the following:

1. General Administrative Duties and Responsibilities.

(a) Regulatory Functions.

1) CCMSI will perform or supervise functions set forth in the rules and regulations promulgated by the State Self-Insurance Regulations.

2) CCMSI will prepare, compile, and file notices, reports, documents, forms and surveys as may be required of the Program by the State.

3) CCMSI will represent the Program to the best of its ability at necessary hearings, meetings, conventions and administrative inquiries involving the interests of the Program, as required of the Administrator by the State, except those requiring representation by an attorney at law.

(b) Account Management Functions. CCMSI will perform and manage the daily business affairs of the Program, including but not limited to:

1) Preparing and maintaining adequate and correct books, member files, records and accounts on behalf of the Program in compliance with applicable statutes, regulations and established practices. This includes Program records relating to underwriting and accounting.

2) Recommending firms or individuals to perform legal, actuarial, audit, financial and other professional services on behalf of the Program, and paying such firms or individuals with Program funds.

(c) Cooperation by CCMSI. CCMSI will fully cooperate with any fiscal or fiduciary agent appointed by the Program for the management of the Program's investments; however, it is acknowledged that CCMSI has no responsibility for the structure or performance of Program's investment portfolio.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

2. Claim Administration.

(a) Claim Management and Administration. In compliance with its Best Practices, CCMSI will manage and administer all claims of the Program that occur during the period of this Agreement. All claim payments shall be made with Program funds. CCMSI will act on behalf of Program in handling, monitoring, investigation, overseeing and adjusting all such actual and alleged claims.

(b) Claim Settlement. CCMSI will settle claims of the Program with Program funds in accordance with reasonable limits and guidelines established with the Program.

(c) Claim Reserves. CCMSI will establish reserves for unpaid reported claims and unpaid claim expenses.

(d) Allocated Claim Expenses. CCMSI will pay all Allocated Claim Expenses with Program funds. Allocated Claim Expenses are charges for services provided in connection with specific claims by persons or firms which are eligible claim expenses under the Program. Notwithstanding the foregoing, Allocated Claim Expenses will include all expenses incurred in connection with the investigation, adjustment, settlement or defense of Program claims, even if such expenses are incurred by CCMSI. Allocated Claim Expenses will include, but not be limited to, charges for:

1) Independent medical examinations of claimants;

2) Managed care expenses, which include the services provided by comp mc™, CCMSI's proprietary managed care program. Examples of managed care expenses includes but is not limited to state fee schedule, PPO networks, utilization review, nurse case management, medical bill audits and medical bill review;

3) Fraud detection expenses, such as surveillance, which include the services provided by *FIRE*, CCMSI's proprietary Special Investigation Unit (SIU), and other related expenses associated with the detection, reporting and prosecution of fraudulent claims, including legal fees;

4) Attorneys, experts and special process servers;

5) Court costs, fees, interest and expenses;

6) Depositions, court reporters and recorded statements;

7) Independent adjusters and appraisers;

8) Index Bureau and OFAC (Office of Foreign Assets Control) charges;

9) MMSEA/SCHIP compliance charges;

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

10) Electronic Data Interchange, EDI, charges, if required by state law;

11) CCMSI personnel, at their customary rate or charge, but only with respect to claims outside the State and only if such customary rate is communicated to the Program prior to incurring such cost;

12) Actual reasonable expenses incurred by CCMSI employees outside the State for meals, travel, and lodging in conjunction with claim management;

13) Police, weather and fire report charges that are related to claims being administered under Program;

14) Charges associated with accident reconstruction, cause and origin investigations, etc.;

15) Charges for medical records, personnel documents, and other documents necessary for adjudication of claims under Program; and

16) Charges associated with Medicare Set-Aside Allocations;

17) Legal bill review expenses, which include, the services provided by CLEAR, CCMSI's proprietary legal bill review program. This shall include charges related to legal bill review / audit, which shall include reviewing and auditing invoices submitted by Client-approved law firms for compliance with the Client's Defense Counsel Billing Guidelines.

18) Other expenses normally recognized as ALAE by industry standards.

(e) Subrogation. CCMSI will monitor claims for subrogation.

(f) Provision of Reports. CCMSI agrees to provide reports to the Program as specified in the Schedule of Reports attached hereto as Exhibit A.

3. Risk Management Services. CCMSI will provide the Program with additional risk management services not contemplated in this Agreement upon mutual agreement of the parties. The Schedule of additional Risk Management Services to be provided is attached hereto as Exhibit B.

4. Loss Control Services. CCMSI will provide the Client loss control services upon mutual agreement of the parties. The client shall remain fully responsible for the implementation and operation of its own safety programs and for the detection and elimination of any unsafe conditions or practices.

CCMSI assumes no responsibility for the detection, identification, communication, mitigation, or elimination of any unsafe condition or practice associated with the safety program of any client. Further, CCMSI assumes no responsibility for any injury sustained by an employee of the client. The Schedule of Loss Control Services to be provided is attached hereto as Exhibit C.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

5. Legal Bill Review / Audit Services. In conjunction with its claims administration services, CCMSI will provide Client with Legal Bill Review / Audit Services (CLEAR). The Schedule of Legal Bill Review / Audit Services, including applicable fees, is attached hereto as Exhibit E.

6. Managed Care Services. CCMSI will provide the Program with managed care (comp mc™) services upon mutual agreement of the parties. The Schedule of Managed Care Services to be provided is attached hereto as Exhibit D.

C. PROGRAM RESPONSIBILITIES. Program agrees to:

1. Report all claims, incidents, reports or correspondence relating to potential claims in a timely manner.

2. Reasonably cooperate fully in disposition of all claims.

3. Provide adequate funds to pay all claims and expenses in a timely manner.

4. Respond to reasonable information requests in a timely manner.

5. Identify in writing all insurance carriers applicable to CCMSI's claim handling responsibilities contemplated in this Service Agreement that CCMSI will have claim or data reporting requirements. In this regard, Client agrees to provide CCMSI with a complete copy of the current excess or other insurance policies, including applicable endorsements and audits, applicable to Clients insurance program and this Service Agreement. CCMSI assumes no responsibility of any kind for not reporting an otherwise reportable claim to any carrier that Client has failed to disclose to CCMSI and / or provide CCMSI with a copy of the applicable insurance policy and reporting instructions relative to that carrier.

6. Pay any fees or costs charged by any carrier or prior TPA of Program for the conversion of data associated with CCMSI handling run off claims for Program, or for the general transfer of data to CCMSI's operating systems.

7. Promptly pay CCMSI's fees.

D. OPERATING EXPENSES. The Program agrees to be responsible for and pay all of its own operating expenses other than service obligations of CCMSI. Such operating expenses shall include but not be limited to charges for the following:

1. All costs associated with meeting State security and licensing requirements;

2. Certified Public Accountants;

3. Attorneys, other than provided for in Section B.2(d)3) and B.2.(d)4) of this Agreement;

4. Outside consultants, actuarial services or studies and State audits;

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

5. Independent payroll audits;

6. Allocated Claims Expenses incurred pursuant to Section B.2.(d) of this Agreement;

7. All applicable regulatory fees and taxes; and

8. Educational and/or promotional material, industry-specific loss control material, customized forms and/or stationery, supplies, operator-assisted conference calls and extraordinary postage, such as bulk mailing, express mail or messenger service.

9. National Council on Compensation Insurance, NCCI, charges;

10. Excess and other insurance premiums;

11. Costs associated with the development, record keeping and filing of fraud statistics and plans, but only if required by any state or regulatory authority having jurisdiction over Program;

12. Other operating costs as normally incurred by the Program.

E. BOOKS AND RECORDS.

1. (a) CCMSI shall maintain all books, records, applications and other forms of information relating specifically to the Program that are necessary to the performance of CCMSI's obligations under this Agreement (the "Records"). The Records shall remain at all times the sole property of the Program.

   (b) The Records shall not include any manuals, forms, files and reports, documents, customer lists, rights to solicit renewals, computer records and tapes, financial and strategic data, or information which documents CCMSI's processes, procedures and methods, or which CCMSI employs to administer programs other than the Program. The items specified in this Paragraph E.1.(b) shall at all times be and remain the sole and exclusive property of CCMSI, and the Program shall not have any ownership, interest, right to duplicate or right to utilize these items except for the above documentation or information that relates solely to the Program.

2. During the term of this Agreement, CCMSI shall provide the Program with copies of the Records, if so requested by the Program. Any costs of reproduction of the Records shall be borne by the Program. In the event this Agreement is terminated or non-renewed, Program Records will be turned over to the Program or to a successor administrator designated by Program.

3. CCMSI shall make the Records available for inspection by any duly authorized representative of the Program, or any governmental or regulatory authority having jurisdiction over CCMSI or the Program.

F. NON-SOLICITATION OF EMPLOYEES. During the term of this Agreement and for two (2) years thereafter, the Client and CCMSI mutually agree not to recruit, solicit or hire any employee of the other without written permission.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

G. OTHER INSURANCE. If CCMSI places any specific or aggregate excess insurance, reinsurance or any other insurance product associated with this Agreement, then customary commissions and fees will be retained by CCMSI.

H. TERM AND TERMINATION.

1. Term of Agreement. The first term of this Agreement shall be for _____ (___) years beginning on _____, and terminating on _____. Unless the Agreement is terminated as set forth in paragraph H.2., this Agreement will automatically renew for successive _____ (__) year terms. At least ninety (90) days prior to the expiration of each ___ (___) year term of this Agreement, the parties shall enter into good-faith negotiations regarding any proposed change in Agreement terms or fees. If there are no changes requested by either party, then the Agreement will automatically renew under the same terms and fee arrangement as the prior term.

2. Termination of Agreement. This Agreement may be terminated:

   (a) By mutual agreement of the parties hereto;

   (b) Upon expiration of the current term of this Agreement if either party has given the other at least ninety (90) days written notice of its intention to terminate as set forth in paragraph H.1.;

   (c) Upon dissolution of the Program's self-insurance program, whether voluntary or due to cessation of Program's authority to self-insure;

   (d) Upon dissolution of the Program's self-insurance program due to Program insolvency or bankruptcy;

   (e) Upon ninety (90) days written notice by either party if the other party is in material breach of any term, covenant or condition contained herein; provided, however, that as a condition precedent to termination under this Section H.2.(e), the terminating party shall give written notice to the other party, who shall have sixty (60) days from the date of such notice to cure or correct the grounds for termination. If the grounds of termination are not corrected or cured during the sixty (60) day period, this Agreement may be terminated on the termination date specified in the notice, but not prior to the expiration of the ninety (90) day period described herein.

3. Services Following Termination of Agreement. Should this Agreement be terminated for any condition described under Section H.2., CCMSI will cease providing services, turn over to the Program all Program files in CCMSI's possession, which shall include loss control records, reports, surveys and correspondence, underwriting surveys and premium calculations, reinsurance and excess insurance files, all open and closed claim files, Program files, and readable form copies of all regulatory filings. Upon the Program's request and subject to agreement by CCMSI, CCMSI will be paid a reasonable negotiated fee to:

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

(a) Provide continued administration of the open claim files;

(b) Cooperate with any successor administrator in the orderly transfer of all functions; and

(c) Provide an electronic transfer of data if such is feasible, with the cost of providing such borne by the Client. The electronic transfer of data will be subject to a flat fee of $2,500.

I. SERVICE FEE PAYMENTS. The Program shall pay to CCMSI a service fee as outlined in the Fee and Payment Schedule hereto as Exhibit F.

J. ARBITRATION. If an irreconcilable difference of opinion or claim should arise between the Program and CCMSI as the interpreters of any matter relating to this Agreement, such matter will be submitted to mediation or arbitration as the sole remedy available to both parties. Any such arbitration will take place in the City of _____, _____, and will be conducted in accordance with the then-current rules of the American Arbitration Association.

K. RELATIONSHIP OF PARTIES. With respect to the services provided by CCMSI in this Agreement, CCMSI is considered an independent contractor. Nothing in this Agreement shall be construed to create a relationship of employer/employee, partners or joint ventures between the Program and CCMSI. This Agreement is non-exclusive, and CCMSI shall have the right to perform services on behalf of other individuals, firms, corporations, and entities.

L. INDEMNIFICATION.

1. Indemnification by Program. The Program agrees that it will indemnify and hold harmless CCMSI and CCMSI's directors, officers, employees, agents, shareholders, subsidiaries and other affiliates from and against any and all claims, losses, liability, costs, damages and reasonable attorneys' fees incurred by CCMSI as a result of breach of this Agreement by the Program, explicit instruction by the Client, or alleged misconduct, error or omissions by the Program, or by any of the Program's trustees, directors, officers, employees, agents, shareholders, subsidiaries, or other affiliates in connection with the performance of this Agreement. Agents as used herein include third party vendors selected by Client.

2. Indemnification by CCMSI. CCMSI agrees that it will indemnify and hold harmless the Program and the Program's trustees, directors, officers, employees, agents, shareholders, subsidiaries, members, or other affiliates from and against any and all claims, losses, liability, costs, damages and reasonable attorneys' fees incurred by the Program as the result of breach of this Agreement by CCMSI or alleged misconduct, error or omissions by CCMSI, or by any of CCMSI's directors, officers, employees, agents, shareholders, subsidiaries or other affiliates in connection with the performance of this Agreement.

M. CHANGE IN CIRCUMSTANCES. In the event the adoption of any statute, rule or regulation materially changes the nature of the relationship between the parties hereto or the legal or economic premises upon which this Agreement is based, the parties hereto shall undertake good faith negotiations to amend the terms of this Agreement to account for such changes in a reasonable

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manner. This includes the happening or development of a local, regional, national or global health situation, crisis, pandemic, or catastrophic event that would impact the volume and type of claims to be administered by CCMSI under this Agreement. In the event of any such occurrence, either party may contact the other in good faith and seek to amend the terms and / or service fees applicable to this Agreement.

N. SOFTWARE ACCESS. The Client may be provided with the right to use one or more CCMSI Applications in connection with the services provided by CCMSI in this Agreement. CCMSI Applications include iCE, MyReports, Loss Control ASAP, Loss Control Resources and iCEBAR. The right to use CCMSI Applications is non-exclusive, limited to the term of this Agreement per paragraph H.1., non-transferable and is solely for the internal business use of Client.
CCMSI owns and reserves all rights, title, and interest in and to the CCMSI Applications. Client has no right to receive a copy of the object code or source code to the CCMSI Applications. Client may not attempt to:

1. License, sell, lease or otherwise make the CCMSI Applications available to any other party. Client will not provide any access, passwords or other information regarding the CCMSI Applications to any third parties and/or competitors of CCMSI without the prior written consent of CCMSI;
2. Use the CCMSI Applications in any way that violates any law, regulation or mandate, or the term of this Agreement; or
3. Take any action that jeopardizes confidential or proprietary information held by CCMSI.

Client is responsible for any confidential or proprietary information accessed or downloaded by Client from the CCMSI Applications, including the implementation of appropriate information security controls surrounding such information.

Except as expressly provided in this Agreement, CCMSI Applications are provided "as-is". CCMSI disclaims all other warranties, express, implied, or statutory, including the implied warranties or merchantability, satisfactory quality, title, fitness for a particular purpose, non-infringement, compatibility, security, quiet enjoyment, or accuracy. Without limiting the foregoing, CCMSI does not warrant that access to or use of the CCMSI Applications will be uninterrupted or error-free. CCMSI will provide support for the CCMSI Applications in the two most recent two versions of the Internet Explorer, Chrome, Firefox and Safari browsers.

O. MISCELLANEOUS.

1. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of _____ without regard to principles of conflicts of law.

2. Timing of Services. CCMSI may exercise its own reasonable judgment, within the parameters set forth herein and in compliance with state regulations, as to the time and manner in which it performs the services required hereunder. Additionally, CCMSI will be held to a standard of like administrators performing like services for customers such as Program.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

3. Successors in Interest. This Agreement shall be binding upon, and inure to the benefit of, the successors in interest and permitted assigns of the parties hereto.

4. Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provision hereof, and this Agreement shall be construed in all respects as if the invalid or unenforceable provision had been revised to the minimum extent necessary to make it valid and full enforceable under applicable law.

5. Paragraph Headings. All paragraph headings in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

6. Waiver. The failure of any party to enforce any provisions of this Agreement shall not constitute a waiver by such party of any provision. A past waiver of a provision by either party shall not constitute a course of conduct or a waiver in the future with respect to that same provision.

7. Notice Provision. All notices, requests and other communications required under this Agreement shall be in writing and delivered by hand or mailed, registered or certified, return receipt requested, postage paid, or sent via a nationally recognized overnight courier to the other party at the following address.

Program:	Contact Name Program Name Address City, State, Zip
CCMSI:	Cannon Cochran Management Services, Inc. 2 E. Main St. Danville, IL 61832 Attn: Chief Operating Officer

8. File Destruction Policy. CCMSI will maintain electronic claim files records or hard copy files (where applicable) on all closed files on behalf of Program for a period of fifteen (15) years after the month of closure, or for as long as necessary to protect the applicable statute of limitations, whichever is longer. It is the sole responsibility of Program to advise CCMSI if files are not to be destroyed per this policy.

9. Insurance. CCMSI will purchase and maintain insurance coverages necessary for its performance of the services contemplated in this Agreement. Minimum policy limits are as follows:

Workers' Compensation – Statutory
Professional - $5,000,000
General Liability - $1,000,000/$2,000,000
Umbrella - $5,000,000
Cyber Coverage - $5,000,000

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

10. Escheatment. CCMSI is responsible for complying with all applicable abandoned property or escheat laws, making any required payments, and filing any required reports on CCMSI escrow accounts.

11. Confidential Information. Confidential Information includes nonpublic information that is exchanged between the Client and CCMSI, including, without limitation, information relating to the business, financials, personnel, customer data and operating procedures. Confidential Information includes information whether in written, electronic, or oral form created and relating to services provided under the Agreement. All Confidential Information is proprietary. Client and CCMSI may use the other party's Confidential Information only for the purpose of this Agreement and will limit its disclosure to only those persons reasonably necessary to perform under the Agreement. CCMSI will share non-personal bulk claim data with the IDS National Database unless the Client directs otherwise.

12. Information Security. CCMSI is responsible for the protection of the confidentiality, availability, privacy and integrity of Client information in our custody. CCMSI has implemented an Information Security Policy that has been developed to comply with applicable federal and state laws or regulations and industry best practices. The Information Security Policy applies to all CCMSI personnel, including temporary employees, independent contractors and vendors with access to CCMSI systems.

13. Entire Agreement/Amendment. This Agreement sets forth the full and final understanding of the parties hereto with respect to the matters described herein, and supersedes any and all prior agreements and understandings between them, whether written or oral. This Agreement may be amended only by written document executed by the Program and CCMSI.

Executed this _____day of _____, 20__.

CANNON COCHRAN MANAGEMENT SERVICES, INC.

By:_____
Rodney J. Golden

Its: Chief Operating Officer/Executive Vice President

PROGRAM NAME

By:_____

Its:_____

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CCMS

CCMSI

Exhibit 4 – Insurance Coverage Certificates

ACORD

CCMSHOL-01 SSHOCK

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 11/22/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME:	
Mesirow Insurance Services, Inc. 353 N Clark St 11th Floor Chicago, IL 60654	PHONE (A/C, No, Ext): (312) 595-6200	FAX (A/C, No):
	E-MAIL ADDRESS:	

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Continental Casualty Company	20443
INSURER B : National Fire Insurance Company of Hartford	20478
INSURER C : American Casualty Company of Reading, Pennsylvania	20427
INSURER D : Travelers Casualty and Surety Company of America	31194
INSURER E : Great American E & S Insurance Company	37532
INSURER F :	

INSURED

Cannon Cochran Management Services Inc.
2 East Main Street, Suite 208
Towne Centre Building
Danville, IL 61832

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$ 1,000,000
	CLAIMS-MADE X OCCUR			6079556217	11/17/2021	11/17/2022	DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
							MED EXP (Any one person)	$ 15,000
							PERSONAL & ADV INJURY	$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 2,000,000
	X POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$ 2,000,000
	OTHER:							$
B	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
	X ANY AUTO			6079556220	11/17/2021	11/17/2022	BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	X HIRED AUTOS ONLY / X NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
A	X UMBRELLA LIAB X OCCUR						EACH OCCURRENCE	$ 10,000,000
	EXCESS LIAB CLAIMS-MADE			6079556248	11/17/2021	11/17/2022	AGGREGATE	$ 10,000,000
	DED X RETENTION $ 10,000							$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						X PER STATUTE / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N: N	N / A		6079556234	11/17/2021	11/17/2022	E.L. EACH ACCIDENT	$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000
D	Fidelity/Empl Dis.			105973793	7/31/2021	7/31/2022	$50K Ded	5,000,000
E	E&O			TER2861265	7/31/2021	7/31/2022	SIR $150,000	10,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Certificate issued as evidence of coverage.

CERTIFICATE HOLDER

Cannon Cochran Management Services, Inc.
2 E. Main Street Towne Centre,
Suite 208
Danville, IL 61832-0000

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CCMSHOL-01 SSHOCK

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 11/22/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Mesirow Insurance Services, Inc. 353 N Clark St 11th Floor Chicago, IL 60654	CONTACT NAME: PHONE (A/C, No, Ext): (312) 595-6200 FAX (A/C, No): E-MAIL ADDRESS:
INSURED CCMSI Holdings, Inc. 2 East Main Street, Suite 208 Towne Centre Building Danville, IL 61832	INSURER(S) AFFORDING COVERAGE — NAIC # INSURER A : Accredited Specialty Insurance Company — 16835 INSURER B : Princeton Excess & Surplus Lines Insurance Company — 10786 INSURER C : INSURER D : INSURER E : INSURER F :

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$
	☐ CLAIMS-MADE ☐ OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	☐ POLICY ☐ PRO-JECT ☐ LOC						PRODUCTS - COMP/OP AGG	$
	☐ OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	☐ ANY AUTO						BODILY INJURY (Per person)	$
	☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	☐ UMBRELLA LIAB ☐ OCCUR						EACH OCCURRENCE	$
	☐ EXCESS LIAB ☐ CLAIMS-MADE						AGGREGATE	$
	☐ DED ☐ RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N						☐ PER STATUTE ☐ OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☐ (Mandatory in NH) N/A						E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$
A	Primary Cyber Liab			2-CIA-IL-17-SO104464-00	11/17/2021	11/17/2022	Limit	5,000,000
B	Excess Cyber Liab			5DA3FF0000194-00	11/17/2021	11/17/2022	Over primary Cyber	5,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Job CYBER
EVIDENCE OF COVERAGE

CERTIFICATE HOLDER	CANCELLATION
CCMSI Holdings, Inc. 2 East Main Street, Suite 208 Towne Centre Building Danville, IL 61832	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE

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Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

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Exhibit 5 – iCE, Internet Claims Edge, Print Screens & Sample Reports

CCMSI: CLIENT INTERNET PORTAL

ICE System & Security Services

CCMS

TABLE OF CONTENTS

CCMSI's Internet Claims Edge or ICE is a comprehensive claims analysis and reporting tool that empowers a user when tracking claims or analyzing trends. ICE is capable of processing and analyzing claims information, using built-in features for claims and summary analysis. Clicking on a chapter title will bring readers to the starting page of a section. Clicking on the CCMSI logo at the top right of the page will bring the reader back to the table of contents.

LOGIN & AUTHENTICATION.....

DASHBOARD HOMESCREEN.....4-

DASHBOARD HOMESCREEN & SETTINGS.....

ADDING DASHBOARD WIDGETS.....

DASHBOARD LAYOUT EXAMPLE.....

EXECUTIVE SUMMARY.....8-

INITIAL REPORTS.....10-1

SEARCHING INITIAL REPORTS.....1

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FORM FILLER.....16-1

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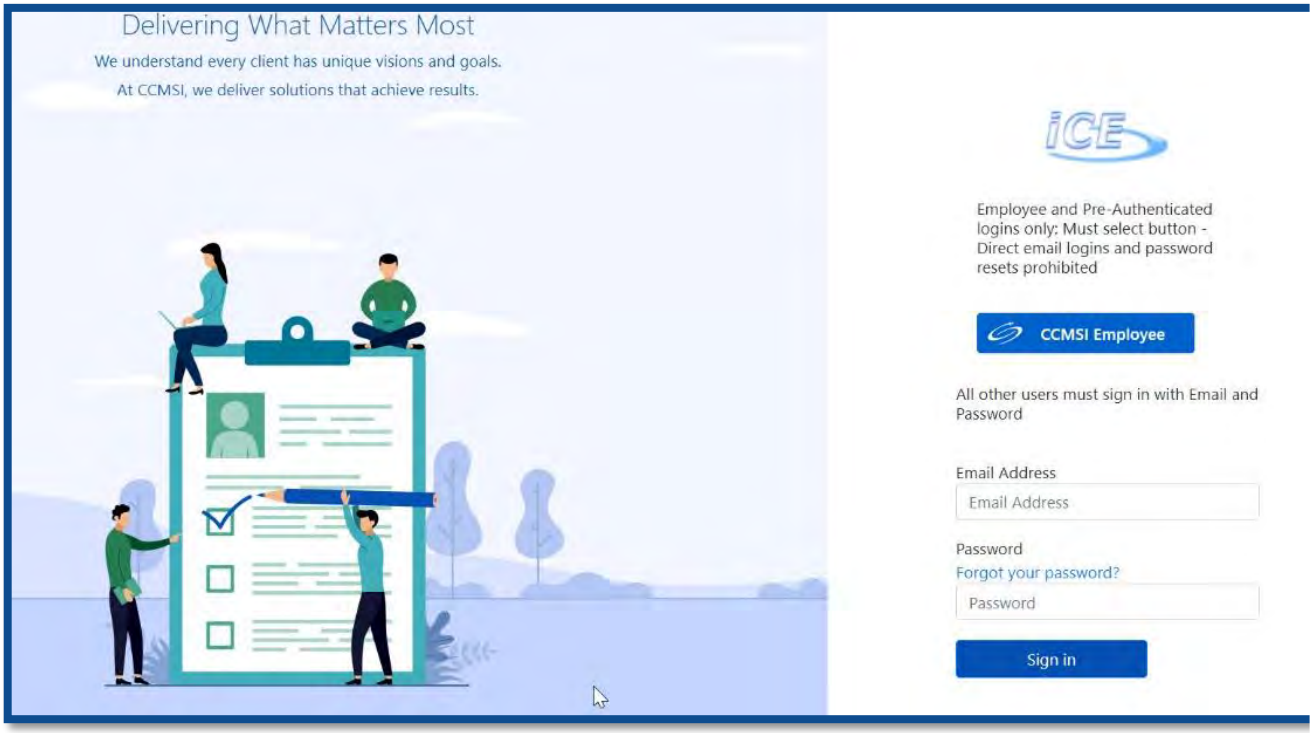
CLAIM DETAIL.....35-4

OSHA.....49-5

REPORTING.....59-8

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

LOGIN & AUTHENTICATION



Signing in to the iCE login screen offers secured access to claims information 24 hours a day, 7 days a week. iCE is easily accessible via the Web with no additional software required for installation. Loggi in allows authorized users to view their entire claims history. For users' protection and convenience, iCE offers: password protection, security questions, verification codes sent either via email or text message.

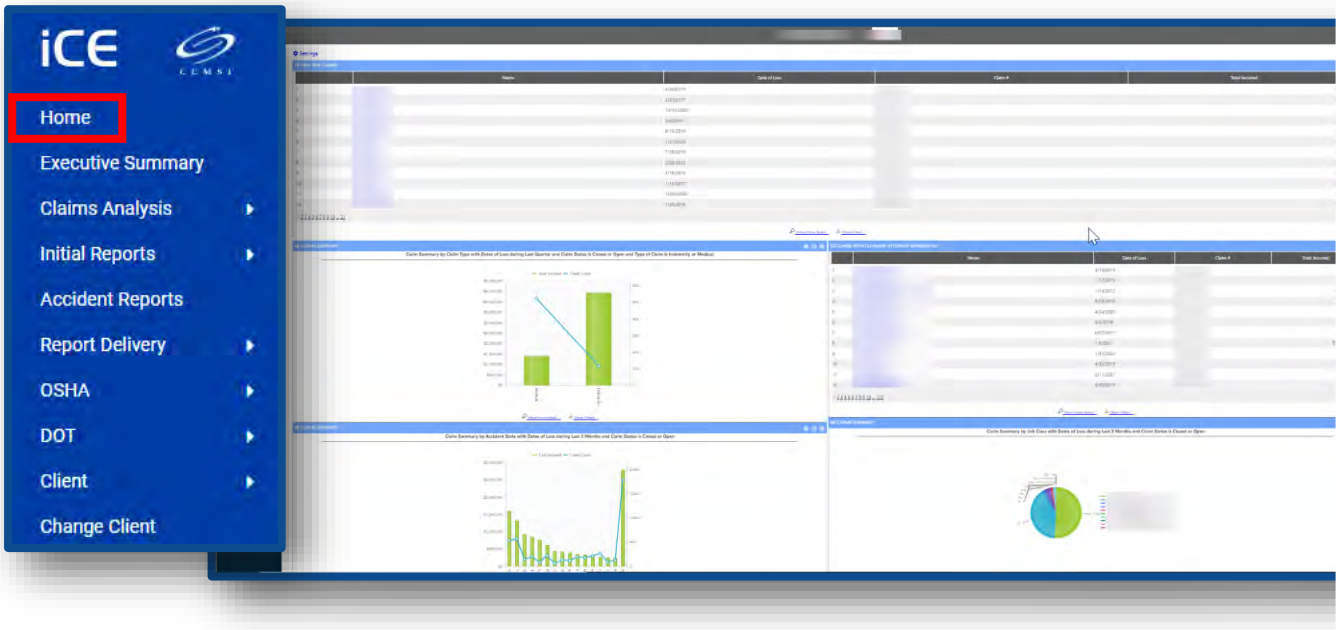
Multi-Factor Authentication (MFA) is security concept that verifies a user's identity by requiring multiple pieces of evidence (or factors). Rather than just a user name and password, MFA requires additional factor (like a code from a user's smartphone in CCMSI's case) to authenticate the user.

MFA simply put is one of the most effective ways to provide enhanced security by adding additional layers to increase the confidence that user accessing our applications are actually who they claim to be.

The integration with Microsoft's MFA allows CCMSI to monitor out of the ordinary attempts to acces our applications, as well as detect brute force attacks on our applications thus improving the securit for both CCMSI and our client's data.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

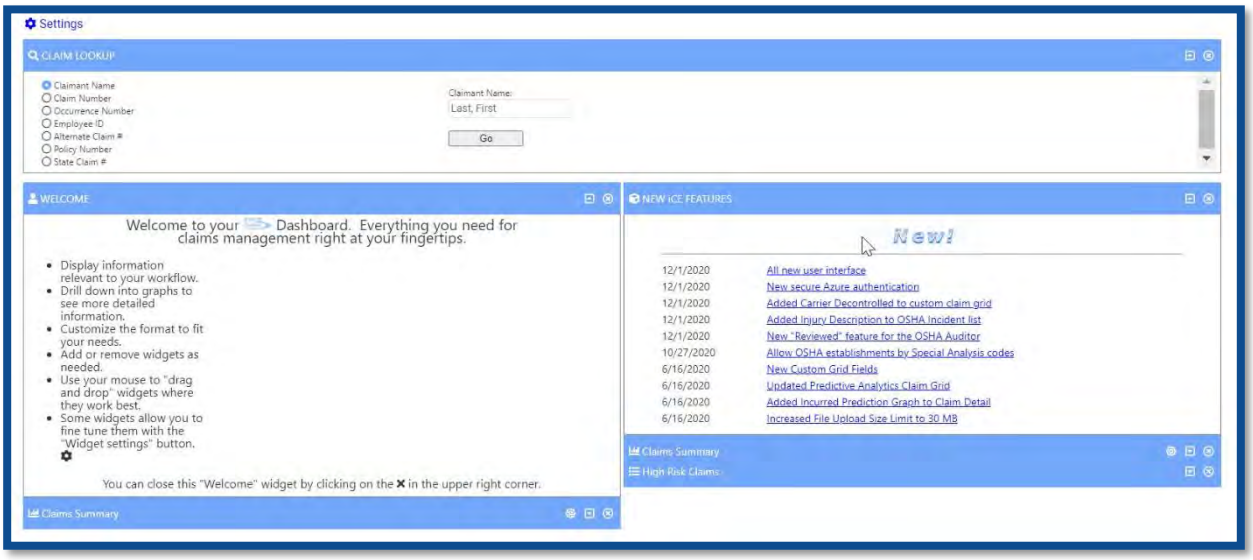
DASHBOARD HOMESCREEN



The iCE home page features easy access to all program features via the left hand navigation menu. T homepage also displays recent updates made to iCE and may now be fully customized using iCE's dashboard feature. The homepage dashboard tool offers: quick access to fully customizable client analysis, easy access to claim lookup features, easy access to client documents, one click access to tagged claims, at a glance access to high risk claims, shortcuts to additional reporting features.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

DASHBOARD HOMESCREEN & SETTINGS



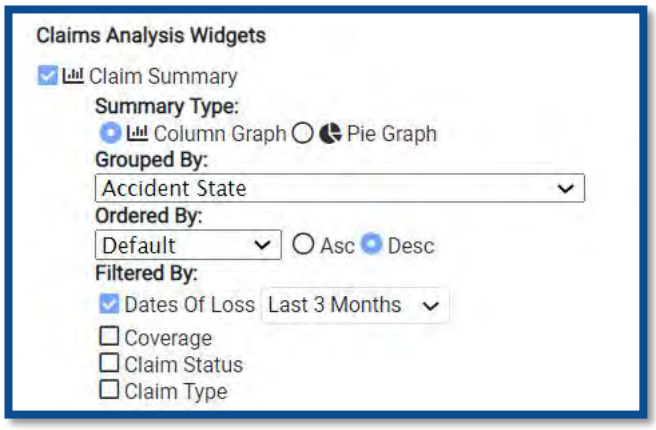
iCE's Dashboard is a customizable menu users manipulate to display all of their most pertient claims data and analysis so it is readily available to them upon login to iCE. A customized Dashboard eliminates constant criteria entry within Claims Grid and Claim Summary for frequently checked information. Before customizing your Homepage, Dashboard will display with iCE's welcome screen and the most recent updates to iCE.

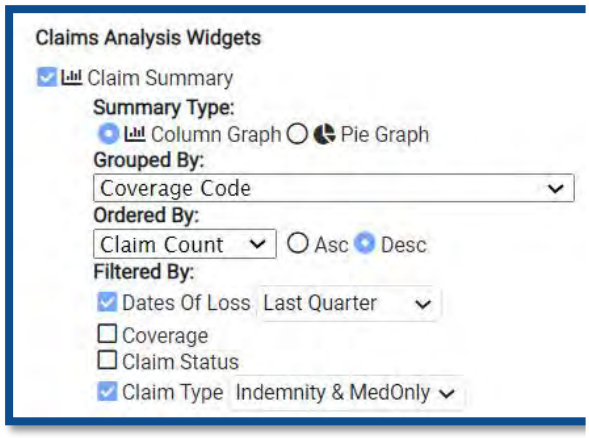
Clicking on "Settings" will drop down a selection menu where you may select which data tiles you would prefer to see displayed on your Homepage upon login.

There are three tabs on the Settings menu: Add Widgets, Manage Layout, and Reset All. Add Widgets houses the widget list, Manage Layout allows you to alter the ways your widget tiles are displayed, ar Reset All clears all of your current tile selections and widget filter settings.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

ADDING DASHBOARD WIDGETS





To add a widget to the Dashboard display, select the widget you would like and click on the empty bo to its left, placing a check mark within. Your preferred widget is now selected. In this example, we've selected the Claim Summary widget.

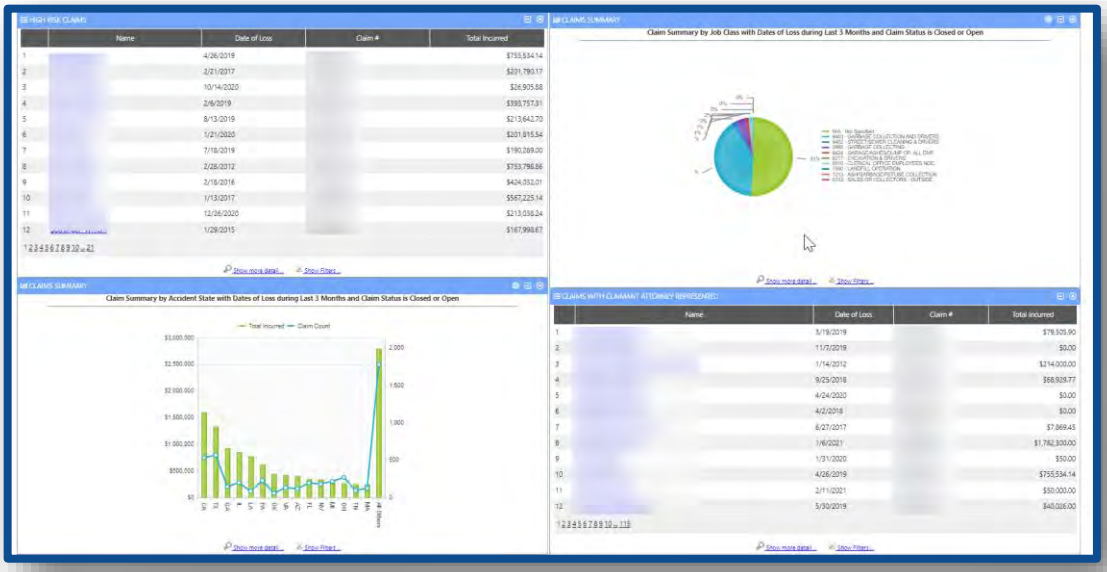
The Claim Summary widget has multiple selection criteria that pop up when you activate its selectio check box. Using the drop downs and radio buttons you may organize your data the way you would like it displayed in your tile. The Grouped By and Ordered By drop down menus are linked. If you mal a Grouped By selection and leave the Ordered By selection as Default the data will be ordered by whatever selection has been made in the Grouped By field. You may alter this by making a different Ordered By selection.

Checking off additional selections from the criteria list will show additional drop down menus to further classify your data if needed.

After making all the tweaks to your data you'd like, navigate to the right hand side of the widgets list to the Add Widget(s) tool. Click on any of the spaces available to place your widget in the designated area of the Homepage screen. Once you've chosen and clicked on an area, which will be highlighted white, click Add Widget(s).

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

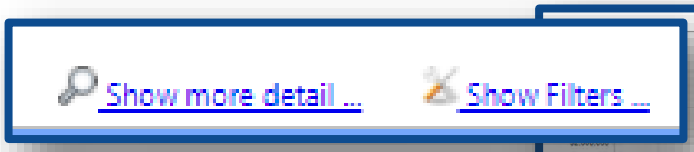
DASHBOARD LAYOUT EXAMPLE



The above is an example of multiple tiles displayed on the homepage dashboard. The top high risk claims widget is a standard and non customizable tile. The lower two tiles are examples of the customizable claim summary widget. The claim summary tile on the top right shows percent of NCCI code in a pie graph. The same widget can show an entirely different data set in an entirely different format such as on the bottom left where the claim summary widget was used to create a tile showing claims by accident state in a bar graph.

The lower two customizable tiles can be altered without accessing the settings menu by clicking on the gear icons at the top right of each tile. Data details can be accessed by clicking on “show more detail” at the bottom of any slide should the user notice an anomaly or spike in a particular data set.

Users can collapse individual tiles using the arrow icon at the top right of each tile and tiles may be deleted by clicking the “x” icon at the top right of each tile.

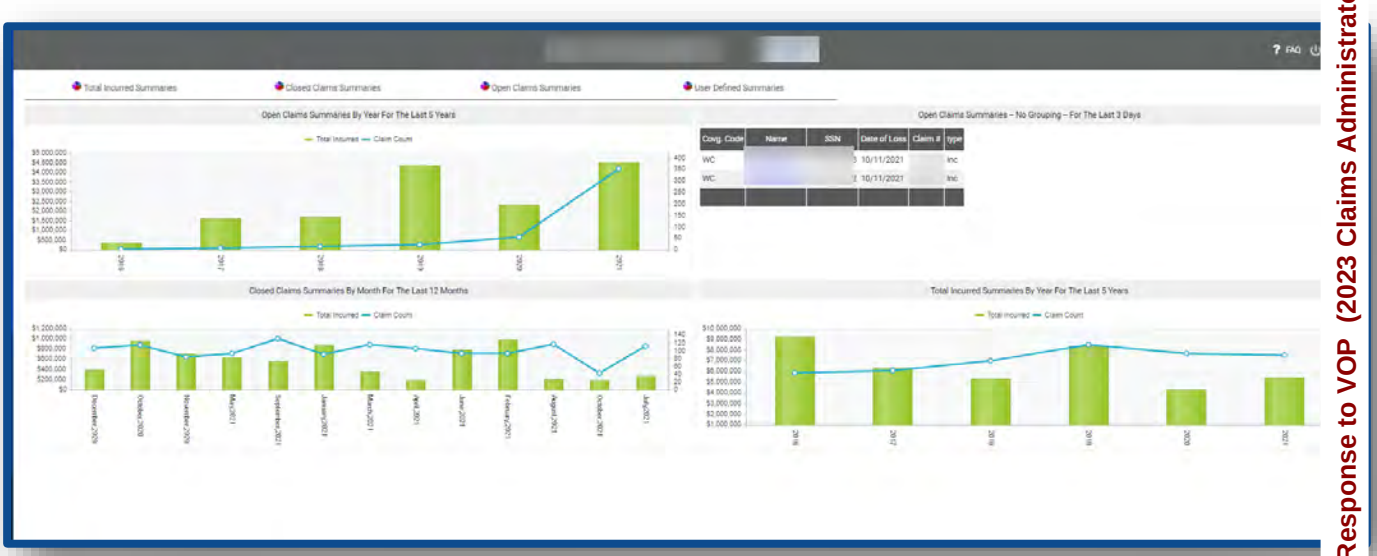


At the bottom of every tile, users have the option to “Show more detail.” Clicking on this option ports the data in the tile to claim summary where users can break down the data using further filters or get more claim detail within claim grids.

Accident State	Paid	Out Reserve	Recovered	Total Incurred	Claim Count	Cost per Clain
CA	$386,230.33	$1,211,536.94	$629.60	$1,597,137.67	530	$3,0
TX	$353,229.79	$977,553.23	$3,897.00	$1,326,886.02	567	$2,3
GA	$97,006.68	$830,762.78	$1,483.00	$926,286.46	146	$6,3
IL	$159,789.13	$697,273.80	$497.55	$856,565.38	198	$4,3
LA	$115,458.44	$650,835.02	$0.00	$766,293.46	83	$9,2
PA	$147,971.71	$469,116.52	$5,507.92	$611,580.31	226	$2,7
OK	$81,273.45	$355,850.88	$0.00	$437,124.33	59	$7,4
VA	$60,496.99	$361,212.29	$81.21	$421,628.07	132	$3,194.15

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

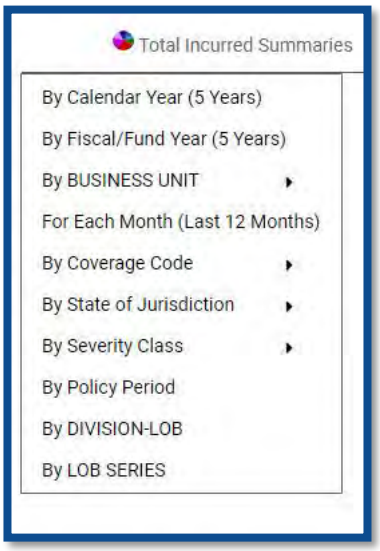
EXECUTIVE SUMMARY



Executive Portal View (above) offers quick access to the most requested claims analysis reports, reports on-line (Live, Static, MyReports and Managed Care.).

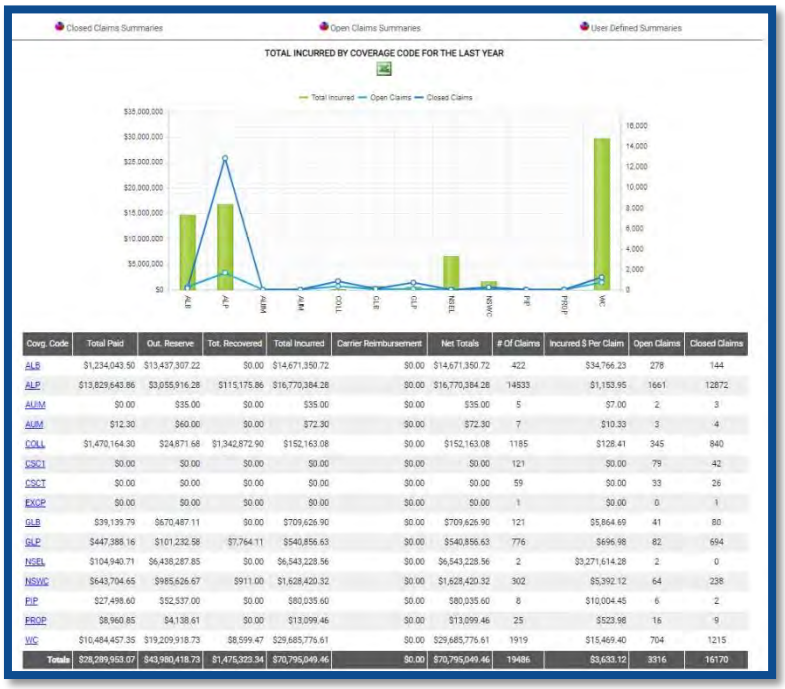
Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

EXECUTIVE SUMMARY



The Executive Portal features drop down selections. With a simple click of the mouse, top requested reports are available at your fingertips.

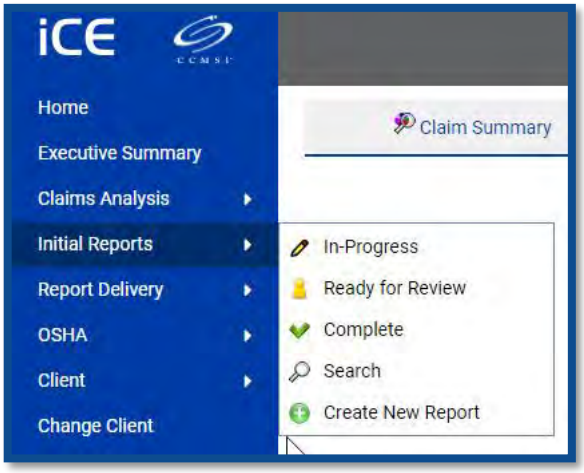
For a deeper analysis of claims history, the Claims Analysis section of iCE provides multiple features f filtering relevant data.

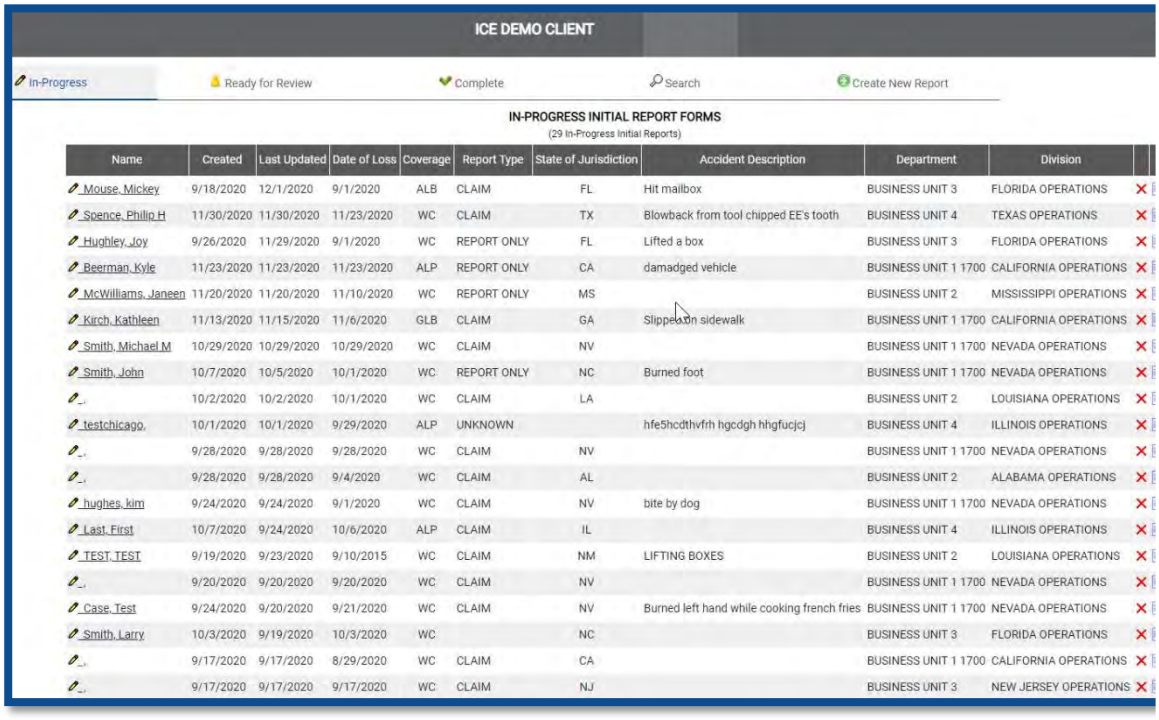


Covg. Code	Total Paid	Out. Reserve	Tot. Recovered	Total Incurred	Carrier Reimbursement	Net Totals	# Of Claims	Incurred $ Per Claim	Open Claims	Closed Claims
ALB	$1,234,043.50	$13,437,307.22	$0.00	$14,671,350.72	$0.00	$14,671,350.72	422	$34,766.23	278	144
ALP	$13,829,643.86	$3,055,916.28	$115,175.86	$16,770,384.28	$0.00	$16,770,384.28	14533	$1,153.95	1661	12872
AUM	$0.00	$35.00	$0.00	$35.00	$0.00	$35.00	5	$7.00	2	3
AUM	$12.30	$60.00	$0.00	$72.30	$0.00	$72.30	7	$10.33	3	4
COLL	$1,470,164.30	$24,871.68	$1,342,872.90	$152,163.08	$0.00	$152,163.08	1185	$128.41	345	840
CSC1	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	121	$0.00	79	42
CSCT	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	59	$0.00	33	26
EXCP	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	1	$0.00	0	1
GLB	$39,139.79	$670,487.11	$0.00	$709,626.90	$0.00	$709,626.90	121	$5,864.69	41	80
GLP	$447,388.16	$101,232.58	$7,764.11	$540,856.63	$0.00	$540,856.63	776	$696.98	82	694
NSEL	$104,940.71	$6,438,287.85	$0.00	$6,543,228.56	$0.00	$6,543,228.56	2	$3,271,614.28	2	0
NSWC	$643,704.65	$985,626.67	$911.00	$1,628,420.32	$0.00	$1,628,420.32	302	$5,392.12	64	238
PIP	$27,498.60	$52,537.00	$0.00	$80,035.60	$0.00	$80,035.60	8	$10,004.45	6	2
PROP	$8,960.85	$4,138.61	$0.00	$13,099.46	$0.00	$13,099.46	25	$523.98	16	9
WC	$10,484,457.35	$19,209,918.73	$8,599.47	$29,685,776.61	$0.00	$29,685,776.61	1919	$15,469.40	704	1215
Totals	$28,289,953.07	$43,980,418.73	$1,475,323.34	$70,795,049.46	$0.00	$70,795,049.46	19486	$3,633.12	3316	16170

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

INITIAL REPORTS





Name	Created	Last Updated	Date of Loss	Coverage	Report Type	State of Jurisdiction	Accident Description	Department	Division
Mouse, Mickey	9/18/2020	12/1/2020	9/1/2020	ALB	CLAIM	FL	Hit mailbox	BUSINESS UNIT 3	FLORIDA OPERATIONS
Spence, Philip H	11/30/2020	11/30/2020	11/23/2020	WC	CLAIM	TX	Blowback from tool chipped EE's tooth	BUSINESS UNIT 4	TEXAS OPERATIONS
Hughley, Joy	9/26/2020	11/29/2020	9/1/2020	WC	REPORT ONLY	FL	Lifted a box	BUSINESS UNIT 3	FLORIDA OPERATIONS
Beerman, Kyle	11/23/2020	11/23/2020	11/23/2020	ALP	REPORT ONLY	CA	damadged vehicle	BUSINESS UNIT 1 1700	CALIFORNIA OPERATIONS
McWilliams, Janeen	11/20/2020	11/20/2020	11/10/2020	WC	REPORT ONLY	MS		BUSINESS UNIT 2	MISSISSIPPI OPERATIONS
Kirch, Kathleen	11/13/2020	11/15/2020	11/6/2020	GLB	CLAIM	GA	Slipped on sidewalk	BUSINESS UNIT 1 1700	CALIFORNIA OPERATIONS
Smith, Michael M	10/29/2020	10/29/2020	10/29/2020	WC	CLAIM	NV		BUSINESS UNIT 1 1700	NEVADA OPERATIONS
Smith, John	10/7/2020	10/5/2020	10/1/2020	WC	REPORT ONLY	NC	Burned foot	BUSINESS UNIT 1 1700	NEVADA OPERATIONS
,	10/2/2020	10/2/2020	10/1/2020	WC	CLAIM	LA		BUSINESS UNIT 2	LOUISIANA OPERATIONS
testchicago,	10/1/2020	10/1/2020	9/29/2020	ALP	UNKNOWN		hfe5hcdthvfrh hgcdgh hhgfucjcj	BUSINESS UNIT 4	ILLINOIS OPERATIONS
,	9/28/2020	9/28/2020	9/28/2020	WC	CLAIM	NV		BUSINESS UNIT 1 1700	NEVADA OPERATIONS
,	9/28/2020	9/28/2020	9/4/2020	WC	CLAIM	AL		BUSINESS UNIT 2	ALABAMA OPERATIONS
hughes, kim	9/24/2020	9/24/2020	9/1/2020	WC	CLAIM	NV	bite by dog	BUSINESS UNIT 1 1700	NEVADA OPERATIONS
Last, First	10/7/2020	9/24/2020	10/6/2020	ALP	CLAIM	IL		BUSINESS UNIT 4	ILLINOIS OPERATIONS
TEST, TEST	9/19/2020	9/23/2020	9/10/2015	WC	CLAIM	NM	LIFTING BOXES	BUSINESS UNIT 2	LOUISIANA OPERATIONS
,	9/20/2020	9/20/2020	9/20/2020	WC	CLAIM	NV		BUSINESS UNIT 1 1700	NEVADA OPERATIONS
Case, Test	9/24/2020	9/20/2020	9/21/2020	WC	CLAIM	NV	Burned left hand while cooking french fries	BUSINESS UNIT 1 1700	NEVADA OPERATIONS
Smith, Larry	10/3/2020	9/19/2020	10/3/2020	WC		NC		BUSINESS UNIT 3	FLORIDA OPERATIONS
,	9/17/2020	9/17/2020	8/29/2020	WC	CLAIM	CA		BUSINESS UNIT 1 1700	CALIFORNIA OPERATIONS
,	9/17/2020	9/17/2020	9/17/2020	WC	CLAIM	NJ		BUSINESS UNIT 3	NEW JERSEY OPERATIONS

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

The Initial Claim Report section gives you access to in-progress, complete, reports only, search repor (at right) and create new reports. The ability to search Initial Claim Reports allows users to search by various categories to locate previous reports based on search criteria. When clicking on Initial Repor in the main navigation menu, the screen defaults to the In Progress screen.

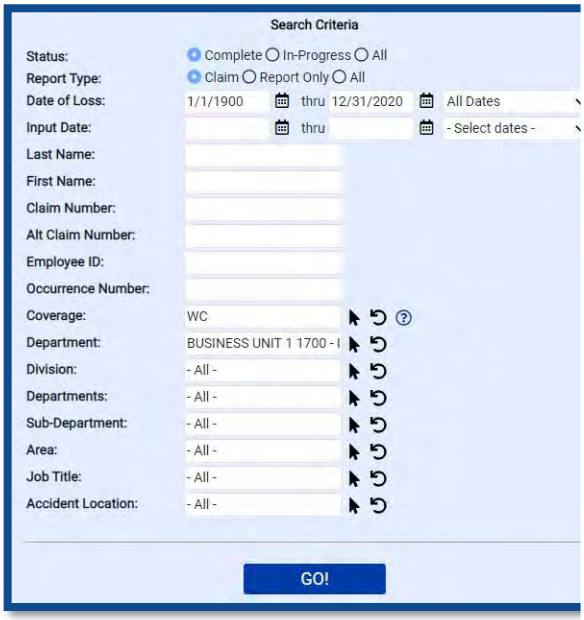
INITIAL REPORTS

While Initial Reports are In Progress, they have not been submitted to CCMSI for processing. Some have the option to review their employees claims before they are able to submit them to CCMSI. In this case, only one designated claim manager is able to submit claims. When this feature is requeste the Ready for Review tab is added to the Initial Reports module. Initial reports appearing here have been submitted for internal review. Until the claim manager completes the report, it is not yet submitted to CCMSI.

Claims that appear under the Completed tab have been saved and successfully submitted to CCMSI for processing. Once a claim has been submitted, the client may make no further alterations to the report via iCE except for attaching additional documents and submitting them to the adjuster. Form filler is still accessible in the Completed state.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

SEARCHING INITIAL REPORTS



SEARCH INITIAL REPORTS

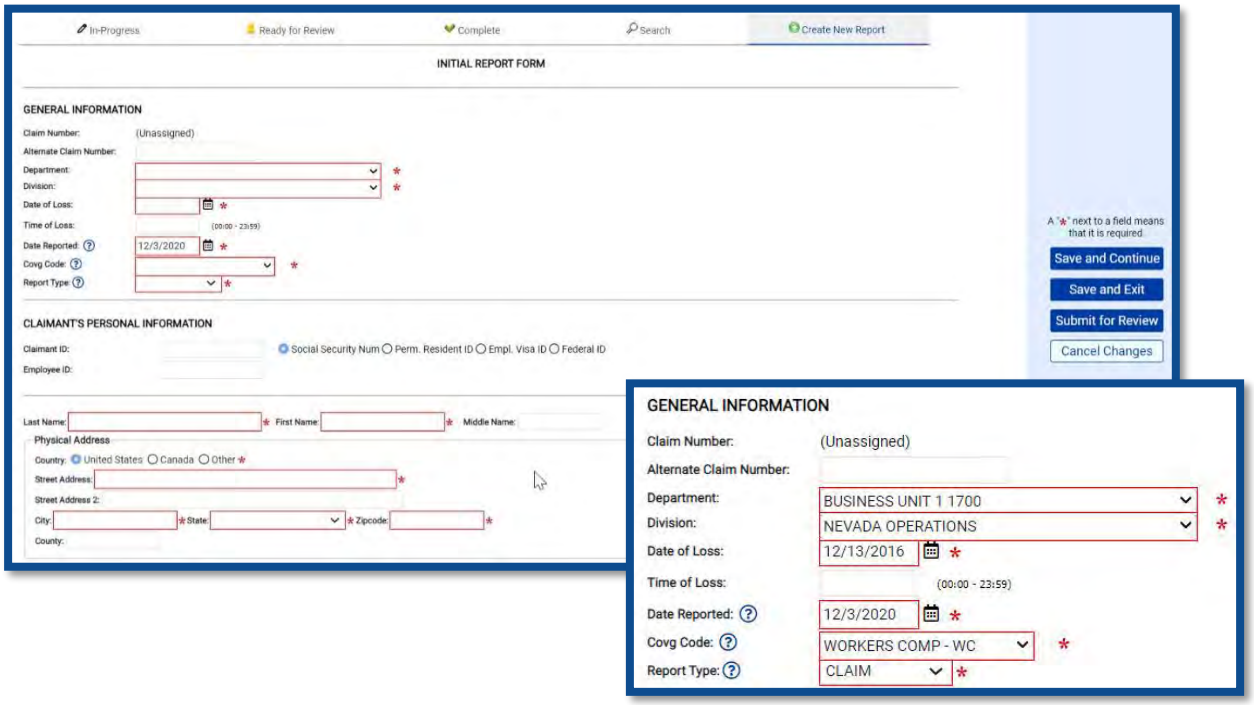
Name	Created	Last Updated	Claim Number	Date of Loss	Coverage	Report Type
oker, jessica	9/26/2020	12/8/2020	20ICEJ404945	9/26/2020	WC	CLAIM
Doe, John	11/15/2020	11/15/2020	20ICEJ410588	11/14/2020	WC	CLAIM
test, mary	10/3/2020	10/3/2020	18ICEF759123	10/2/2020	WC	CLAIM
Meeker, Kristin	8/13/2020	9/28/2020	14ICEE321025	8/12/2020	WC	CLAIM
Case, Test	9/21/2020	9/28/2020	14ICEE094941	9/21/2020	WC	CLAIM
Doe, John	9/27/2020	9/28/2020	20ICEJ292977	9/26/2020	WC	CLAIM
Wilson, Phil	9/26/2020	9/27/2020	17ICEF343096	9/23/2020	WC	CLAIM
smith, joe	9/23/2020	9/25/2020	18ICEF779044	9/8/2020	WC	CLAIM
Sofia, Princess	9/24/2020	9/24/2020	14ICEE580542	9/20/2020	WC	CLAIM
Sprague, Jason	9/27/2020	9/14/2020	RPO_F343368	9/20/2020	WC	RPO to CLAIM

Any initial report that has been entered into iCE by the user can be searched for via the initial report Search feature. This is useful if a user cannot remember a claim number or a claimant name to utiliz quick search. Filling out the input fields will refine a user's search. After filling out all fields necessary clicking Go will generate the search results.

Clicking Go on the initial report search page populates the claim results specified by the inputted fields. Claims will display in a grid. Submitted claims are not available for editing, in progress initial reports can be edited by clicking on the pencil icon on the left hand side of the grid. Form Filler is als accessible via this module.

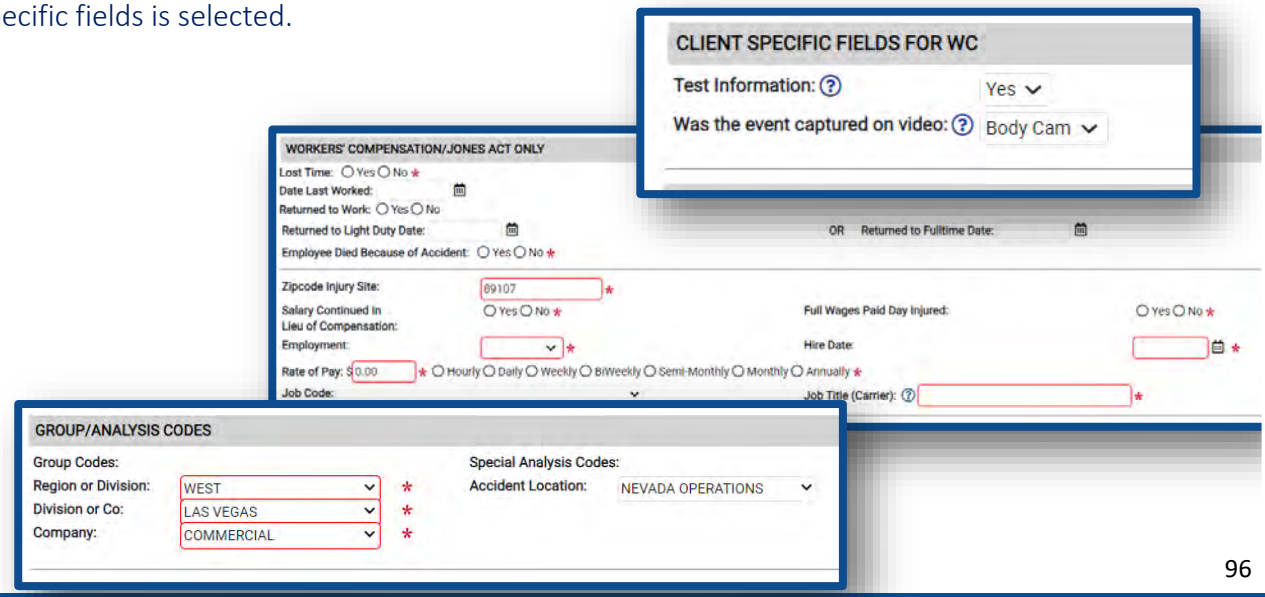
Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

ENTERNING NEW INITIAL REPORTS



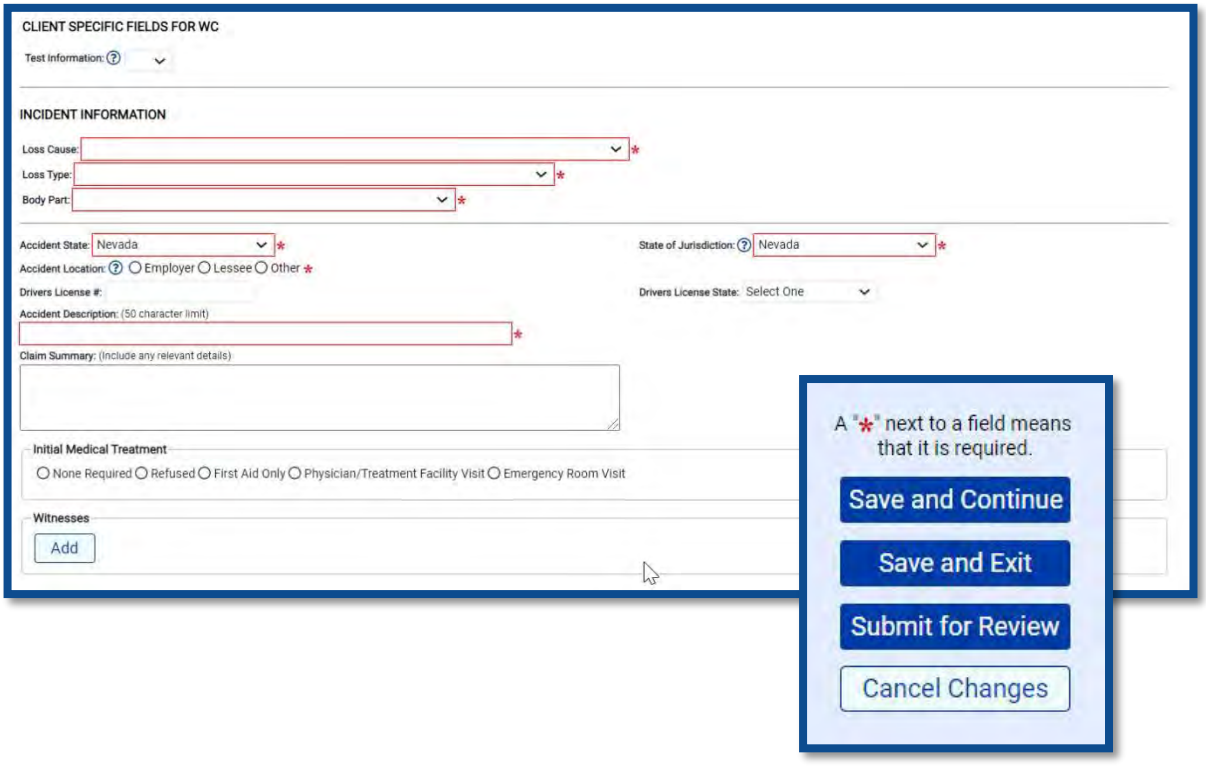
The Create New Report tab displays the claim report form users fill out to create their claim or report only (report onlys can be converted to claims after submission.) Any field marked with a red asterisk i a required field. Users will not be able to submit an initial report form until all required fields have been populated.

Users can select field options from drop down menus available to them. Their selection will populate the empty input field. When WC is selected, multiple sections of coverage specific fields will auto-populate within the report. These sections will not show until WC or another coverage with coverage specific fields is selected.



Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

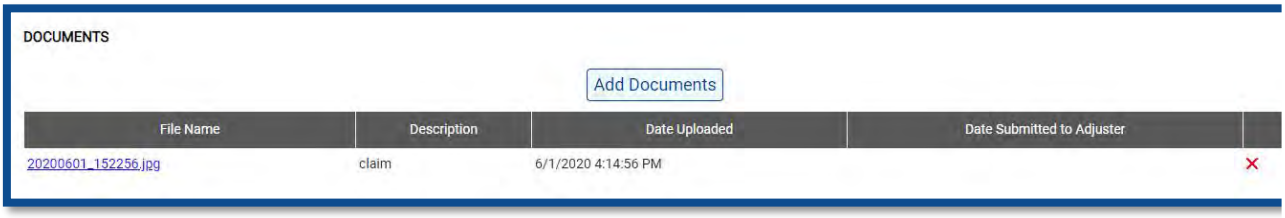
ENTERNING NEW INITIAL REPORTS

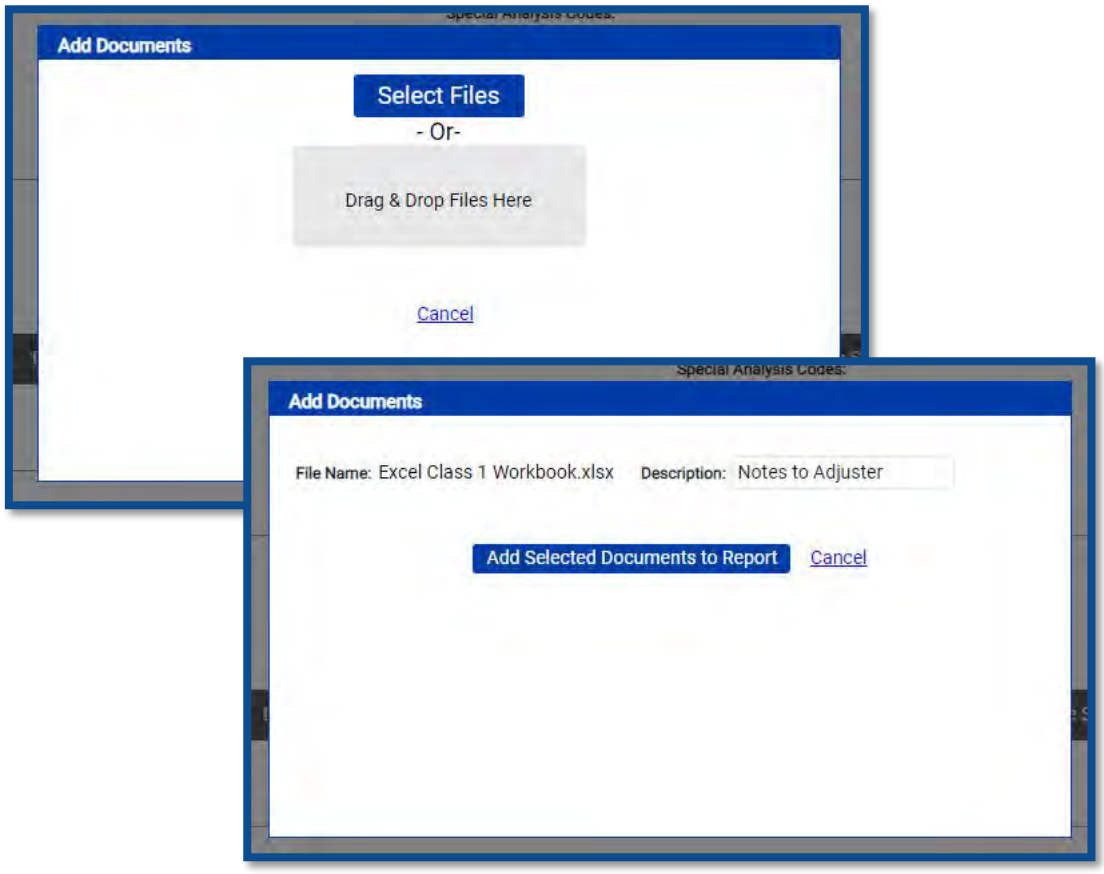


While a user works on their initial report form, they have the option to Save the report for later, Save and Continue working on the report or Submit the report for review or as a claim or RPO. Saving an initial report often ensures no data will be lost if a user leaves their screen idle for more than 29 minutes.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

ENTERNING NEW INITIAL REPORTS



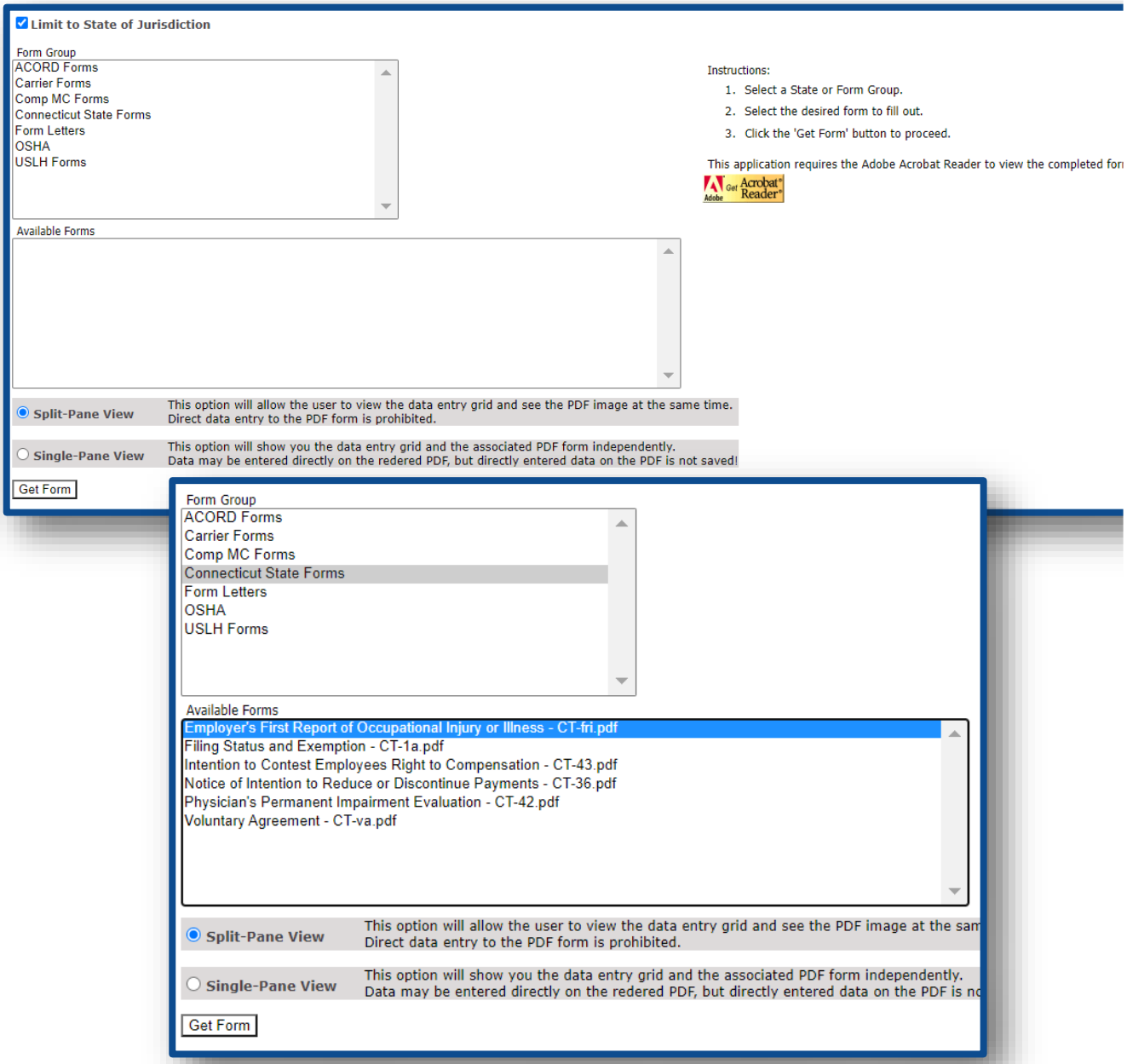


Within the initial report form is a section for adding additional documentation to the form which aren't included in its automatic fields. When users click "Add Documents" a new window pops up which includes tools to either choose files from the "Select Files" button or to drag and drop files directly from the user's desktop or a folder and into the form.

Clicking "Select Files" opens a navigation folder through which the user may locate their files and double click on them to upload. If the user has their documents available on their desktop or a folde they may drag them over the "Drag & Drop Files Here" section of the pop up. Once they drop the fil another pop up will populate showing the file name and offering a description window where users may add some brief commentary to the uploaded file. To complete the upload, click "Add Selected Documents to Report."

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

FORM FILLER

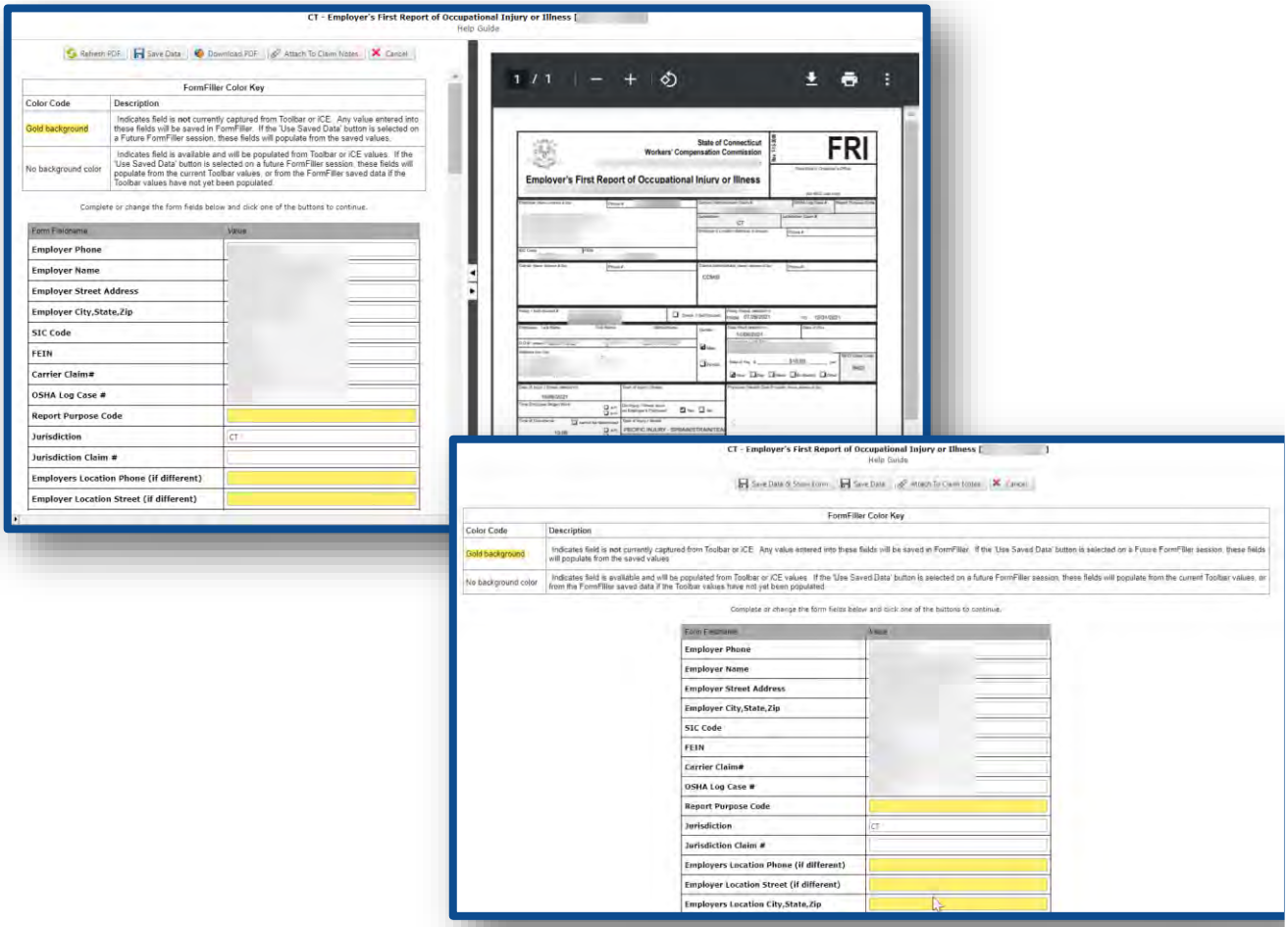


Form Filler gives users access to state forms, first report of injury forms, the OSHA 301 and multiple other forms that may be required for claim submission. While forms in Form Filler are available to users while an initial report is in progress, all forms will not be available until the user submits their initial report as a claim.

Users must select the form category in the first selection box at the top of the screen. Once that selection is highlighted in blue, the reports available will populate in the lower selection box. Users must select the form they want from the selections available. Once the selection is highlighted in blu they may navigate to the form by clicking Get Form.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

FORM FILLER



Before navigating to the form, users have the option of viewing the form in split or single pane view. Split pane view shows the input fields and print ready form side by side while single pane view only shows the input fields.

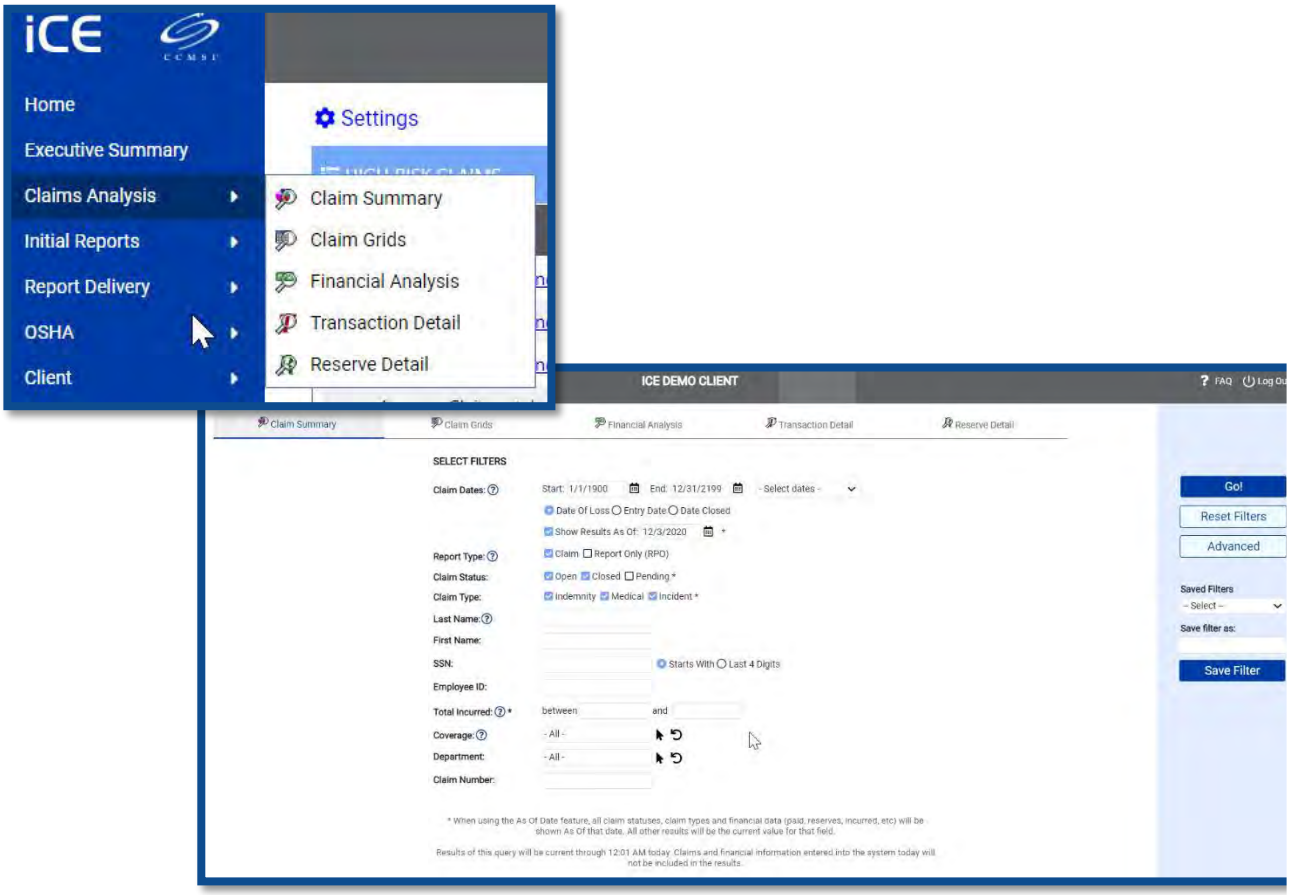
In split pane view, The user's input fields are on the left and the print ready preview version of the form shows on the right. When a user populated a field on the left, the corresponding field on the right hand form also populates. The menu at the top allows users to Refresh the PDF, Save Data, Download PDF, attach the form to claim notes and cancel all changes.

The gold background fields are not captured in Icebar. If a user does not save their form, these fields will not be populated when they come back to the form later.

If the split pane view is too distracting, users may opt for the single pane view above and focus only their input fields. A print ready preview of the form is not shown in this view. The form will only be displayed when the user saves as a PDF.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CLAIMS ANALYSIS



Claims Analysis is one of the iCE claims modules used to review claims that have been submitted int the system. Using this feature, users are capable of reviewing and analyzing claims using different search methods, including summary and/or details of claims, as well as other methods or technique including financial, transaction or reserve examination. Additionally, this feature can access individua claim details.

The Claims Analysis home screen defaults to the Claim Summary tab. Clicking on other tabs will brin the user to other search and analysis tools within the Claims Analysis module.

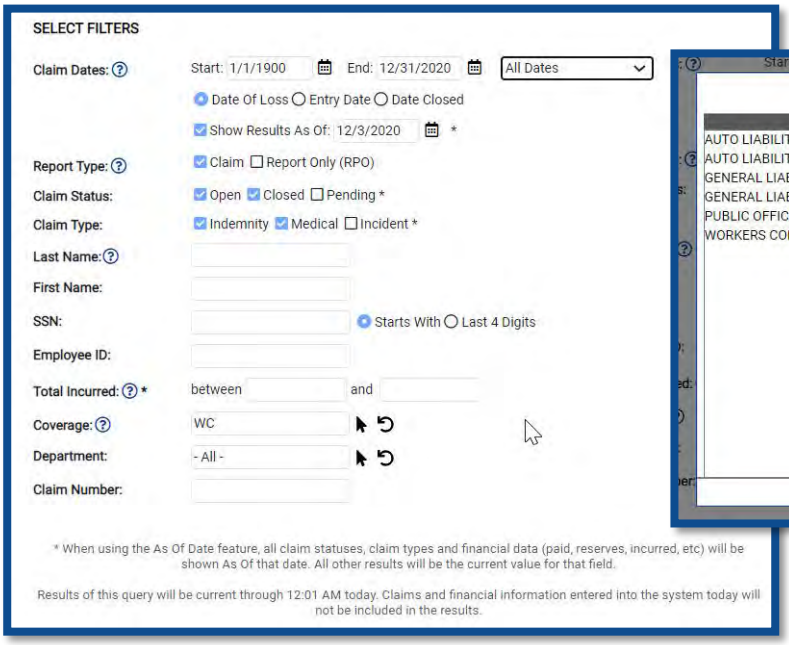
Select and enter search filters to tailor claim summary/claims analysis results to match the user's parameters.

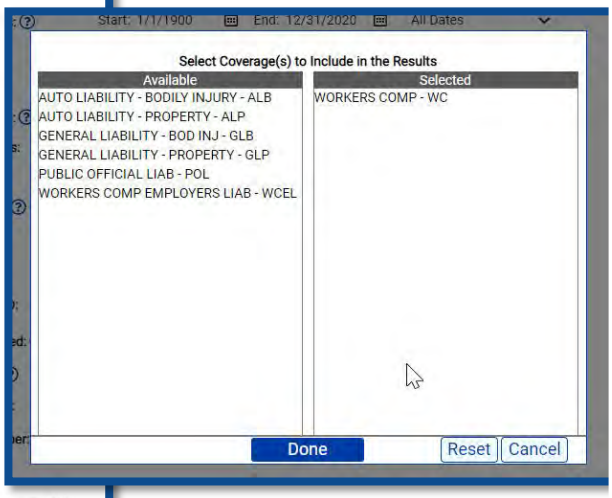
The Advanced feature provides more search filters to narrow claim results.

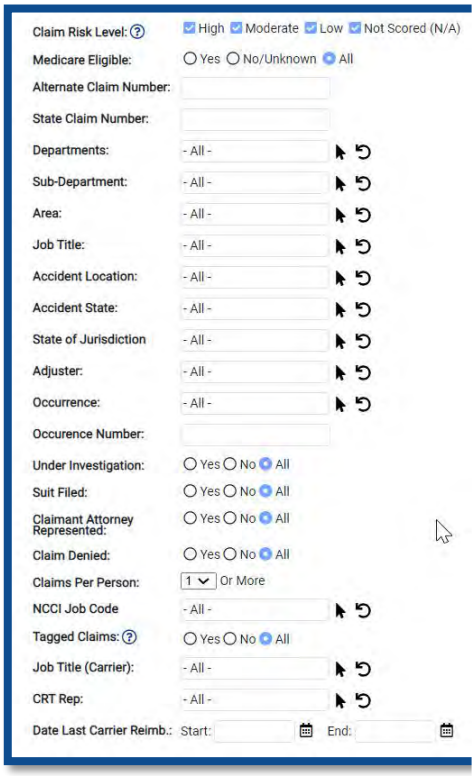
If a user has a favorite set of selected search filters, they can save that set in User Filters.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CLAIMS ANALYSIS







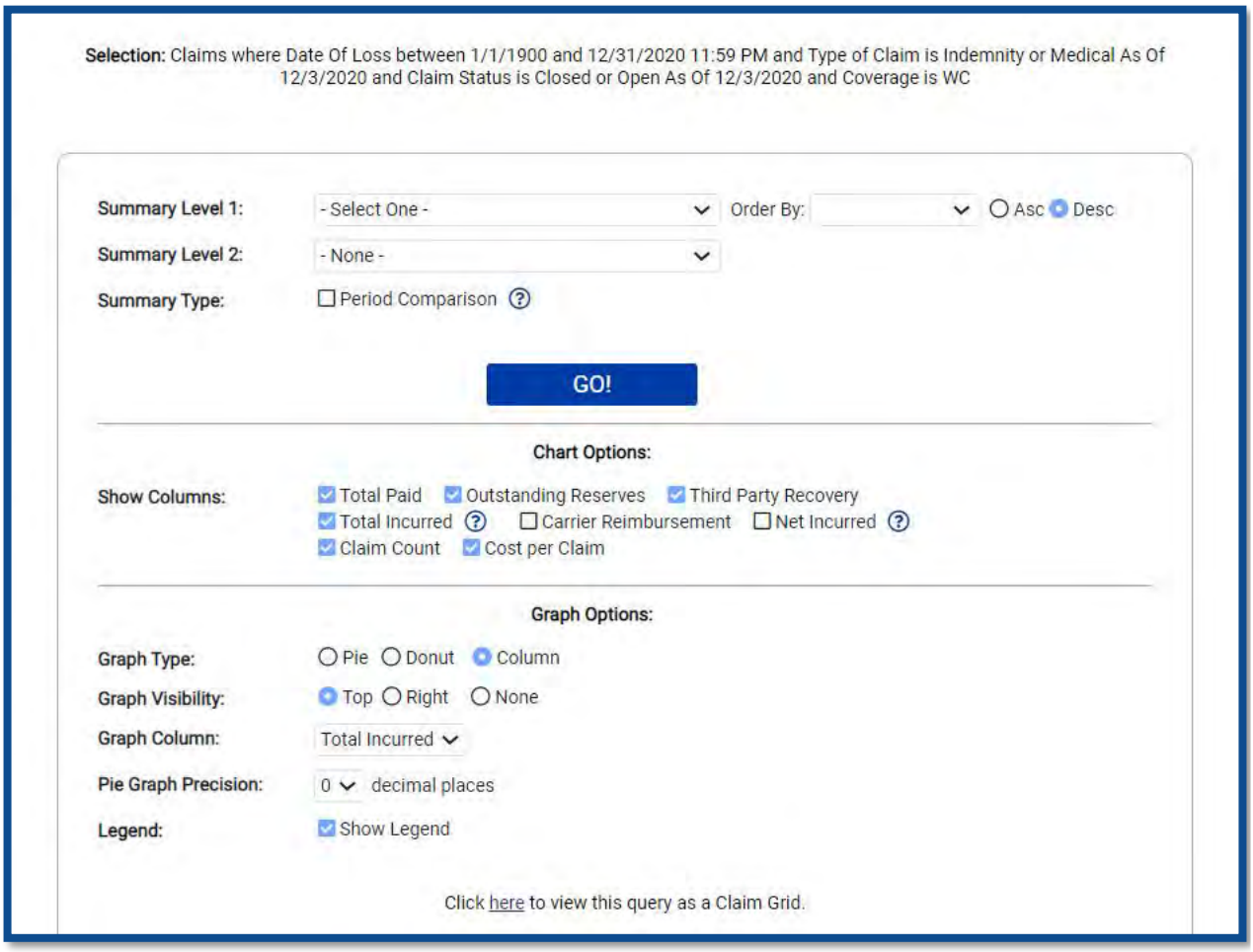
Claim Summary is a search tool for claims using high-level claims review functions. This module provides a powerful and flexible query capability for the following: Date of loss, entry date, date closed, “as of” functionality, name, SSN, claim number, total incurred, type of claim, claims status, description codes, coverage, etc.

Pop up selection menus aid users in refining search parameters such as coverage codes, special analysis codes, business locations, policy holders, etc.

Clicking on the Advanced filter button expands the range of parameter selections to further refine claim results. When the user clicks Go, the Summary Selection Screen will be displayed.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CLAIMS ANALYSIS

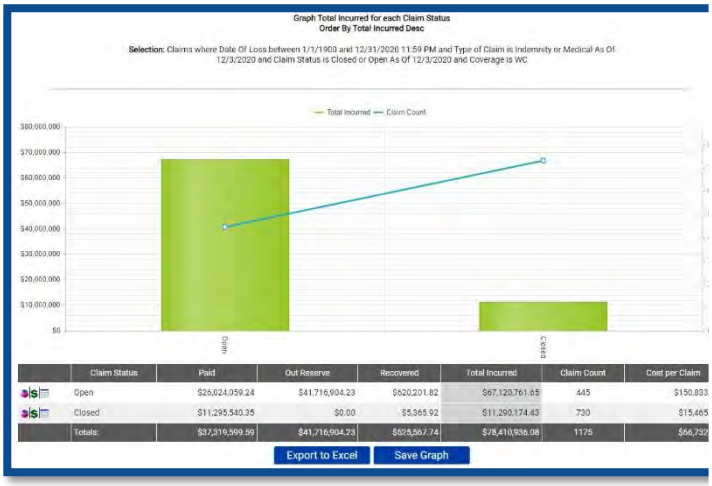


The Summary Level screen allows uses to structure and order the display of the data they've selecte on the prior screens. There are a total of two summary levels from which to choose from a number criteria within a drop down menu and one Order By selection which varies depending on what category a user selects for their first Summary Level. Users can also determine what values are show on the resulting chart and what type of graph is plotted as well as a number of its details.

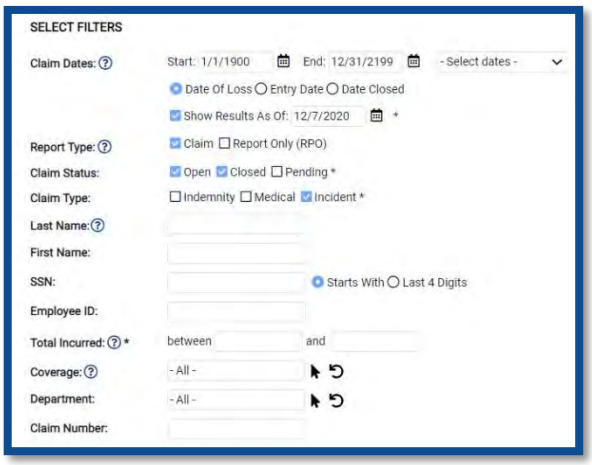
Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CLAIMS ANALYSIS

From the standard parameters, open and closed WC claims have been selected. Graphed by claim stat



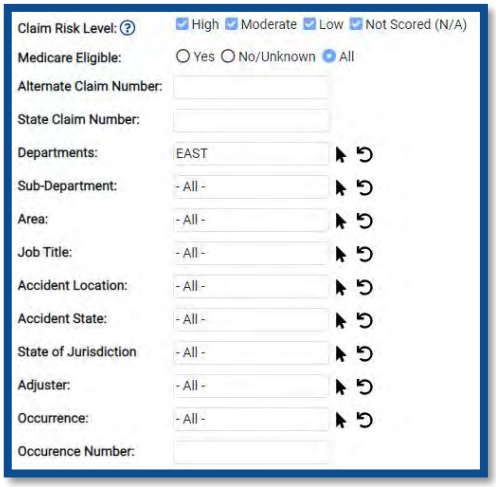
From the standard parameters, open and closed incidents have been selected. Graphed by departmer

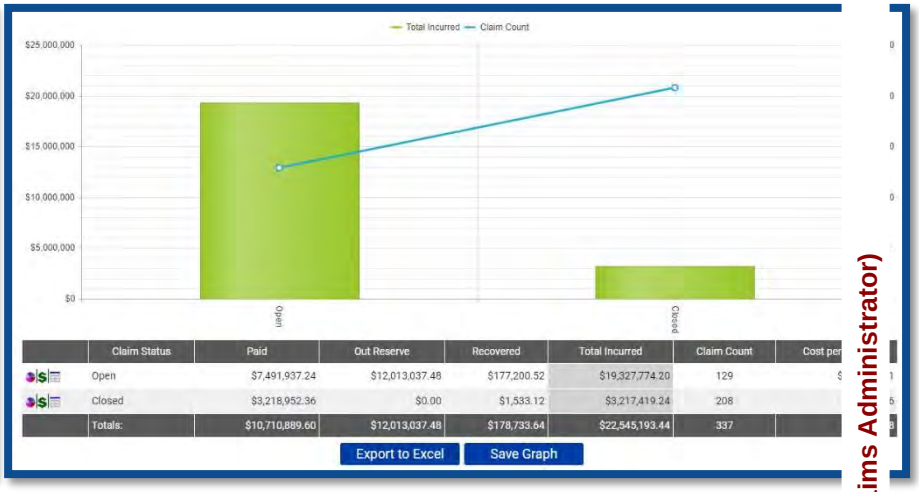


From the standard parameters, open and closed WC claims from a specific department have been selec

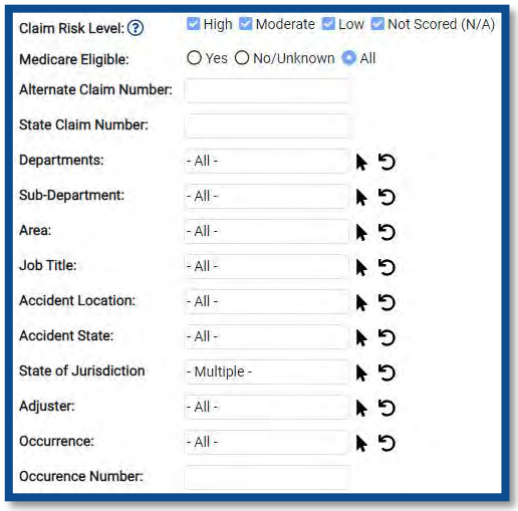
CLAIMS ANALYSIS

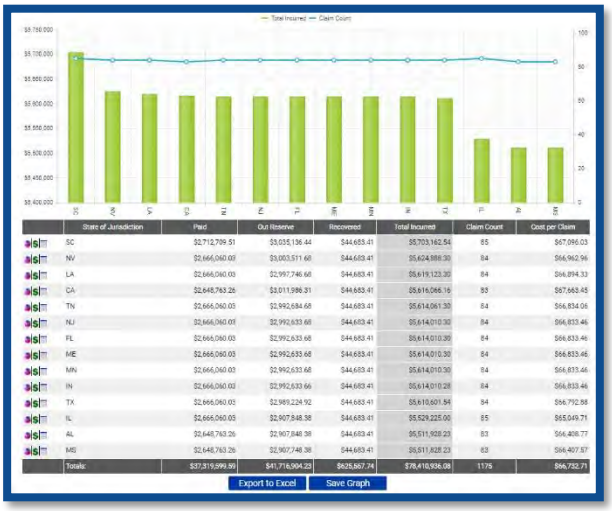
From the advanced parameters, open/closed WC claims from a specific department have been selecte



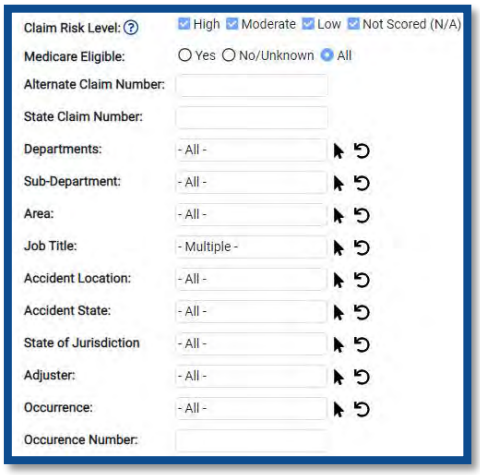


From the advanced parameters, open/closed WC claims from a specific state have been selected.



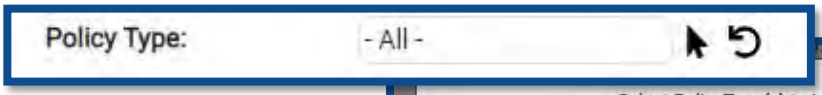


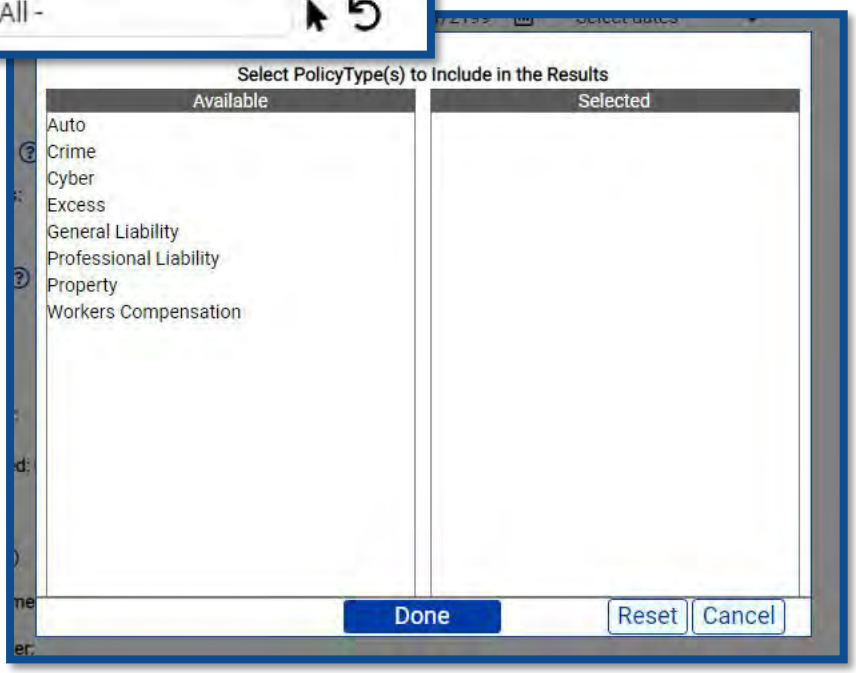
From the advanced parameters, open/closed WC claims of various job titles have been selected.

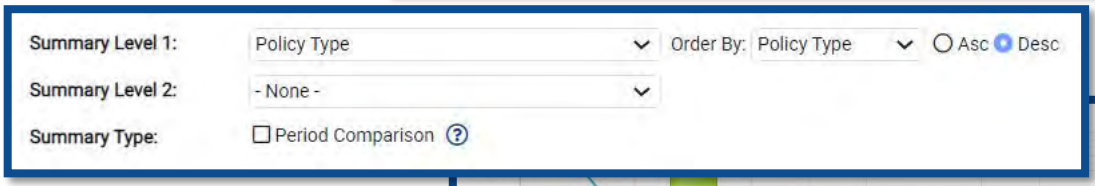


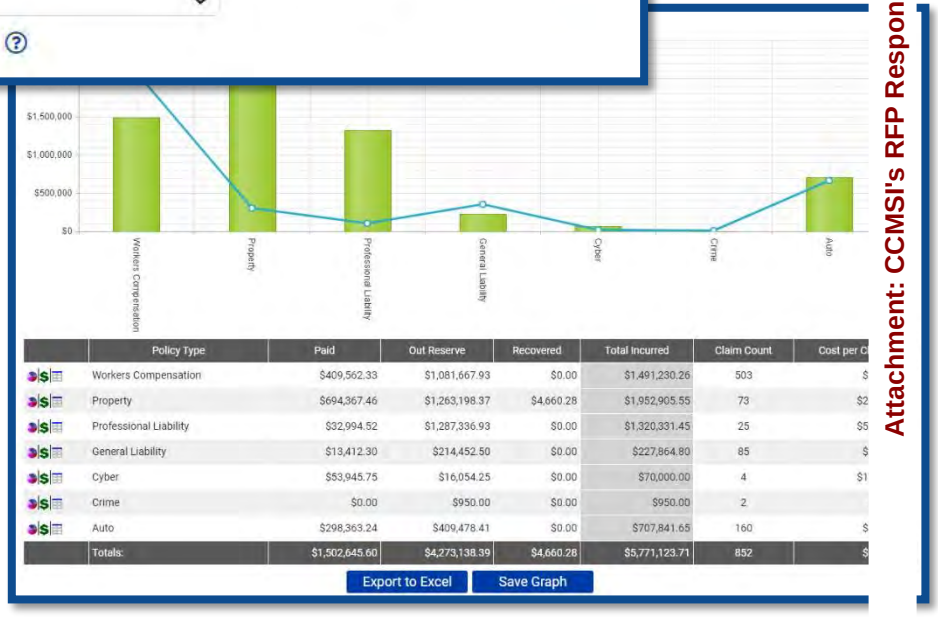
Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CLAIMS ANALYSIS





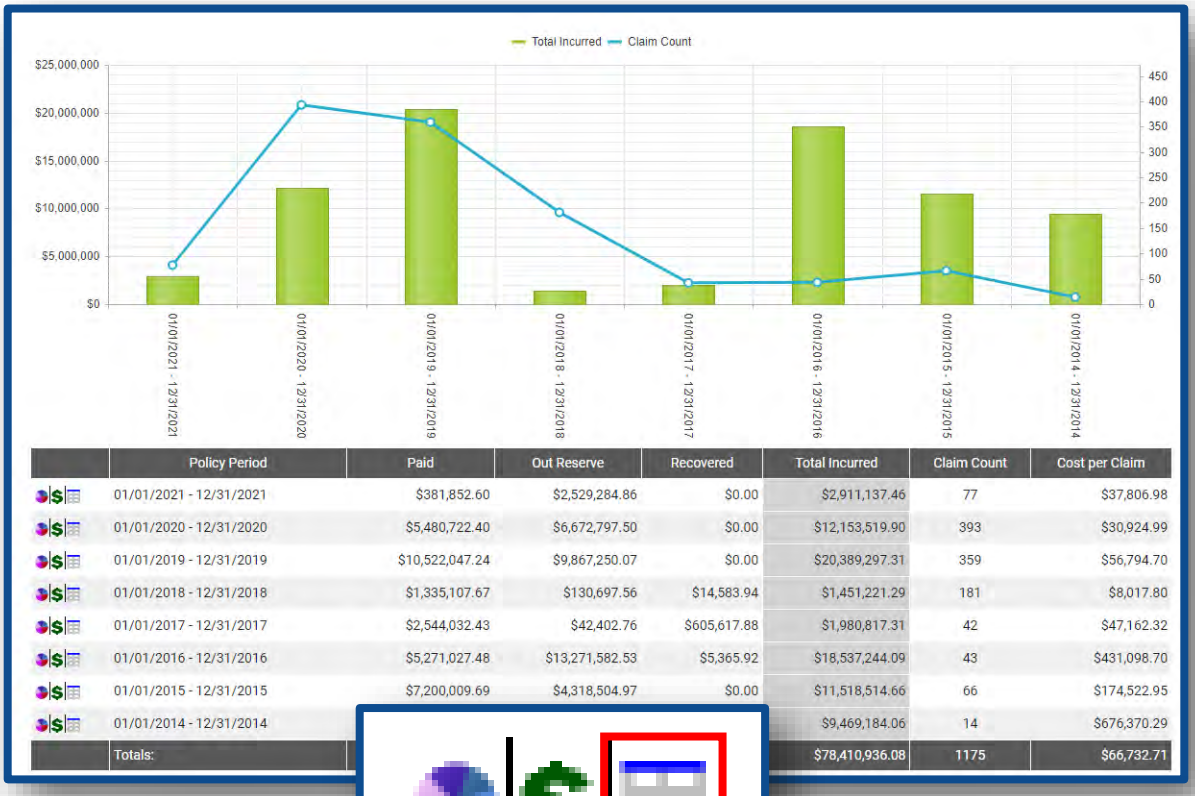




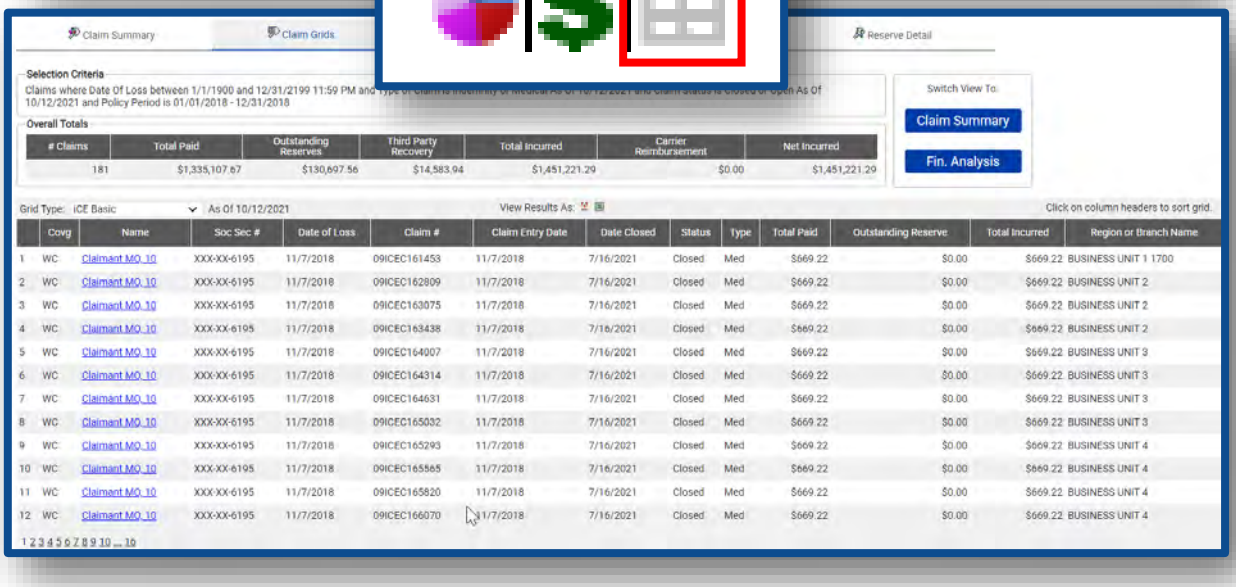
The Policy type feature is a relatively new addition to the advanced features in Claims Analysis. Witl it, users can select an overview category of their coverages without having to select each individual coverage one by one. Using the Claim Summary results feature can give a broad overview of a client's full suite of policies at a glance.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CLAIMS ANALYSIS



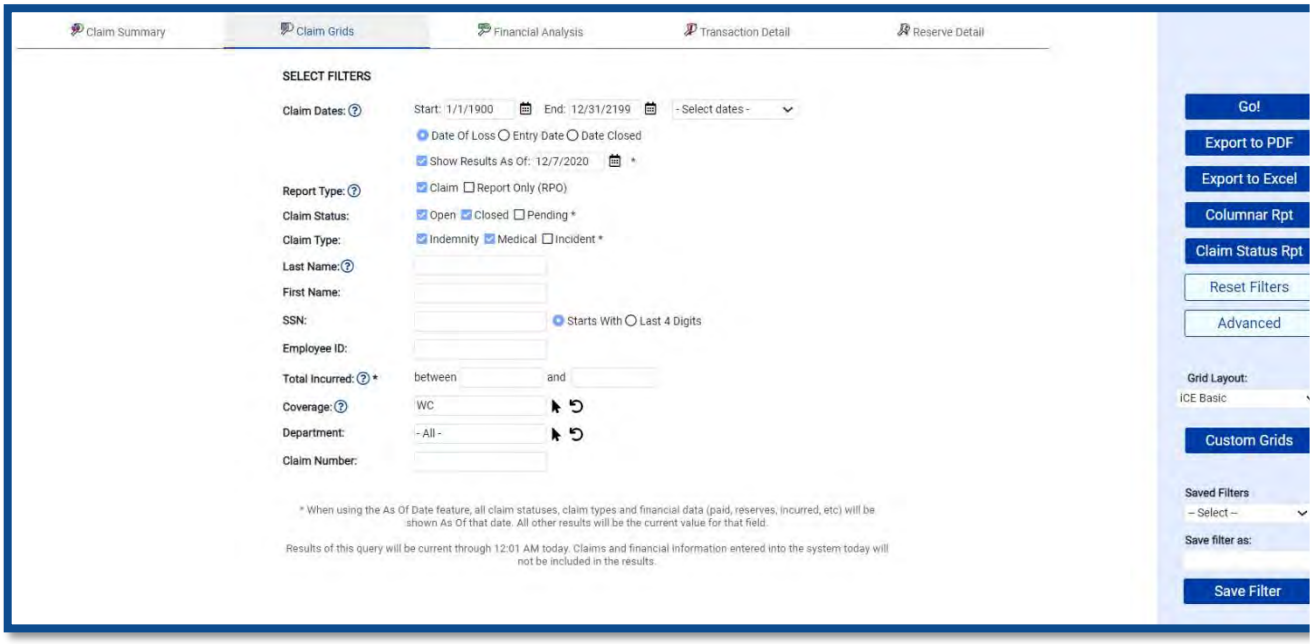
Policy Period	Paid	Out Reserve	Recovered	Total Incurred	Claim Count	Cost per Claim
01/01/2021 - 12/31/2021	$381,852.60	$2,529,284.86	$0.00	$2,911,137.46	77	$37,806.98
01/01/2020 - 12/31/2020	$5,480,722.40	$6,672,797.50	$0.00	$12,153,519.90	393	$30,924.99
01/01/2019 - 12/31/2019	$10,522,047.24	$9,867,250.07	$0.00	$20,389,297.31	359	$56,794.70
01/01/2018 - 12/31/2018	$1,335,107.67	$130,697.56	$14,583.94	$1,451,221.29	181	$8,017.80
01/01/2017 - 12/31/2017	$2,544,032.43	$42,402.76	$605,617.88	$1,980,817.31	42	$47,162.32
01/01/2016 - 12/31/2016	$5,271,027.48	$13,271,582.53	$5,365.92	$18,537,244.09	43	$431,098.70
01/01/2015 - 12/31/2015	$7,200,009.69	$4,318,504.97	$0.00	$11,518,514.66	66	$174,522.95
01/01/2014 - 12/31/2014				$9,469,184.06	14	$676,370.29
Totals:				$78,410,936.08	1175	$66,732.71



Each claim summary breakdown has a series of three icons on every row of data. The pie chart allows users to apply additional filters in claim summary, the dollar sign brings users to financial analysis, and the grid icon brings users to claim grids to access and export more claim details for their selected data.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CLAIMS ANALYSIS



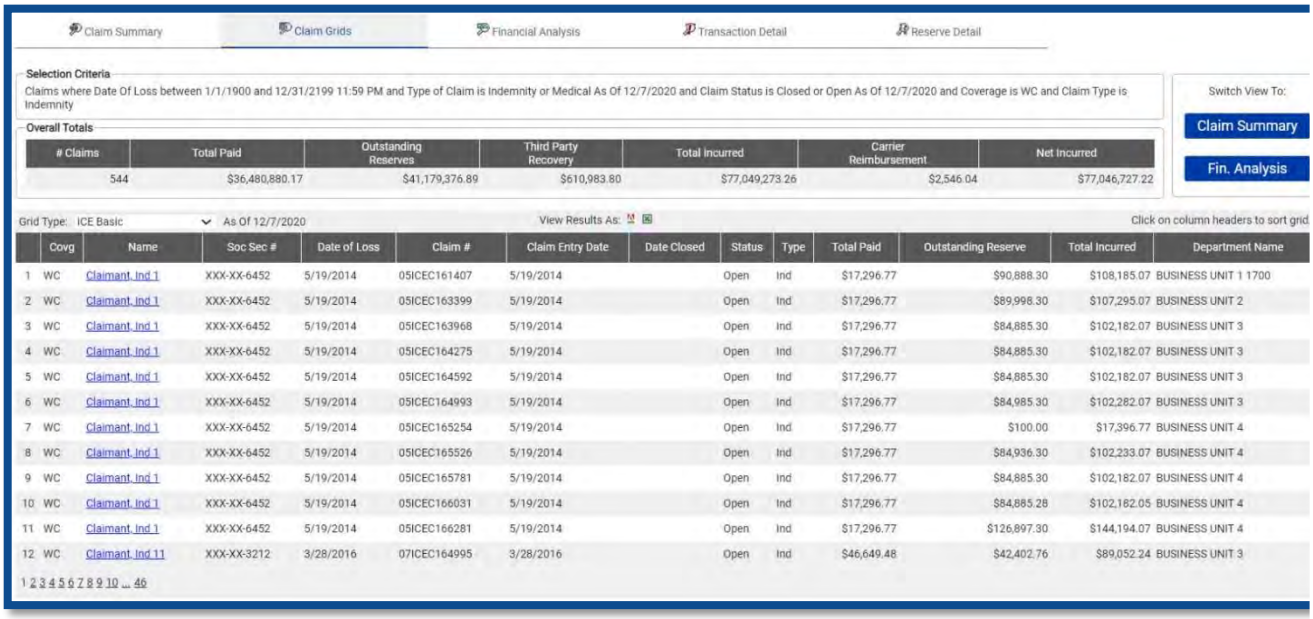
The Claim Grid home screen is similar to the Claim Summary home screen with additional selections in the right hand menu bar. After entering the desired parameters, users can view their claim grid results in iCE, export directly to PDF or Excel, or go directly to a Columnar or Claim Status Report.

There are set claim grid templates users can choose from in the Grid Layout drop down menu and, with Custom Grids, users can create their own grid templates to save for frequent use.

If a certain set of basic and advanced parameters are used often, users can save their selections with the Save Filter button then set them on later logins into iCE by selecting the filter from the Saved Filters drop down menu.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CLAIMS ANALYSIS



Claim Summary | Claim Grids | Financial Analysis | Transaction Detail | Reserve Detail

Selection Criteria

Claims where Date Of Loss between 1/1/1900 and 12/31/2199 11:59 PM and Type of Claim is Indemnity or Medical As Of 12/7/2020 and Claim Status is Closed or Open As Of 12/7/2020 and Coverage is WC and Claim Type is Indemnity

Switch View To: Claim Summary | Fin. Analysis

Overall Totals

# Claims	Total Paid	Outstanding Reserves	Third Party Recovery	Total Incurred	Carrier Reimbursement	Net Incurred
544	$36,480,880.17	$41,179,376.89	$610,983.80	$77,049,273.26	$2,546.04	$77,046,727.22

Grid Type: ICE Basic | As Of 12/7/2020 | View Results As: | Click on column headers to sort grid

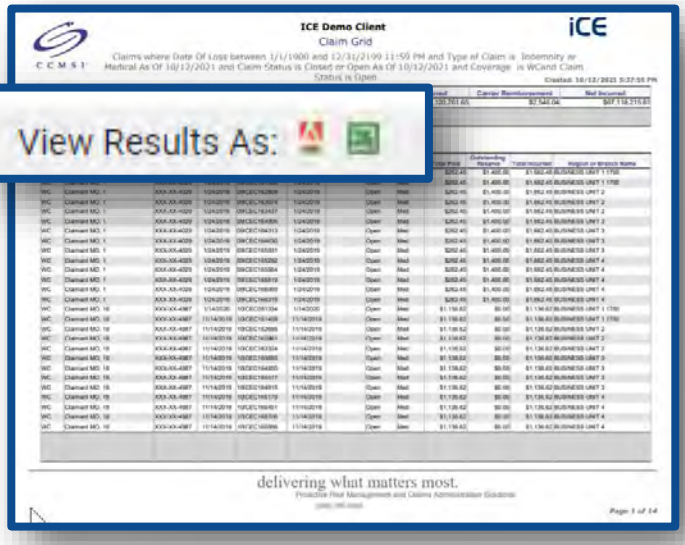
	Covg	Name	Soc Sec #	Date of Loss	Claim #	Claim Entry Date	Date Closed	Status	Type	Total Paid	Outstanding Reserve	Total Incurred	Department Name
1	WC	Claimant, Ind 1	XXX-XX-6452	5/19/2014	05ICEC161407	5/19/2014		Open	Ind	$17,296.77	$90,888.30	$108,185.07	BUSINESS UNIT 1 1700
2	WC	Claimant, Ind 1	XXX-XX-6452	5/19/2014	05ICEC163399	5/19/2014		Open	Ind	$17,296.77	$89,998.30	$107,295.07	BUSINESS UNIT 2
3	WC	Claimant, Ind 1	XXX-XX-6452	5/19/2014	05ICEC163968	5/19/2014		Open	Ind	$17,296.77	$84,885.30	$102,182.07	BUSINESS UNIT 3
4	WC	Claimant, Ind 1	XXX-XX-6452	5/19/2014	05ICEC164275	5/19/2014		Open	Ind	$17,296.77	$84,885.30	$102,182.07	BUSINESS UNIT 3
5	WC	Claimant, Ind 1	XXX-XX-6452	5/19/2014	05ICEC164592	5/19/2014		Open	Ind	$17,296.77	$84,885.30	$102,182.07	BUSINESS UNIT 3
6	WC	Claimant, Ind 1	XXX-XX-6452	5/19/2014	05ICEC164993	5/19/2014		Open	Ind	$17,296.77	$84,985.30	$102,282.07	BUSINESS UNIT 3
7	WC	Claimant, Ind 1	XXX-XX-6452	5/19/2014	05ICEC165254	5/19/2014		Open	Ind	$17,296.77	$100.00	$17,396.77	BUSINESS UNIT 4
8	WC	Claimant, Ind 1	XXX-XX-6452	5/19/2014	05ICEC165526	5/19/2014		Open	Ind	$17,296.77	$84,936.30	$102,233.07	BUSINESS UNIT 4
9	WC	Claimant, Ind 1	XXX-XX-6452	5/19/2014	05ICEC165781	5/19/2014		Open	Ind	$17,296.77	$84,885.30	$102,182.07	BUSINESS UNIT 4
10	WC	Claimant, Ind 1	XXX-XX-6452	5/19/2014	05ICEC166031	5/19/2014		Open	Ind	$17,296.77	$84,885.28	$102,182.05	BUSINESS UNIT 4
11	WC	Claimant, Ind 1	XXX-XX-6452	5/19/2014	05ICEC166281	5/19/2014		Open	Ind	$17,296.77	$126,897.30	$144,194.07	BUSINESS UNIT 4
12	WC	Claimant, Ind 11	XXX-XX-3212	3/28/2016	07ICEC164995	3/28/2016		Open	Ind	$46,649.48	$42,402.76	$89,052.24	BUSINESS UNIT 3

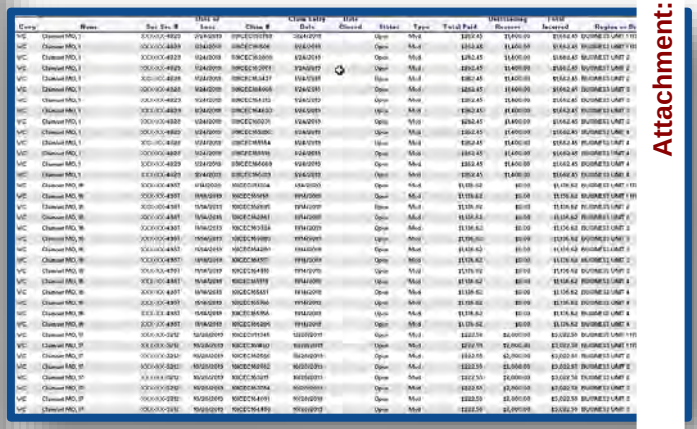
1 2 3 4 5 6 7 8 9 10 ... 46

The default Claim Grid layout is the Claims Detail Basic Grid.

The upper portion of the grid shows summary information based on selected query, including: number of claims, total paid, outstanding reserves, third party recovery, total incurred, carrier reimbursement and net incurred.

The lower portion of the grid shows type of coverage, name, SS#, date of loss, claim number, entry date, date closed, status (open, closed and/or pending), type (indemnity, medical only and/or incident), total incurred, outstanding reserve, total paid and policy holder. Select additional grid types from the drop down menu to view data in greater detail.





Any claim grid may be exported to pdf or excel format using the view results as icons above the data.

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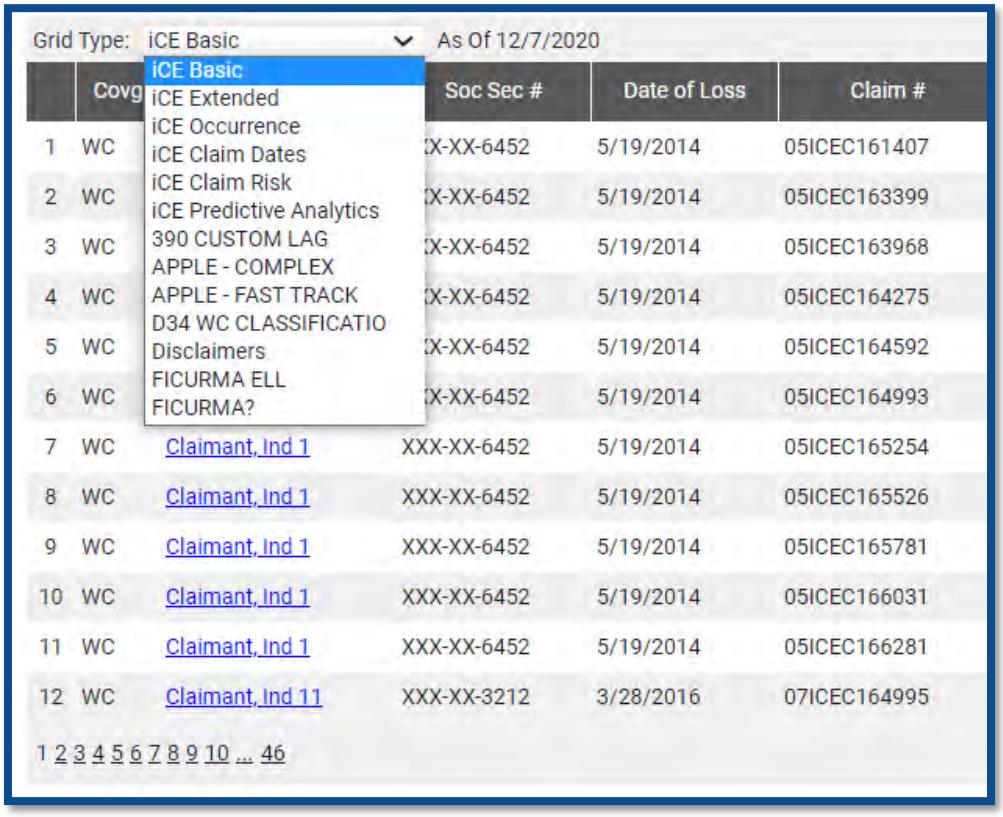
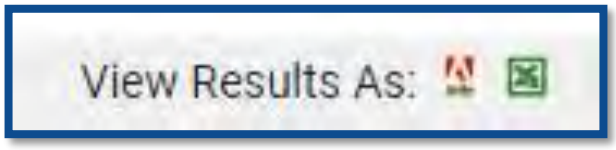
CLAIMS ANALYSIS





Selecting a different grid selection from the Grid Type drop down menu will display more or less information about the claim/claim group searched. After the desired results are returned, the grid c be exported and saved.

Once a user has selected the claim files needed, just click on either of the “View Results As” Excel or PDF icons to export the information.

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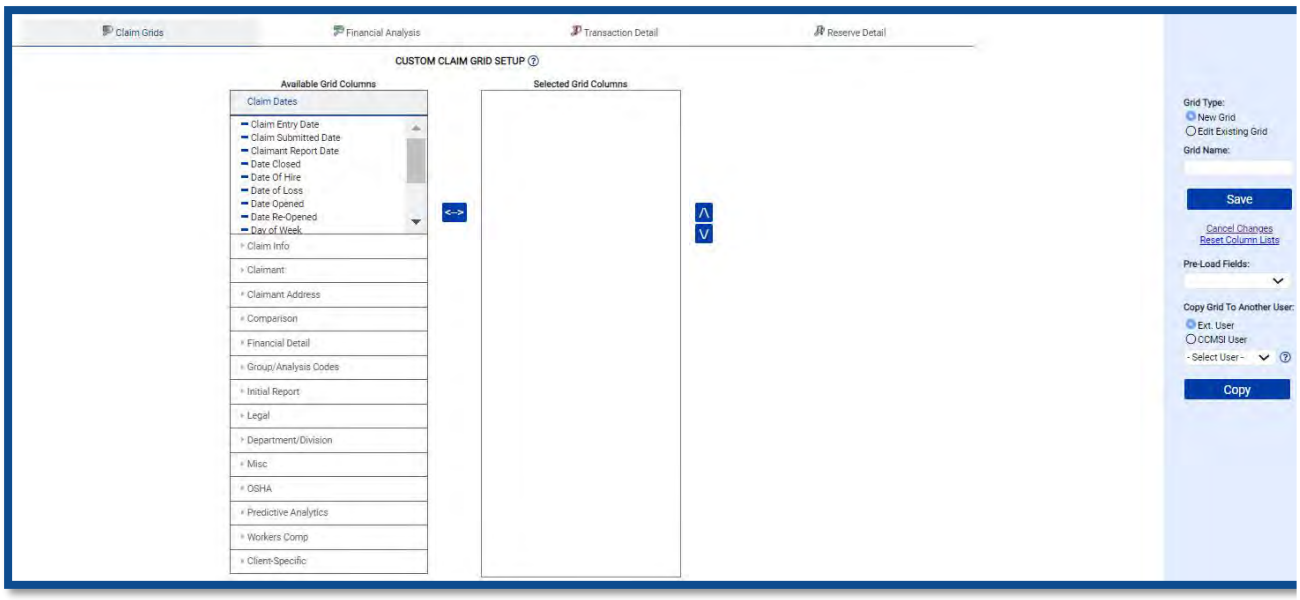
CLAIMS ANALYSIS



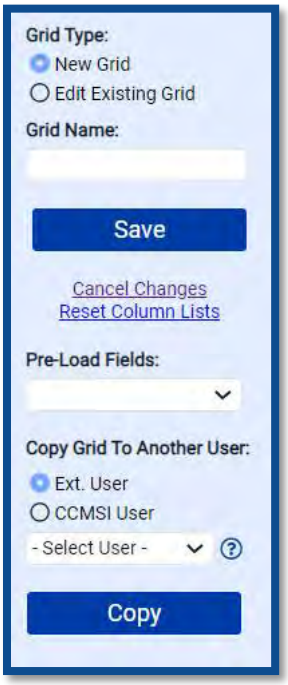
Clicking on the Custom Grid button in the right hand option and feature menu brings users to the custom grid tool where they may created tailored data grids for their claims searches. They may save and copy these grids to other users.

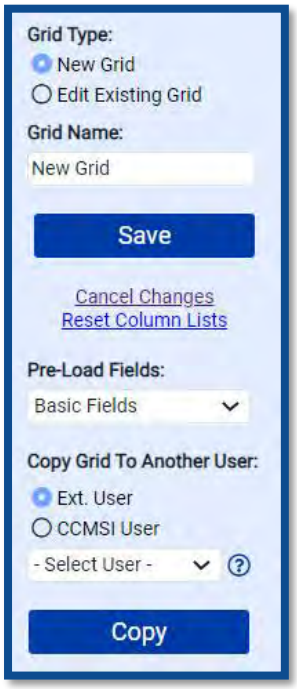
In the Custom Claim Grid set up, the user can create and save their own custom grid by selecting available fields from the categorized drop down menus or by selecting the pre-loaded basic grid fields

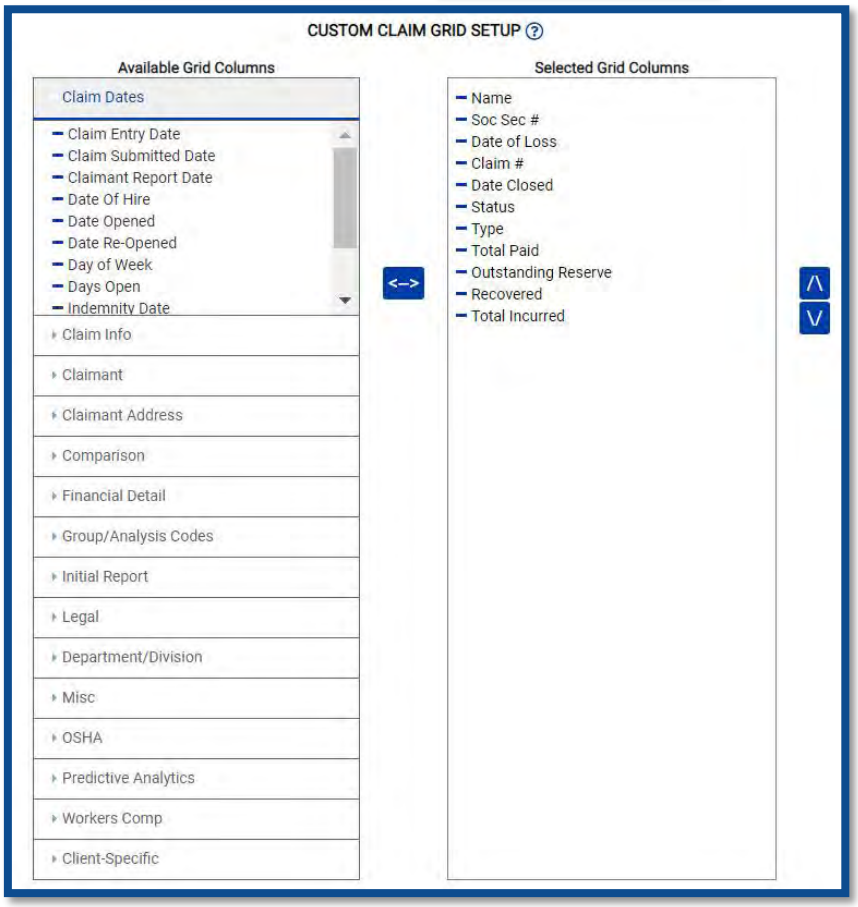
Custom Grids allows a user to create their own claims grids layouts besides the four templates iCE provides.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CLAIMS ANALYSIS





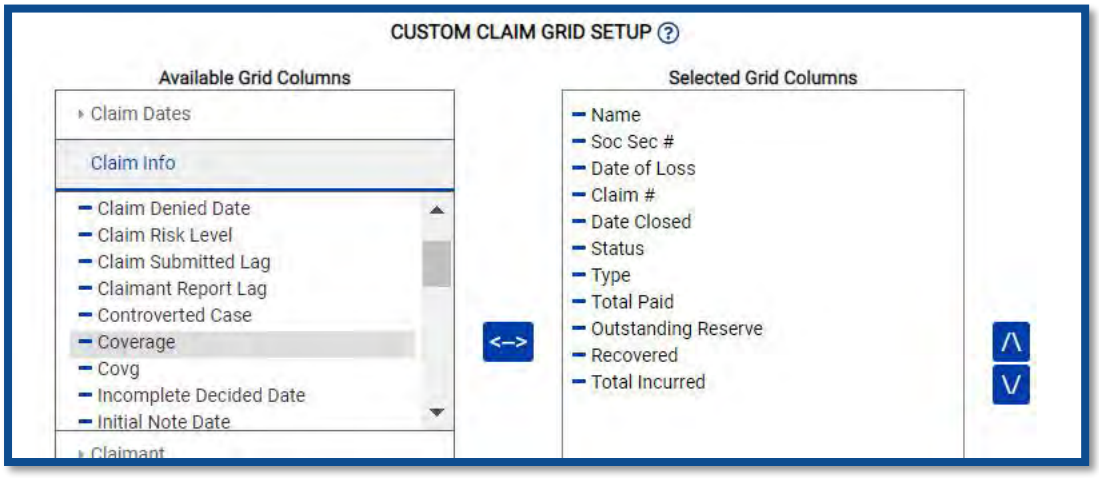


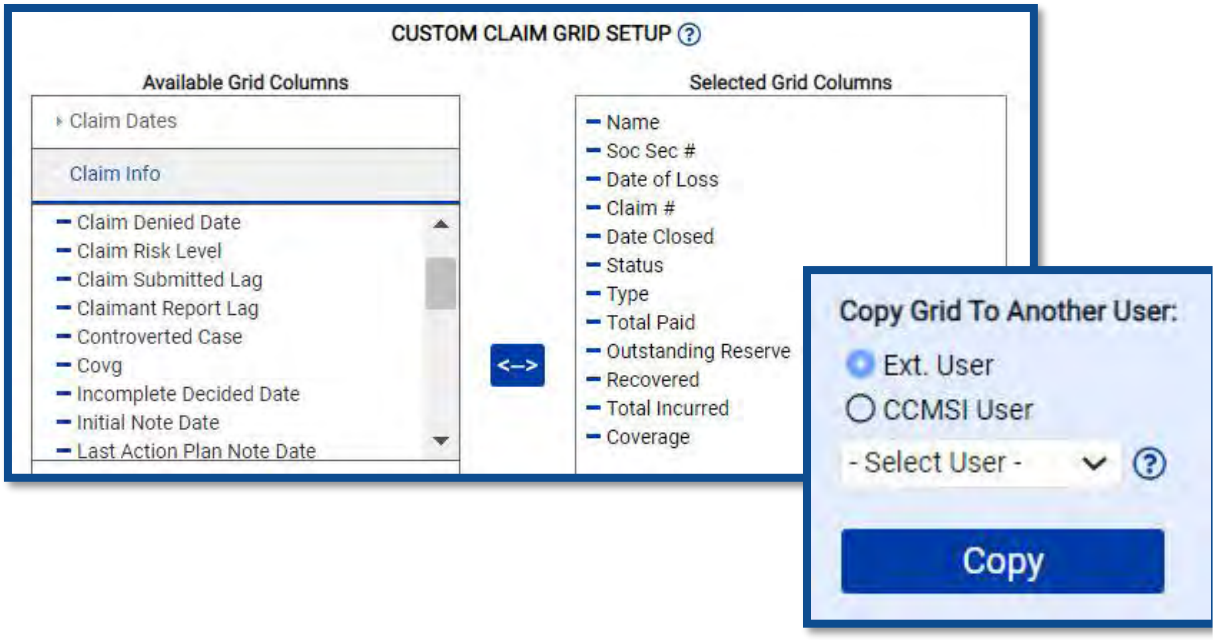
Using the grid type selection menu on the right hand side of the custom grids screen, users may choose to create a new grid edit an existing grid, name their grid, and save and copy their custom grids. To demonstrate grid creation, we have New Grid selected.

Under Grid Name, the user can type in their grid title of preference then, using the Pre-Load Fields drop down, users can select a template of commonly selected grid columns. Basic Fields has been loaded into the “Selected Grid Columns.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CLAIMS ANALYSIS



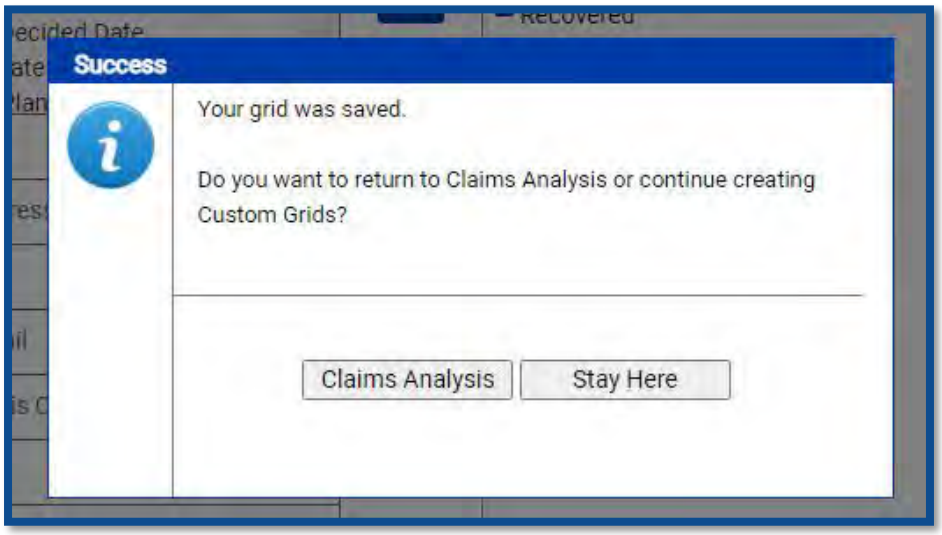


By clicking on options under each section of the Available Grid Columns, users can highlight additional grid columns they'd like to add to their custom grid. In this example, Coverage has been added by clicking it, clicking the double arrow button between the Available Grid Columns and Selected Grid Columns. Coverage now appears at the end of the Selected Grid Columns list. This element can be moved to any position within the list by clicking and dragging it to the desired position.

After users have completed their selections, they may hit Save to save their grid and run it with their desired parameters within the Claim Grid feature itself. They may also use the Copy Grid to Another User function to easily send these grids to other internal and external users' custom grid drop down menus within Claim Grids.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CLAIMS ANALYSIS



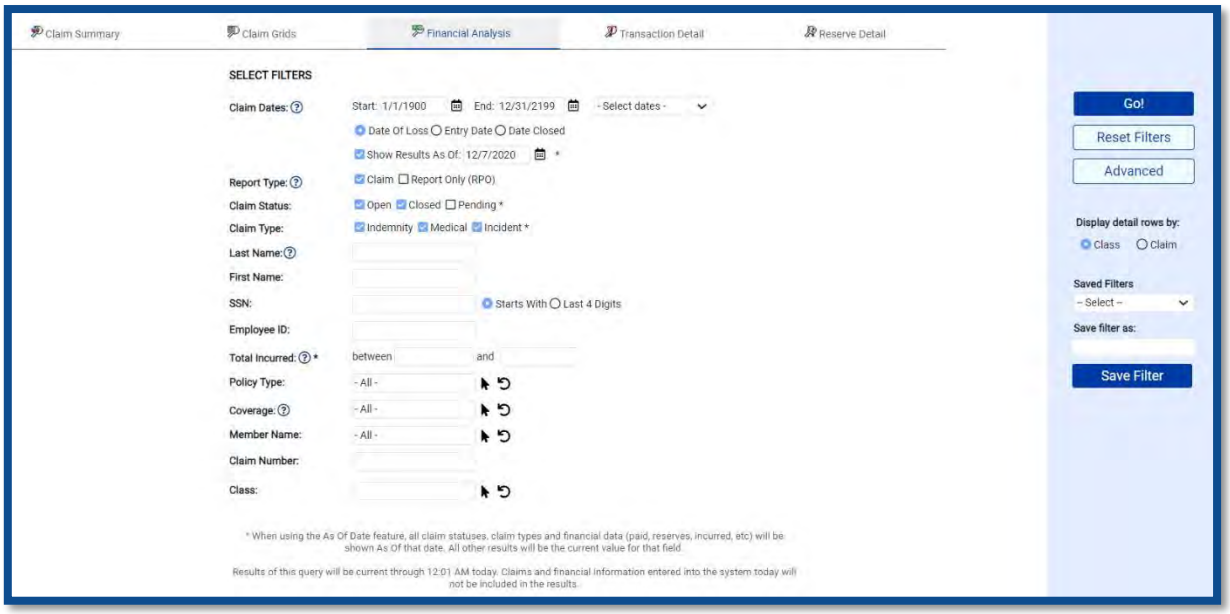
After clicking Save a pop up will appear asking the user if they'd like to navigate back to Claims Analy to run their new grid with inputted date range, coverage, etc. selections or if they would like to rema in custom grids to continue grid creation or edits.

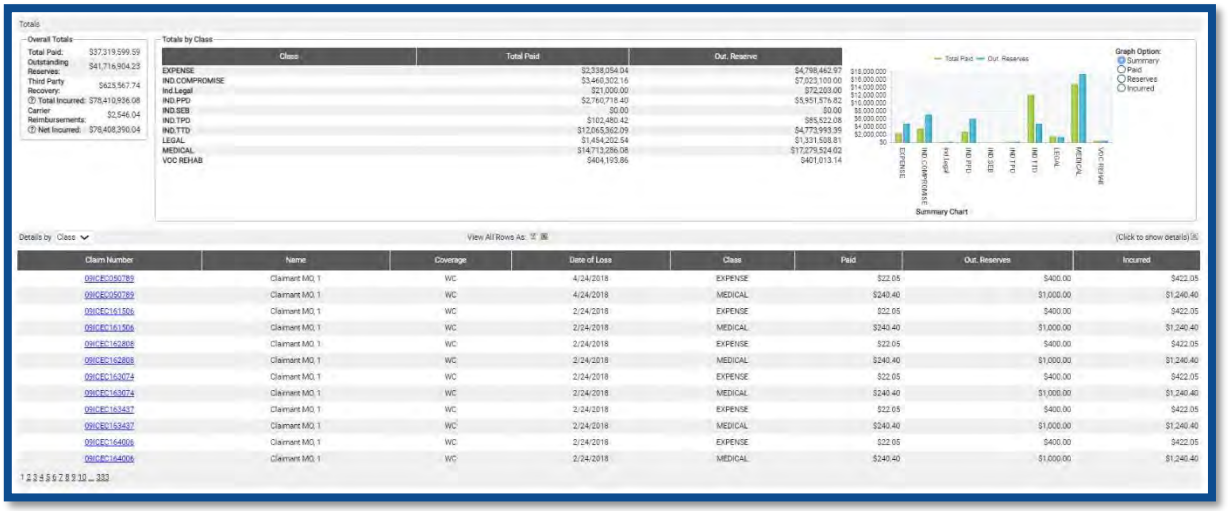
When users navigate back to Claims Grids, their new custom grid will auto populate in the Grid Layo drop down selection menu. Users may enter date ranges, make coverage and additional selections from the standard and advanced claim grid field parameters then click Go! to run their custom grid.

After running the grid it may be exported into either an excel or pdf document

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CLAIMS ANALYSIS



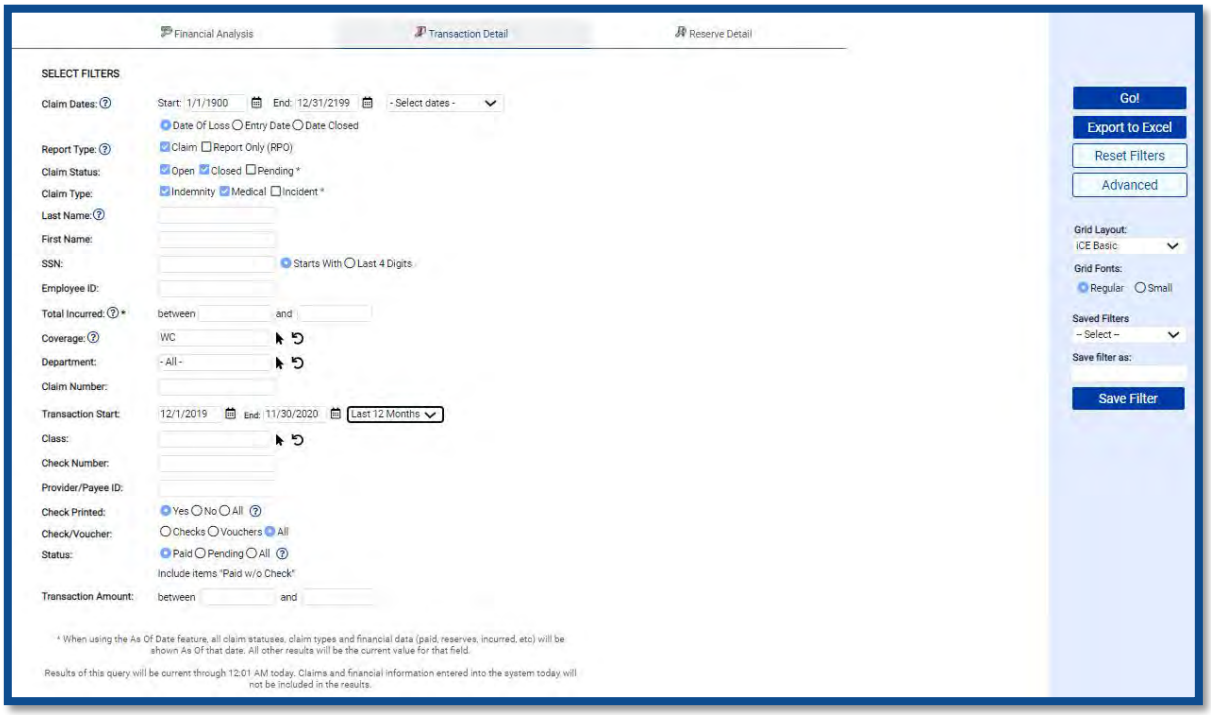


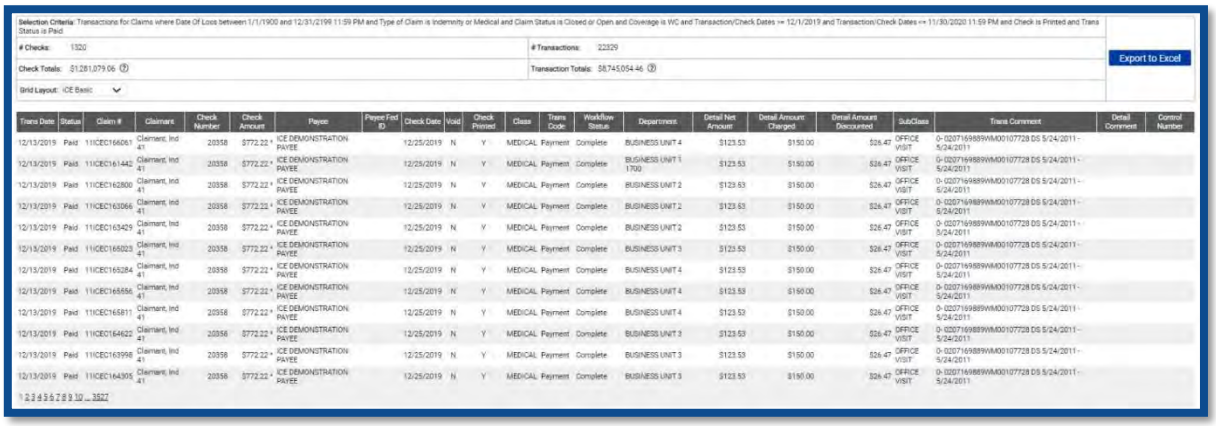
Financial Analysis allows users to see a breakdown of claim financials by class and detail.

The Financial Analysis homepage has a standard and advanced set of parameter filters that can be saved for later use. After setting the filters and clicking Go! The Financial Analysis results screen displays Overall Totals, Totals by Class, a graph showing total paid and outstanding reserves, as well a a detailed breakdown by class which can be shown or hidden. Detail results can be exported as PDF Excel.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CLAIMS ANALYSIS





Transaction Detail shows a detail breakdown of specified transactions attached to claims.

The Transaction Detail homepage has a standard and advanced set of parameter filters that can be saved for later use. After setting the filters and clicking Go! The Transaction Detail results screen displays a Transaction Overview as well as a Transaction Detail below which can be exported as Exc only.

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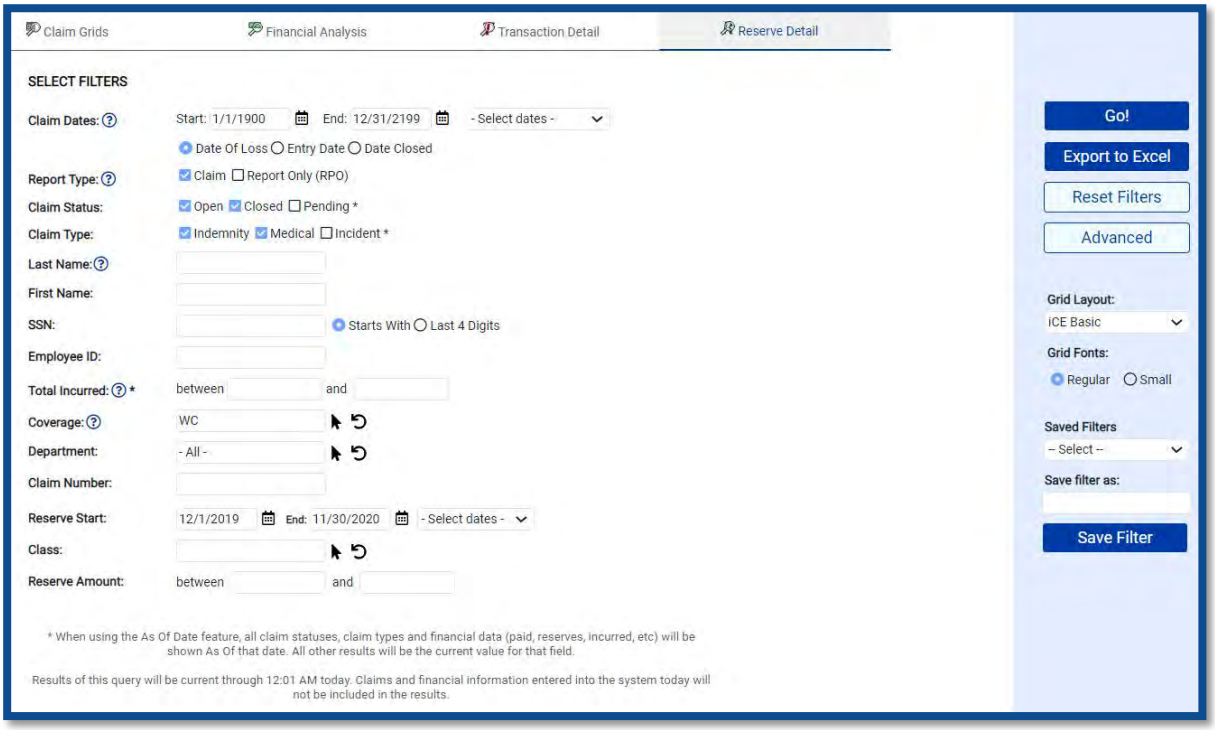
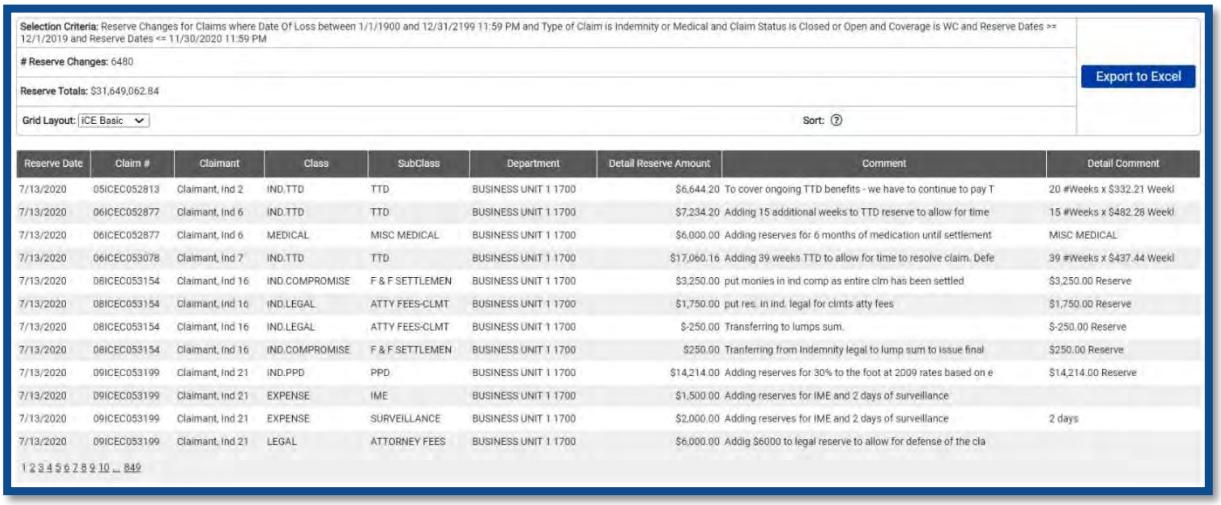
CLAIMS ANALYSIS





Reserve Detail shows a detail breakdown of outstanding reserves attached to claims.

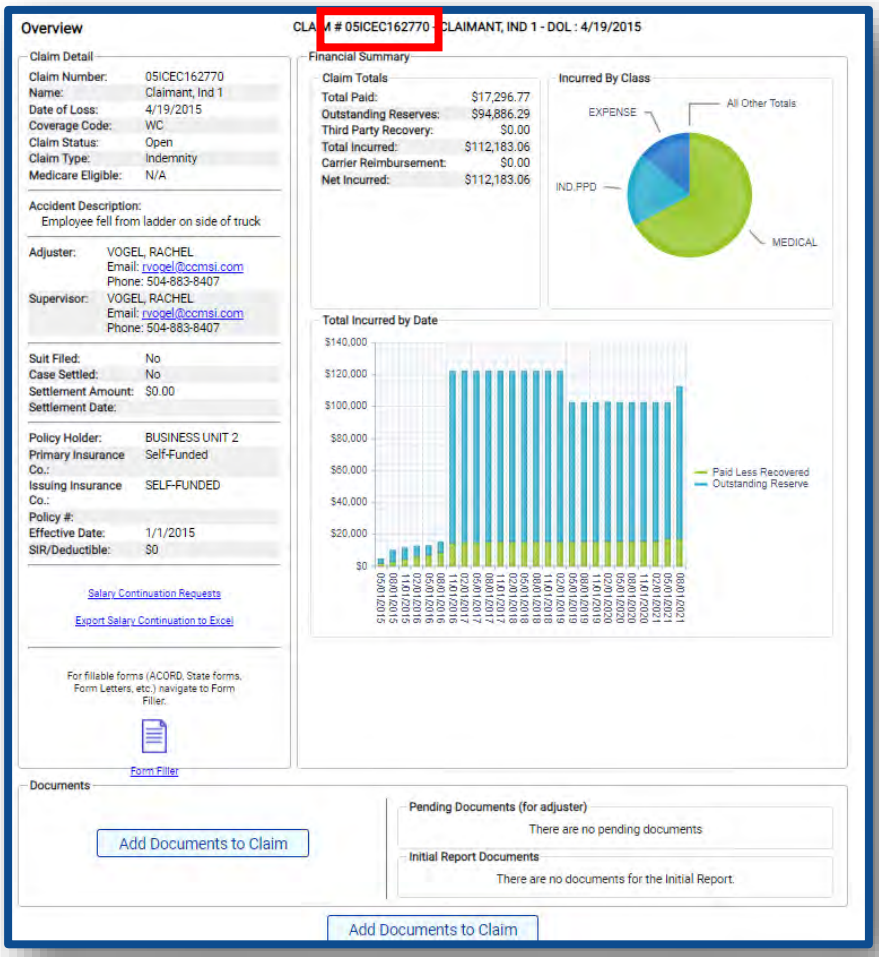
The Reserve Detail homepage has a standard and advanced set of parameter filters that can be sav for later use. After setting the filters and clicking Go! The Reserve Detail results screen displays a Reserve Overview as well as a Reserve Detail below which can be exported as Excel only.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CLAIM DETAIL

Grid Type: iCE Basic — View Results As: — Click on column headers to sort

	Covg	Name	Soc Sec #	Date of Loss	Claim #	Claim Entry Date	Date Closed	Status	Type	Total Paid	Outstanding Reserve	Total Incurred	Region or Branch Nam
1	WC	Claimant, Ind 1	XXX-XX-6452	4/19/2015	05ICEC162770	4/19/2015		O	Ind	$17,296.77	$114,486.29	$131,783.06	BUSINESS UNIT 2
2	WC	Claimant, Ind 1	XXX-XX-6452	4/19/2015	05ICEC163036	4/19/2015		O	Ind	$17,296.77	$0.00	$17,296.77	BUSINESS UNIT 2
3	WC	Claimant, Ind 1	XXX-XX-6452	4/19/2015	05ICEC163968	4/19/2015		O	Ind	$17,296.77	$93,885.30	$111,182.07	BUSINESS UNIT 3
4	WC	Claimant, Ind 2	XXX-XX-1862	8/21/2014	05ICEC052813	8/21/2014		O	Ind	$327,485.72	$353,885.57	$681,371.29	BUSINESS UNIT 1 1700
5	WC	Claimant, Ind 2	XXX-XX-1862	6/21/2014	05ICEC161497	6/21/2014		O	Ind	$327,485.72	$348,884.57	$676,370.29	BUSINESS UNIT 1 1700
6	WC	Claimant, Ind 2	XXX-XX-1862	6/21/2014	05ICEC162780	6/21/2014		O	Ind	$327,485.72	$348,884.57	$676,370.29	BUSINESS UNIT 2
7	WC	Claimant, Ind 2	XXX-XX-1862	6/21/2014	05ICEC163046	6/21/2014		O	Ind	$327,485.72	$348,884.57	$676,370.29	BUSINESS UNIT 2
8	WC	Claimant, Ind 2	XXX-XX-1862	6/21/2014	05ICEC163409	6/21/2014		O	Ind	$327,485.72	$348,884.57	$676,370.29	BUSINESS UNIT 2
9	WC	Claimant, Ind 2	XXX-XX-1862	6/21/2014	05ICEC163978	6/21/2014		O	Ind	$327,485.72	$348,884.57	$676,370.29	BUSINESS UNIT 3
10	WC	Claimant, Ind 2	XXX-XX-1862	6/21/2014	05ICEC164285	6/21/2014		O	Ind	$327,485.72	$348,884.57	$676,370.29	BUSINESS UNIT 3
11	WC	Claimant, Ind 2	XXX-XX-1862	6/21/2014	05ICEC164602	6/21/2014		O	Ind	$327,485.72	$348,884.57	$676,370.29	BUSINESS UNIT 3
12	WC	Claimant, Ind 2	XXX-XX-1862	6/21/2014	05ICEC165003	6/21/2014		O	Ind	$327,485.72	$348,884.57	$676,370.29	BUSINESS UNIT 3



By selecting an individual claiman from the claims grid, iCE allows yo to view claimant information in greater detail. The Claim Detail Information screen displays: Clain status, Claimant Information – na address, etc. Employment Information – Avg. weekly wage, I Rate, etc. Accident Information – Loss type, description, Summary c claim, Contacts Information – Employee, Employer and Medical

Claims Detail screen options inclu Three-point contact, legal section applicable), notes section with fu screen/printer friendly access and the ability to add a new note recc Third-party nurses also have the ability to add a note.

If a user has additional claimant information and wants to inform adjuster, send the adjuster or supervisor an email with one simp click of the mouse.

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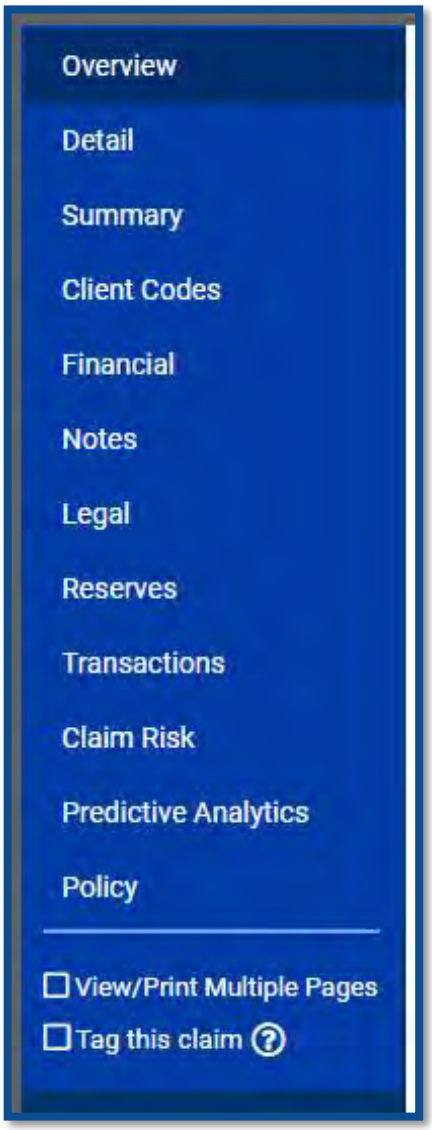
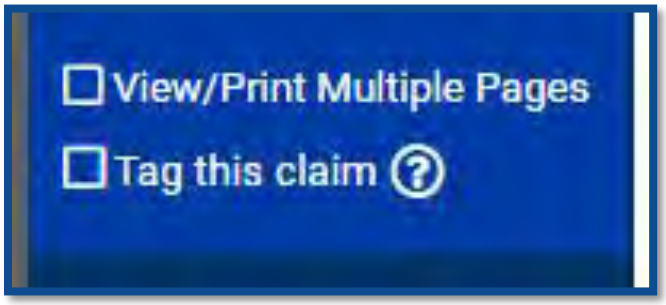
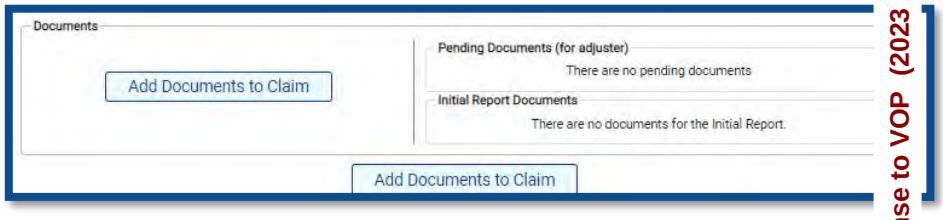
CLAIM DETAIL







Under the Overview Screen there are several key features. There is a link to Form Filler which takes users directly to form filler from the claim detail screen instead of users having to access their initial reports to update information.

The Tagged Claim feature is available under all sections of the claim detail screen. Users may simply click on the empty box next to “tag this claim” to mark the claim as tagged. Tagged claims have spec significance to the user and custom reports can be created based on their tagged claims.

The Add Documents feature allows users to add documents to claims directly from the claim detail screen instead of having to access their initial report.

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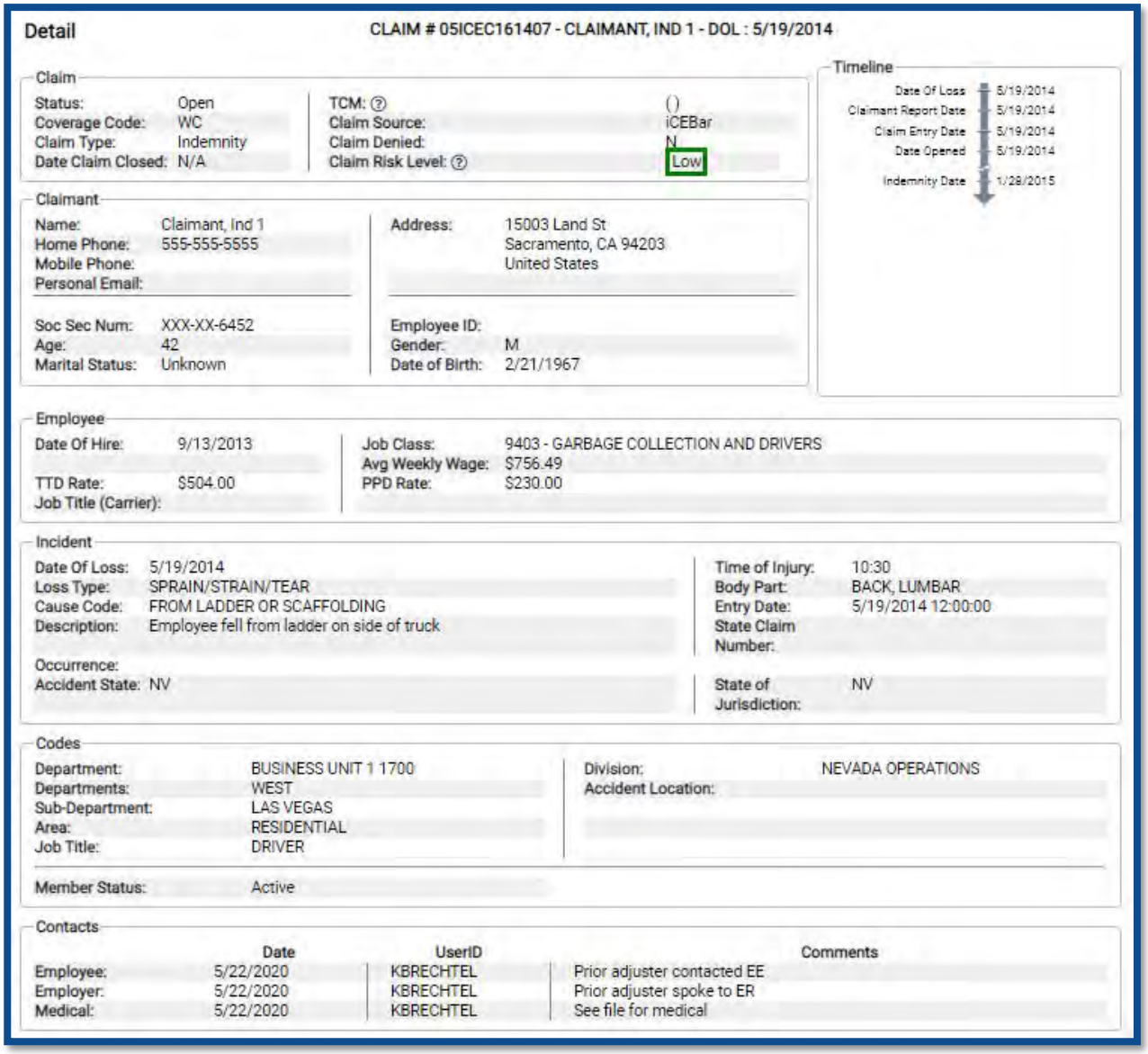
CLAIM DETAIL



Detail — CLAIM # 05ICEC161407 - CLAIMANT, IND 1 - DOL : 5/19/2014

Claim

Status:	Open	TCM:	()
Coverage Code:	WC	Claim Source:	iCEBar
Claim Type:	Indemnity	Claim Denied:	N
Date Claim Closed:	N/A	Claim Risk Level:	Low

Timeline

Date Of Loss	5/19/2014
Claimant Report Date	5/19/2014
Claim Entry Date	5/19/2014
Date Opened	5/19/2014
Indemnity Date	1/28/2015

Claimant

Name:	Claimant, Ind 1	Address:	15003 Land St Sacramento, CA 94203 United States
Home Phone:	555-555-5555		
Mobile Phone:			
Personal Email:			
Soc Sec Num:	XXX-XX-6452	Employee ID:	
Age:	42	Gender:	M
Marital Status:	Unknown	Date of Birth:	2/21/1967

Employee

Date Of Hire:	9/13/2013	Job Class:	9403 - GARBAGE COLLECTION AND DRIVERS
		Avg Weekly Wage:	$756.49
TTD Rate:	$504.00	PPD Rate:	$230.00
Job Title (Carrier):			

Incident

Date Of Loss:	5/19/2014	Time of Injury:	10:30
Loss Type:	SPRAIN/STRAIN/TEAR	Body Part:	BACK, LUMBAR
Cause Code:	FROM LADDER OR SCAFFOLDING	Entry Date:	5/19/2014 12:00:00
Description:	Employee fell from ladder on side of truck	State Claim Number:	
Occurrence:			
Accident State:	NV	State of Jurisdiction:	NV

Codes

Department:	BUSINESS UNIT 1 1700	Division:	NEVADA OPERATIONS
Departments:	WEST	Accident Location:	
Sub-Department:	LAS VEGAS		
Area:	RESIDENTIAL		
Job Title:	DRIVER		
Member Status:	Active		

Contacts

	Date	UserID	Comments
Employee:	5/22/2020	KBRECHTEL	Prior adjuster contacted EE
Employer:	5/22/2020	KBRECHTEL	Prior adjuster spoke to ER
Medical:	5/22/2020	KBRECHTEL	See file for medical

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The Detail Screen displays a quick “snapshot” of the claim detail highlights.

CLAIM DETAIL

Summary — CLAIM # 05ICEC161407 - CLAIMANT, IND 1 - DOL : 5/19/2014

COVERAGE: Self-Funded, Policy #WC2005, Policy Term 1/1/2005 - 12/31/2005.

COMPENSABILITY DETERMINATION: Claimant fell off his truck, about 7 feet high, and landed on his left hip/side. This occurred in the course/scope of his employment and there were no issues on compensability. The claim was admitted.

CLAIMANT INFO: 46-year-old Garbage Collection/Driver, hired on 4/13/2005.

NLT/LT: Lost a total of 4 days of work, 6/15/06, 6/16/06, 8/4/06 and 8/18/06. He was paid one day of TTD and has returned to work.

ACCIDENT DESCRIPTION: Claimant was climbing down the ladder rungs that are welded onto the side of the truck. He slipped and fell to the ground injuring his low back.

LEGAL: Neither party is represented.

DIAGNOSIS: Left hip contusion, lumbar strain/sprain, advanced lumbar degenerative disc disease at L5-S1, bi-lateral lower extremity lumbar radiculopathy.

MEDICAL/WORK STATUS: Claimant was referred to Medical Clinic for treatment and went through a course of physical therapy. He was referred to an orthopedic surgeon for an evaluation because of continued low back and ridiculer pain. A lumbar MRI was performed which showed degenerative changes, most notably at L4-5, L5-S1. Further conservative care took place to include continued therapy and two epidural steroid injections. He had no improvement following the second injection and was seen by a doctor for neurosurgical consult. The neurologist recommended additional MRI studies (weight-bearing) which showed the degenerative changes and multiple disc bulges, the larges at L5-S1 of 6.3mm. The neurologist felt that he was a surgical candidate and recommended a lumbar laminectomy and fusion at L5-S1 with decompression of the L5-S1 disc. The surgery was apparently certified but the claimant refused the procedure. He was placed at MMI on 5/24/07 with a 13% WPI of the lumbar spine (before age/occupation) based on a DRE Category III. However, there was no apportionment indicated. He was provided with permanent work restrictions of no lifting over 40 lbs, no push/pull over 50 lbs, and no stand/walking more than 30 minutes. He was also entitled to future medical care to include orthopedic follow-up visits, over-the-counter anti-inflammatory medications and surgery.

SUBROGATION/RECOVERY: No subrogation potential as there was no third party involvement.

PPD EXPOSURE: M.D., QME, 5/24/07
12/19/05, low back. Radiculopathy documented by imaging, with recommendation for disk surgery plus one level fusion. Surgery has not been accepted by injured at this point so the doctor found the injured to be P&S.

Rating is as follows based on no surgery:
15.03.01.00-13-[5]17-460H-21-22% Final PD 22% = 85.5 weeks @ $220 per week = $18,810.00

Rating is as follows based on surgery as recommended:
15.03.01.00-23-[5]29-460H-35-37% Final PD 37% = 180 weeks @ $220 per week = $39,600.00

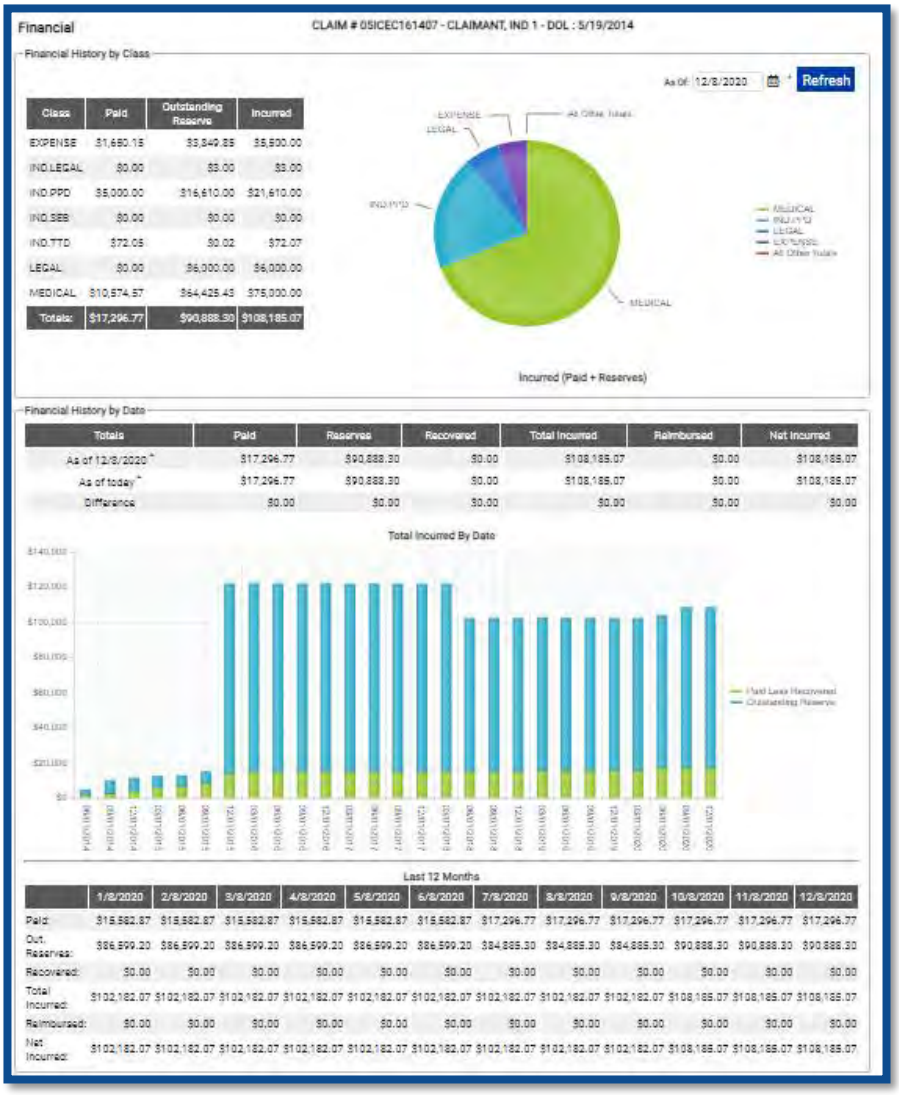
ACTION PLAN: PQME evaluation with doctor is scheduled for 12/6/11 at 1:00 pm. Medical & non-medical records have been mailed to the claimant and doctor. As there was no objection to non-medical information, additional information faxed/mailed to the PQME. The PQME report should follow the evaluation in 30-45 days. Review file in 45 days for PQME report. Once received and if there is no supplemental report or clarification required, we will finalize the rating and attempt to settle the claim.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

The Summary Screen gives a brief overview of the claim including the accident description and key highlights of the claim and claimant information.

CLAIM DETAIL

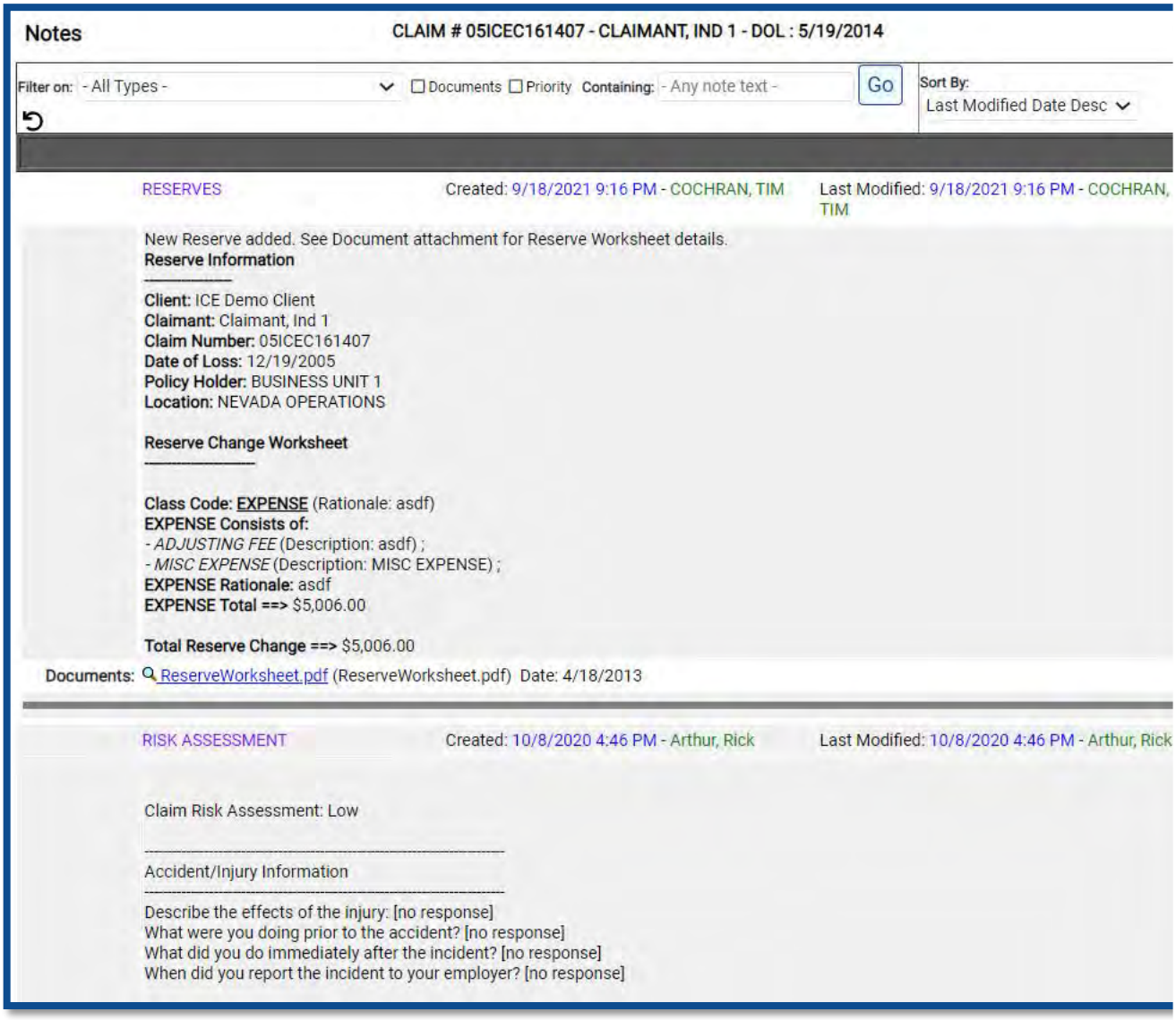
Client Codes displays relevant codes attached to the claim/claimant.



The Financial Screen uses pie and bar charts to give the user a comprehensive and visual breakdown of the numbers. The pie chart displays the financial history by class, total incurred, paid and outstanding reserve and is broken down by reserve classes. The bar chart and columns display financial history by date of the past year paid, outstanding and recovery reserve are displayed by month.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CLAIM DETAIL



Notes

CLAIM # 05ICEC161407 - CLAIMANT, IND 1 - DOL : 5/19/2014

Filter on: - All Types - Documents Priority Containing: - Any note text - Go Sort By: Last Modified Date Desc

RESERVES Created: 9/18/2021 9:16 PM - COCHRAN, TIM Last Modified: 9/18/2021 9:16 PM - COCHRAN, TIM

New Reserve added. See Document attachment for Reserve Worksheet details.
Reserve Information

Client: ICE Demo Client
Claimant: Claimant, Ind 1
Claim Number: 05ICEC161407
Date of Loss: 12/19/2005
Policy Holder: BUSINESS UNIT 1
Location: NEVADA OPERATIONS

Reserve Change Worksheet

Class Code: EXPENSE (Rationale: asdf)
EXPENSE Consists of:
- *ADJUSTING FEE* (Description: asdf) ;
- *MISC EXPENSE* (Description: MISC EXPENSE) ;
EXPENSE Rationale: asdf
EXPENSE Total ==> $5,006.00

Total Reserve Change ==> $5,006.00

Documents: ReserveWorksheet.pdf (ReserveWorksheet.pdf) Date: 4/18/2013

RISK ASSESSMENT Created: 10/8/2020 4:46 PM - Arthur, Rick Last Modified: 10/8/2020 4:46 PM - Arthur, Rick

Claim Risk Assessment: Low

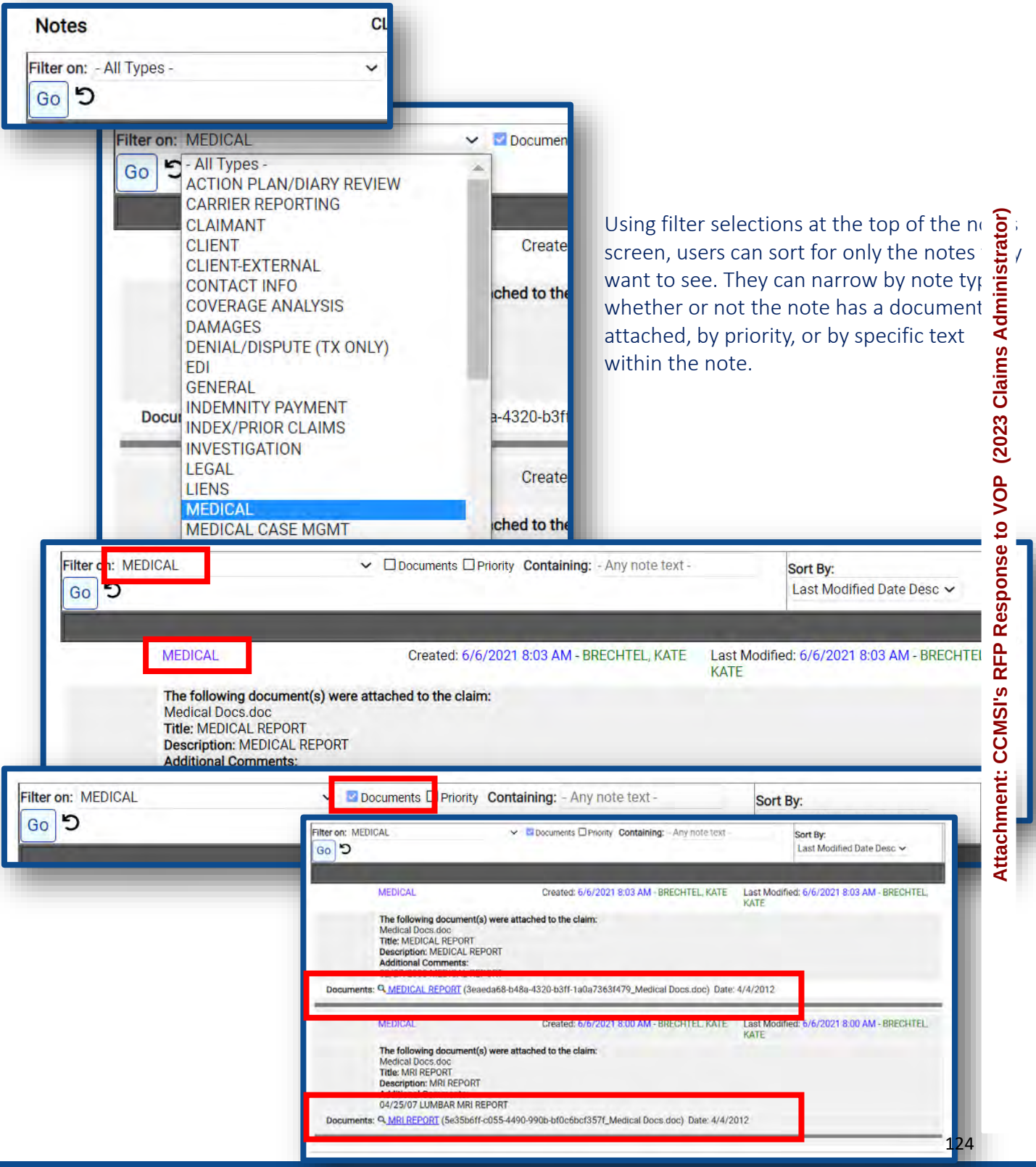
Accident/Injury Information

Describe the effects of the injury: [no response]
What were you doing prior to the accident? [no response]
What did you do immediately after the incident? [no response]
When did you report the incident to your employer? [no response]

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

The Notes Screen allows the user to see adjuster/supervisor notes and observe the progress of the claim.

CLAIM DETAIL



Using filter selections at the top of the n screen, users can sort for only the notes want to see. They can narrow by note ty whether or not the note has a document attached, by priority, or by specific text within the note.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CLAIM DETAIL

Legal — CLAIM # 05ICEC161407 - CLAIMANT, IND 1 - DOL : 5/19/2014

Claimant

Attorney Represented: N	Address:
Firm Name:	
Lawyer Name:	
Phone Number:	Fax Number:

Defendant

Attorney Represented:	Address:
Firm Name:	
Lawyer Name:	
Phone Number:	Fax Number:
Suit Filed: N	Date Suit Filed:
Date Counsel Assigned:	Date Suit Received:

Hearing

Hearing Date Received:
Hearing Date:
Venue:

Trial/Verdict/Appealed

Trial Notice Received:	Trial Date:

Verdict Rendered:
Mistrial:
Remanded for New Trial:
Verdict Status:

Appealed:	Date Appeal Filed:
Appeal Status:	

Settled

Case Settled:		
Demand Amount:	$0.00	Payment Date:
Authorized Amount:	$0.00	Authorized Date:
Settlement Amount:	$0.00	Settlement Date:

This is a read-only snapshot of the legal notes. Go to the 'Notes' tab for additional Notes functionality.

LEGAL — Created: 7/6/2020 8:03 AM - BRECHTEL, KATE — Last Modified: 7/6/2020 8:03 AM - BRECHTEL, KATE

Called contact to discuss this case and his recommendations on handling....non-litigated. I reviewed the case details with him and concerns about the PTP P&S report, apportionment, and the permanent work restrictions. Concern is that clmt has been working regular duty for the past two years in light of the work retrictions in place. If we address the work restrictions now and the client cannot accommodate, concerned about the ramifications and potential for further liability against the employer. He suggests that we get an investigator out to the location immediately to obtain the clmt's statement and specifically address his job, whether or not he has pain, if he is doing his job, etc. We will also need to obtain the supervisor's statement to see if clmt has complained of or does complain of pain when doing his job. If he is, then the work restrictions need to be looked at by the employer to determine if they can be accommodated. If clmt states he has no pain, then it appears that the work restrictions need to be removed or an adjustment made by the PQME. If we get the clmt's statement confirming no issues, this can then be provided to the PQME. Timeliness on objecting to the PTP report isn't an issue. We also discussed the private rating and the ranges in the WPI; however, this will be affected by apportionment and based on the MRI findings, it's my opinion that there should be at least 50% attributed to pre-existing degenerative disc disease. We have advanced $5K in PDA's but I'm not sure how the prior adjuster arrived at that figure...it appears this is based on roughly 7.5% WPI, or roughly 23 weeks @ $220 per week. He said the $5K paid is okay but based on the private ratings, may not of been sufficient. However, apportionment is definitely a factor and needs to be addressed so the final rating is known.

Items that can be view in the Legal portion of the claim detail are as follows: suit filed, attorney represented, defendant attorney, defendant attorney firm, claimant attorney and claimant attorn firm. The user may also view brief legal notes in the text area.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CLAIM DETAIL

Reserves — CLAIM # 05ICEC161407 - CLAIMANT, IND 1 - DOL : 5/19/2014

Amount	Date	User	Class	Comment	Calculation
$5,006.00	9/18/2021	COCHRAN, TIM	EXPENSE	asdf	
$3.00	9/24/2020	CRAIG, JOHN	IND.LEGAL	tewet	
$6,000.00	9/24/2020	CRAIG, JOHN	LEGAL	testasfsd	
($6,000.00)	4/18/2018		IND.SEB	claimant working U&C	-6000 Reserve
($13,545.25)	4/18/2018		IND.TTD	claimant working U&C	-26.8755357142 #Weeks x 5
$6,000.00	12/25/2015		IND.SEB	possible vr voucher	6000.00 Reserve
$63,575.00	12/25/2015		MEDICAL	back surgery, f/u visits, meds, mileage, pt, diagnostics	
$13,112.32	12/25/2015		IND.TTD	estimate of ttd if ee has back surgery	26 #Weeks x 504.32 Wkly R
$16,610.00	12/25/2015		IND.PPD	estimate of 20% pd	1 Body Part x 100 % Exp x
$2,500.00	12/25/2015		EXPENSE	additional medical cost containment	
$5,000.00	12/24/2015		IND.PPD	pd due	1 Body Part x 100 % Exp x
$2,500.00	10/18/2015		EXPENSE	INTERPRETING, MED COST CONTAINMENT	
$300.00	5/13/2015		EXPENSE	increased for continued med cost containment	
$1,000.00	5/7/2015		MEDICAL	to cover med	
$505.00	1/28/2015		IND.TTD	one week of ttd in the event that ee loses more time	1 #Weeks x 505.00 Wkly Ra
$1,000.00	1/3/2015		MEDICAL	Medical Treatment.	
$6,500.00	10/11/2014		MEDICAL	increase...see notes	
$425.00	10/9/2014		MEDICAL	adjuster needs to review reserves	
$2,500.00	5/28/2014		MEDICAL	Medical treatment	
$200.00	5/28/2014		EXPENSE	Bill review	

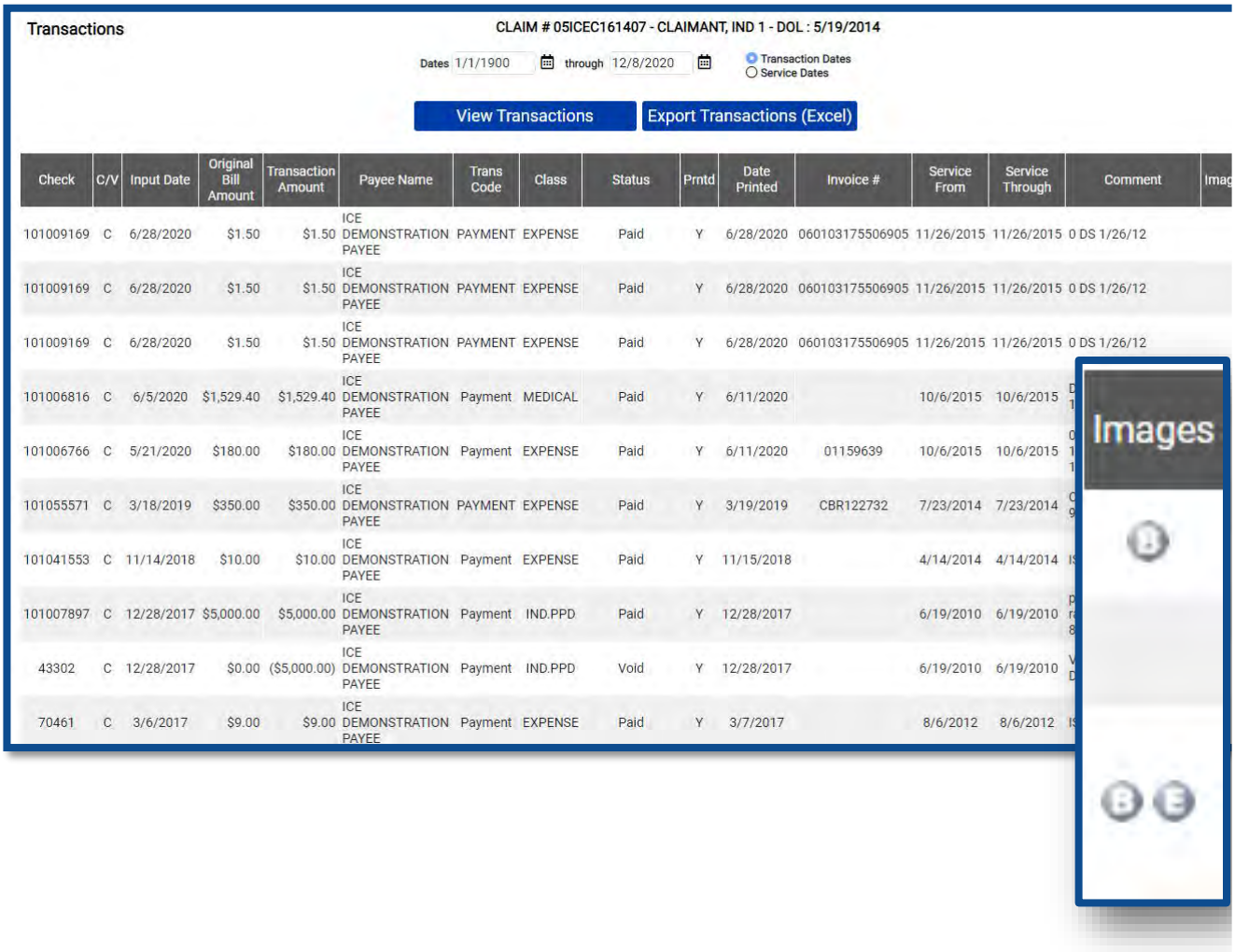
Calculation field is only valid for Indemnity reserves.

☐ Show Reserve Notes

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

In the Reserves Screen, users can view the amount, date, class, comments and calculations for a specific claimant. Users can also view the activity of updated reserve notes.

CLAIM DETAIL



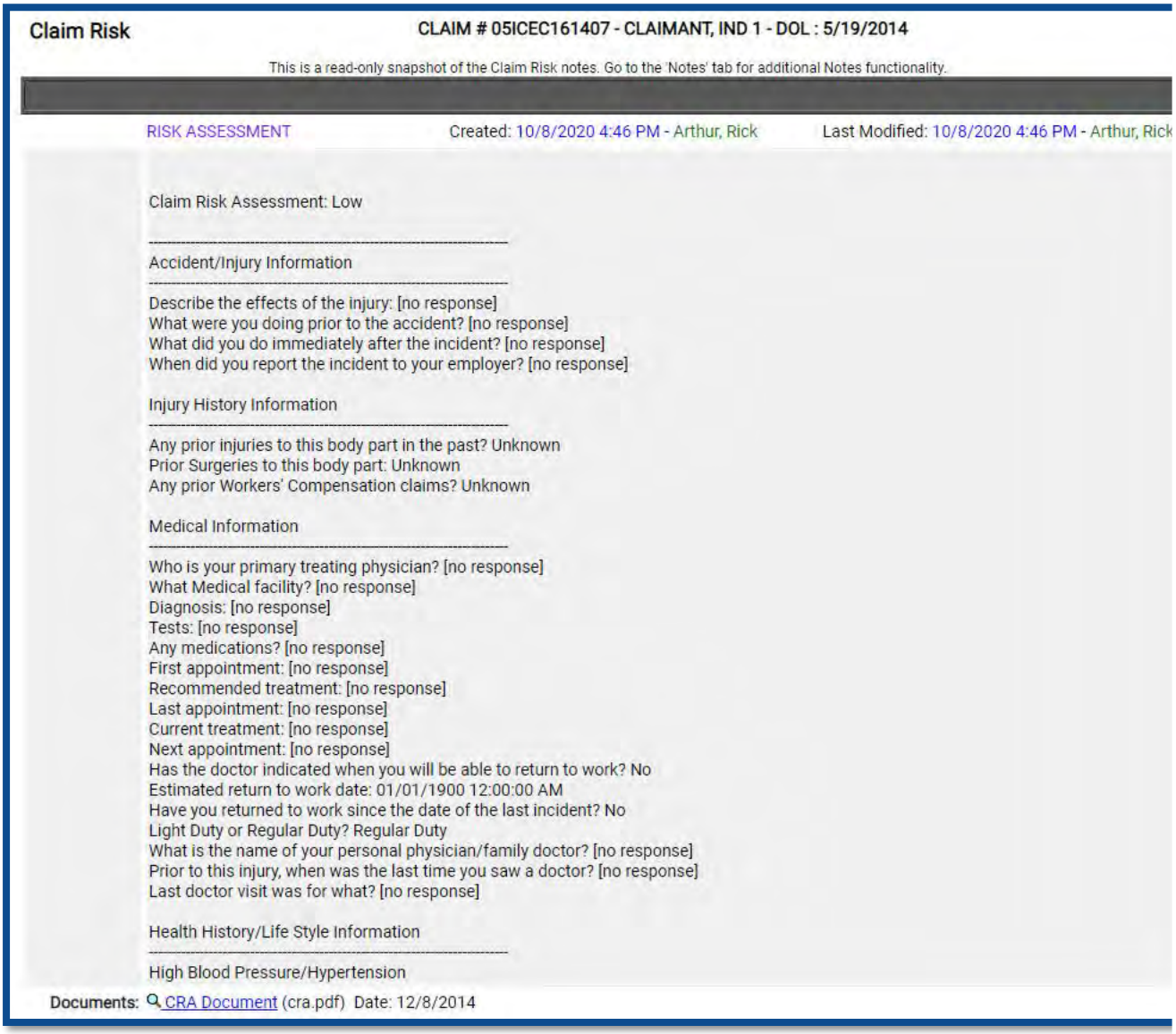
Check	C/V	Input Date	Original Bill Amount	Transaction Amount	Payee Name	Trans Code	Class	Status	Prntd	Date Printed	Invoice #	Service From	Service Through	Comment	Imag
101009169	C	6/28/2020	$1.50	$1.50	ICE DEMONSTRATION PAYEE	PAYMENT	EXPENSE	Paid	Y	6/28/2020	060103175506905	11/26/2015	11/26/2015	0 DS 1/26/12	
101009169	C	6/28/2020	$1.50	$1.50	ICE DEMONSTRATION PAYEE	PAYMENT	EXPENSE	Paid	Y	6/28/2020	060103175506905	11/26/2015	11/26/2015	0 DS 1/26/12	
101009169	C	6/28/2020	$1.50	$1.50	ICE DEMONSTRATION PAYEE	PAYMENT	EXPENSE	Paid	Y	6/28/2020	060103175506905	11/26/2015	11/26/2015	0 DS 1/26/12	
101006816	C	6/5/2020	$1,529.40	$1,529.40	ICE DEMONSTRATION PAYEE	Payment	MEDICAL	Paid	Y	6/11/2020		10/6/2015	10/6/2015		
101006766	C	5/21/2020	$180.00	$180.00	ICE DEMONSTRATION PAYEE	Payment	EXPENSE	Paid	Y	6/11/2020	01159639	10/6/2015	10/6/2015		
101055571	C	3/18/2019	$350.00	$350.00	ICE DEMONSTRATION PAYEE	PAYMENT	EXPENSE	Paid	Y	3/19/2019	CBR122732	7/23/2014	7/23/2014		
101041553	C	11/14/2018	$10.00	$10.00	ICE DEMONSTRATION PAYEE	Payment	EXPENSE	Paid	Y	11/15/2018		4/14/2014	4/14/2014		
101007897	C	12/28/2017	$5,000.00	$5,000.00	ICE DEMONSTRATION PAYEE	Payment	IND.PPD	Paid	Y	12/28/2017		6/19/2010	6/19/2010		
43302	C	12/28/2017	$0.00	($5,000.00)	ICE DEMONSTRATION PAYEE	Payment	IND.PPD	Void	Y	12/28/2017		6/19/2010	6/19/2010		
70461	C	3/6/2017	$9.00	$9.00	ICE DEMONSTRATION PAYEE	Payment	EXPENSE	Paid	Y	3/7/2017		8/6/2012	8/6/2012		

In the Transaction History screen, users can select the transaction history detail by input dates to list all financial transactions. The selections viewed will be check number, input date, amount(s), payee name, type, category, status, printed, date printed, invoice number and comment.

By selecting the icons on the rightmost portion of the chart, a scanned image of the medical bill, any related attachments and explanation of review (EOR) may be viewed.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CLAIM DETAIL



Claim Risk

CLAIM # 05ICEC161407 - CLAIMANT, IND 1 - DOL : 5/19/2014

This is a read-only snapshot of the Claim Risk notes. Go to the 'Notes' tab for additional Notes functionality.

RISK ASSESSMENT Created: 10/8/2020 4:46 PM - Arthur, Rick Last Modified: 10/8/2020 4:46 PM - Arthur, Rick

Claim Risk Assessment: Low

Accident/Injury Information

Describe the effects of the injury: [no response]
What were you doing prior to the accident? [no response]
What did you do immediately after the incident? [no response]
When did you report the incident to your employer? [no response]

Injury History Information

Any prior injuries to this body part in the past? Unknown
Prior Surgeries to this body part: Unknown
Any prior Workers' Compensation claims? Unknown

Medical Information

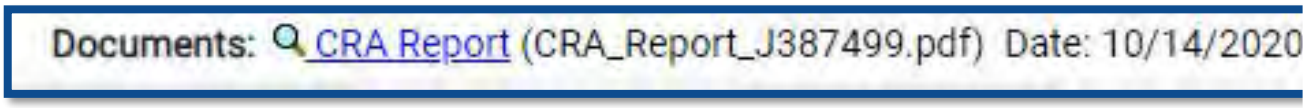
Who is your primary treating physician? [no response]
What Medical facility? [no response]
Diagnosis: [no response]
Tests: [no response]
Any medications? [no response]
First appointment: [no response]
Recommended treatment: [no response]
Last appointment: [no response]
Current treatment: [no response]
Next appointment: [no response]
Has the doctor indicated when you will be able to return to work? No
Estimated return to work date: 01/01/1900 12:00:00 AM
Have you returned to work since the date of the last incident? No
Light Duty or Regular Duty? Regular Duty
What is the name of your personal physician/family doctor? [no response]
Prior to this injury, when was the last time you saw a doctor? [no response]
Last doctor visit was for what? [no response]

Health History/Life Style Information

High Blood Pressure/Hypertension

Documents: CRA Document (cra.pdf) Date: 12/8/2014

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)



Documents: CRA Report (CRA_Report_J387499.pdf) Date: 10/14/2020

Claim Risk is a read only snapshot of the Claim Risk notes. Users should access the Notes screen in Claim Detail for additional Notes functionality. A screenshot of the Claim Risk Assessment document included on the following page.

CLAIM DETAIL

Claim Risk Assessment

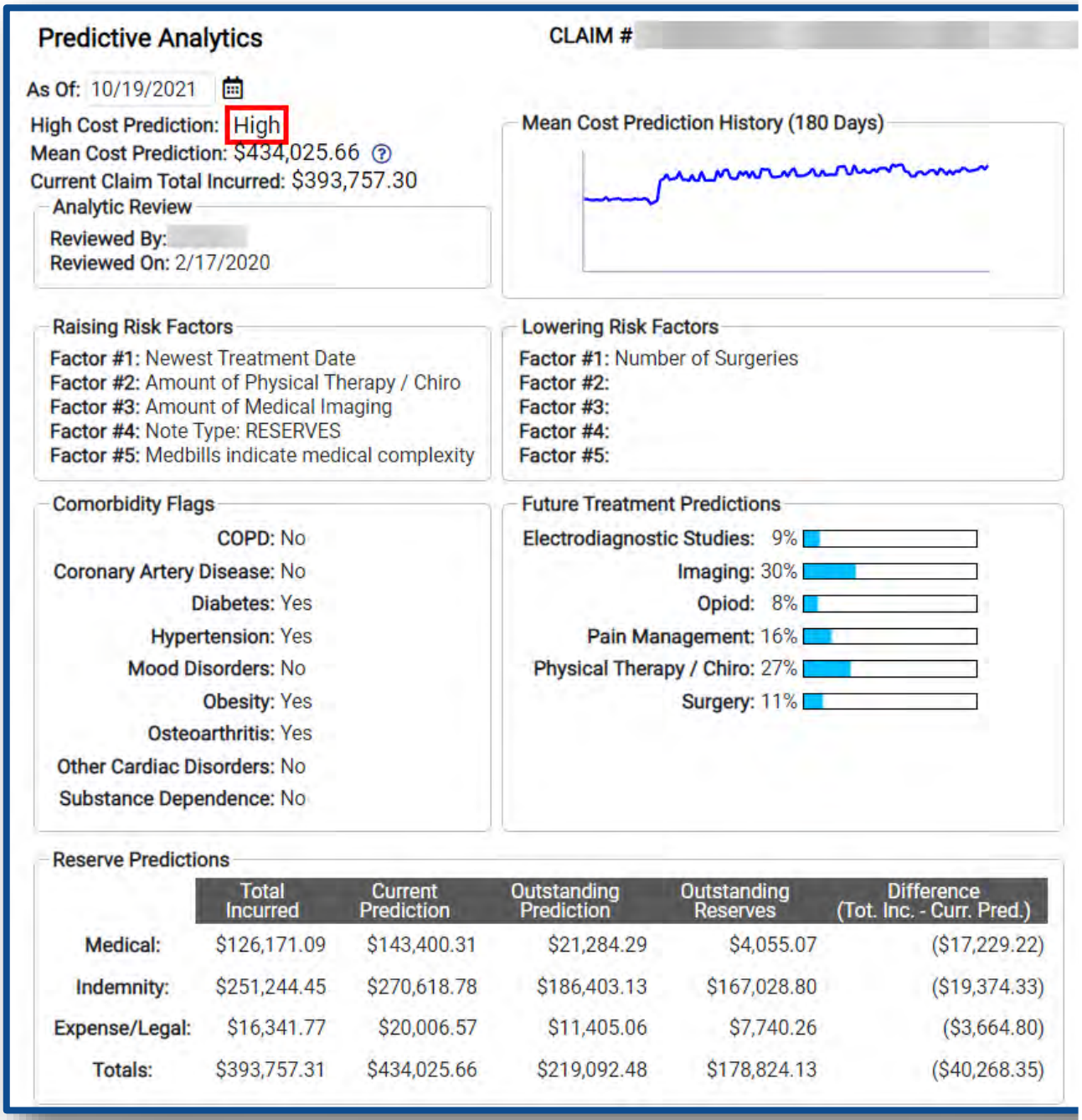
Claim Number : [redacted] **Claimant Name :** [redacted]

CLAIMANT SECTION	
Source of Information	Phone Interview

Basic/Background Information	
Claimant's Legal Last Name	[redacted]
Claimant's Legal First Name	[redacted]
Date Of Loss	09/18/2020
Claimant's Home Address	[redacted]
Claimant's City State Zip	[redacted]
Home Phone #	[redacted]
Cell Phone #	[redacted]
Social Security Number	[redacted]
Date Of Birth	10/10/1958
Marital Status	Unknown
What is your highest level of education?	High School Diploma or GED
What name do you go by?	[redacted]

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CLAIM DETAIL



Predictive Analytics

CLAIM # [redacted]

As Of: 10/19/2021

High Cost Prediction: High

Mean Cost Prediction: $434,025.66

Current Claim Total Incurred: $393,757.30

Analytic Review

Reviewed By: [redacted]

Reviewed On: 2/17/2020

Mean Cost Prediction History (180 Days)

Raising Risk Factors

Factor #1: Newest Treatment Date
Factor #2: Amount of Physical Therapy / Chiro
Factor #3: Amount of Medical Imaging
Factor #4: Note Type: RESERVES
Factor #5: Medbills indicate medical complexity

Lowering Risk Factors

Factor #1: Number of Surgeries
Factor #2:
Factor #3:
Factor #4:
Factor #5:

Comorbidity Flags

COPD: No
Coronary Artery Disease: No
Diabetes: Yes
Hypertension: Yes
Mood Disorders: No
Obesity: Yes
Osteoarthritis: Yes
Other Cardiac Disorders: No
Substance Dependence: No

Future Treatment Predictions

Electrodiagnostic Studies: 9%
Imaging: 30%
Opiod: 8%
Pain Management: 16%
Physical Therapy / Chiro: 27%
Surgery: 11%

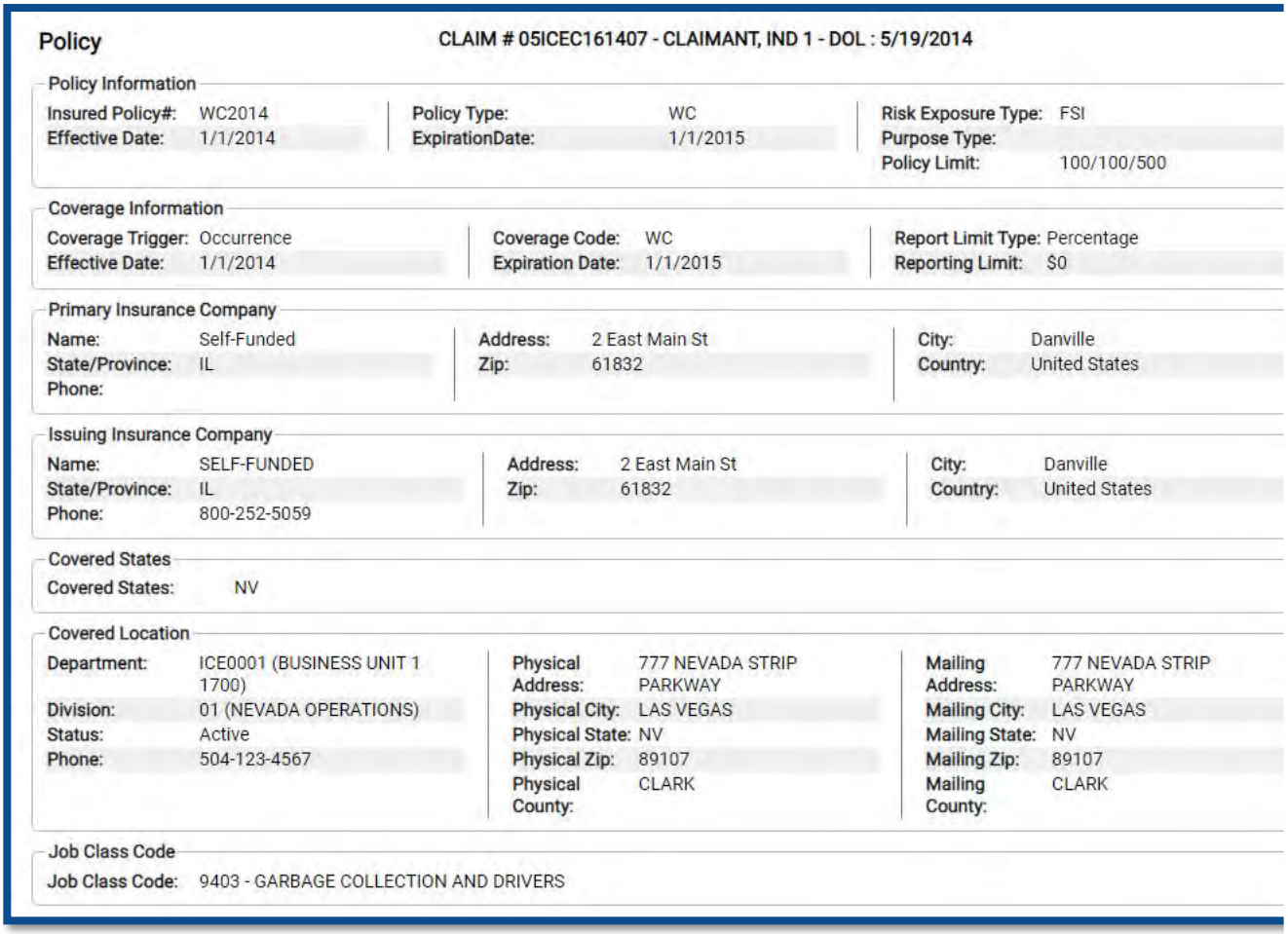
Reserve Predictions

	Total Incurred	Current Prediction	Outstanding Prediction	Outstanding Reserves	Difference (Tot. Inc. - Curr. Pred.)
Medical:	$126,171.09	$143,400.31	$21,284.29	$4,055.07	($17,229.22)
Indemnity:	$251,244.45	$270,618.78	$186,403.13	$167,028.80	($19,374.33)
Expense/Legal:	$16,341.77	$20,006.57	$11,405.06	$7,740.26	($3,664.80)
Totals:	$393,757.31	$434,025.66	$219,092.48	$178,824.13	($40,268.35)

The Predictive Analytics screen displays all the risk factors on each claim so a client can track what claims have the potential to enter a high cost threshold and take steps with their risk team to mitiga those risk potentials and maintain low claim costs.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CLAIM DETAIL



Policy — CLAIM # 05ICEC161407 - CLAIMANT, IND 1 - DOL : 5/19/2014

Policy Information

Insured Policy#:	WC2014	Policy Type:	WC	Risk Exposure Type:	FSI
Effective Date:	1/1/2014	ExpirationDate:	1/1/2015	Purpose Type:	
				Policy Limit:	100/100/500

Coverage Information

Coverage Trigger:	Occurrence	Coverage Code:	WC	Report Limit Type:	Percentage
Effective Date:	1/1/2014	Expiration Date:	1/1/2015	Reporting Limit:	$0

Primary Insurance Company

Name:	Self-Funded	Address:	2 East Main St	City:	Danville
State/Province:	IL	Zip:	61832	Country:	United States
Phone:					

Issuing Insurance Company

Name:	SELF-FUNDED	Address:	2 East Main St	City:	Danville
State/Province:	IL	Zip:	61832	Country:	United States
Phone:	800-252-5059				

Covered States

Covered States: NV

Covered Location

Department:	ICE0001 (BUSINESS UNIT 1 1700)	Physical Address:	777 NEVADA STRIP PARKWAY	Mailing Address:	777 NEVADA STRIP PARKWAY
Division:	01 (NEVADA OPERATIONS)	Physical City:	LAS VEGAS	Mailing City:	LAS VEGAS
Status:	Active	Physical State:	NV	Mailing State:	NV
Phone:	504-123-4567	Physical Zip:	89107	Mailing Zip:	89107
		Physical County:	CLARK	Mailing County:	CLARK

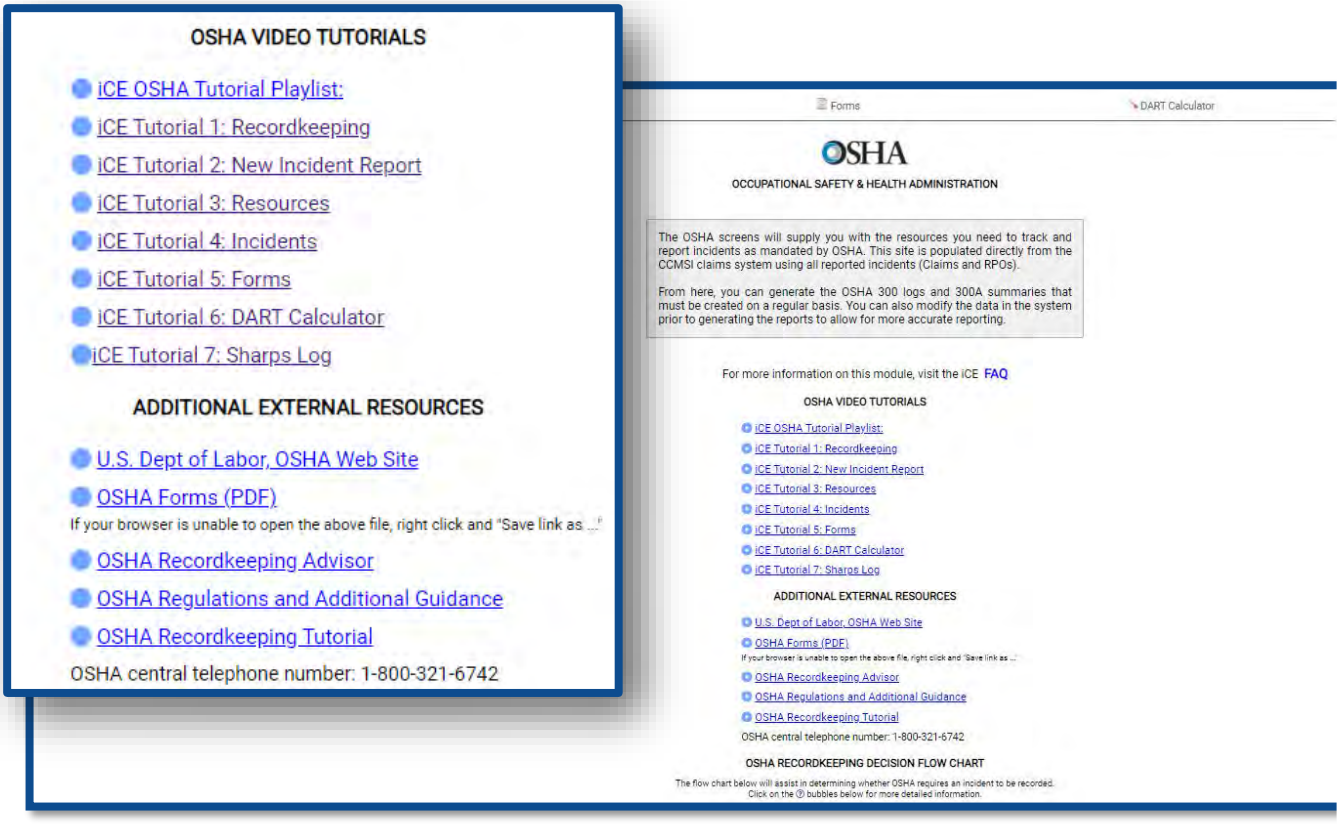
Job Class Code

Job Class Code: 9403 - GARBAGE COLLECTION AND DRIVERS

The Policy screen displays the policy information for an individual claim. If ever a user needs to conta their adjuster, at any time they may do so from the claim detail screen.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

OSHA



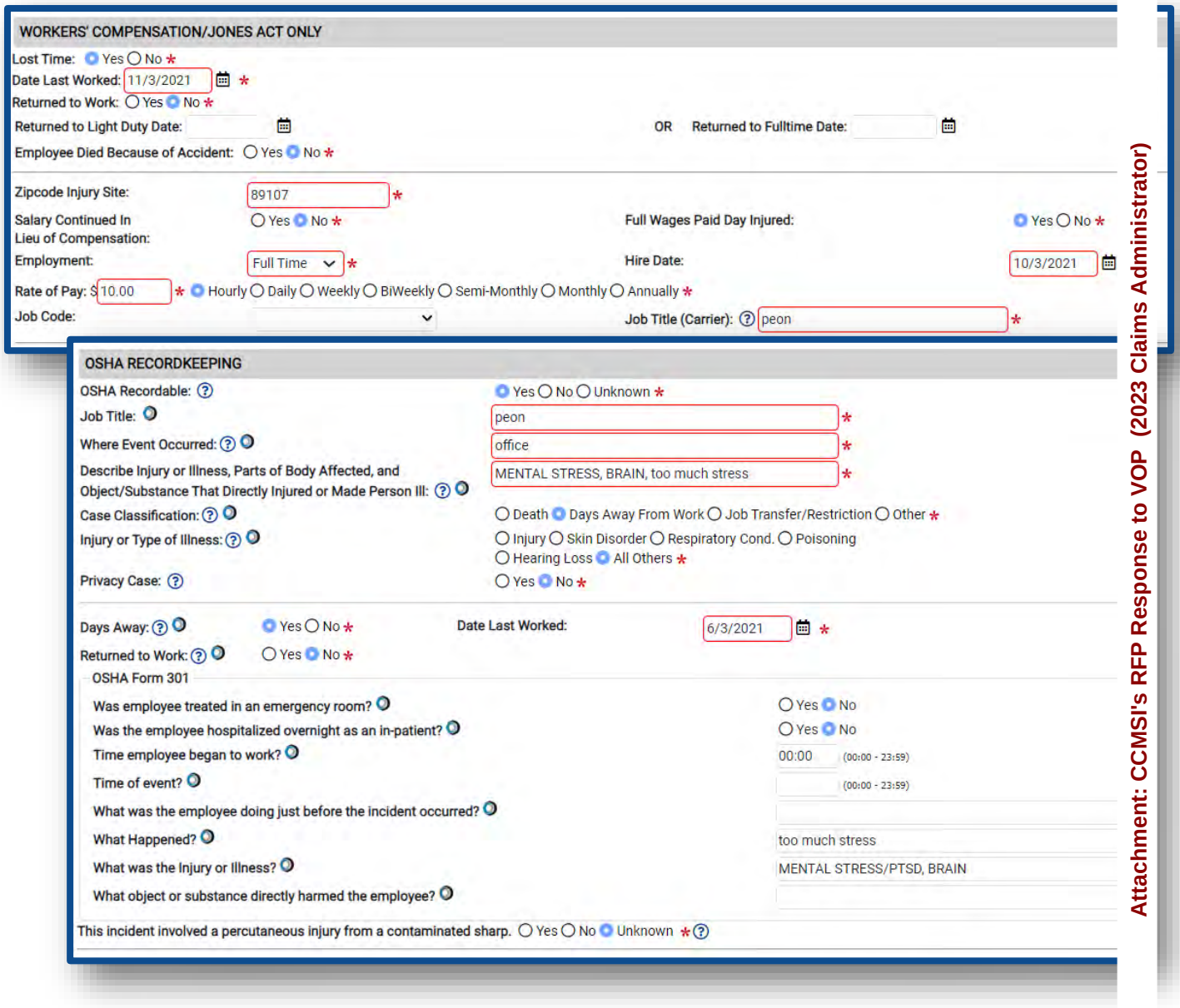
The OSHA screen supplies users with the resources they need to track and report incidents as mandated by OSHA. This module is populated directly from CCMSI claims system using all reports incidents (Claims and RPOs.)

From the main screen, users can find more information about OSHA, generate the OSHA 300 logs an 300A summaries and modify the data in the system prior to generating those reports to allow for more accurate reporting.

There are a number of video tutorials for in depth breakdowns of how to use each function in OSHA.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

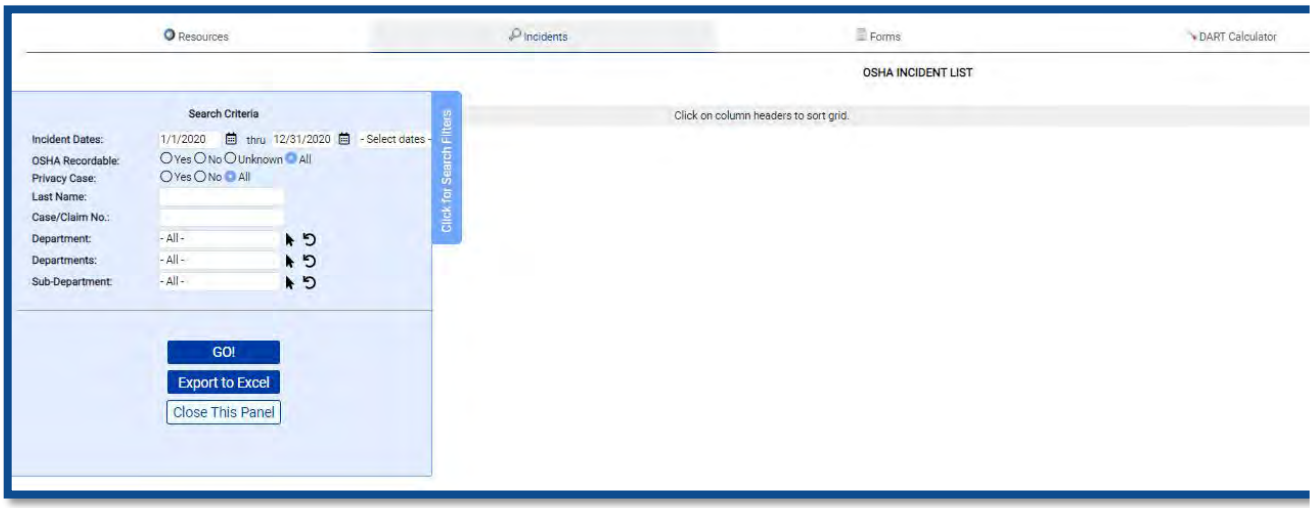
OSHA

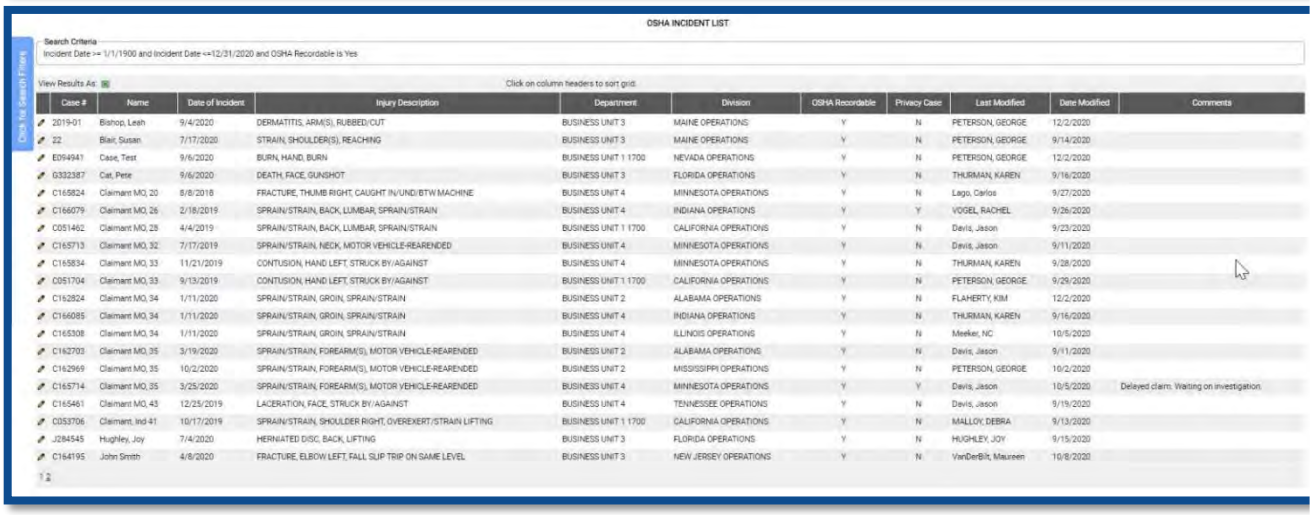


Within Initial Reports there are two sections relevant to OSHA, the Workers' Compensation/Jones Act Only section and the OSHA Recordkeeping section. The data completed in these sections will auto complete additional fields within OSHA relevant tools and forms. This information can be edited within the OSHA Incidents editing function.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

OSHA





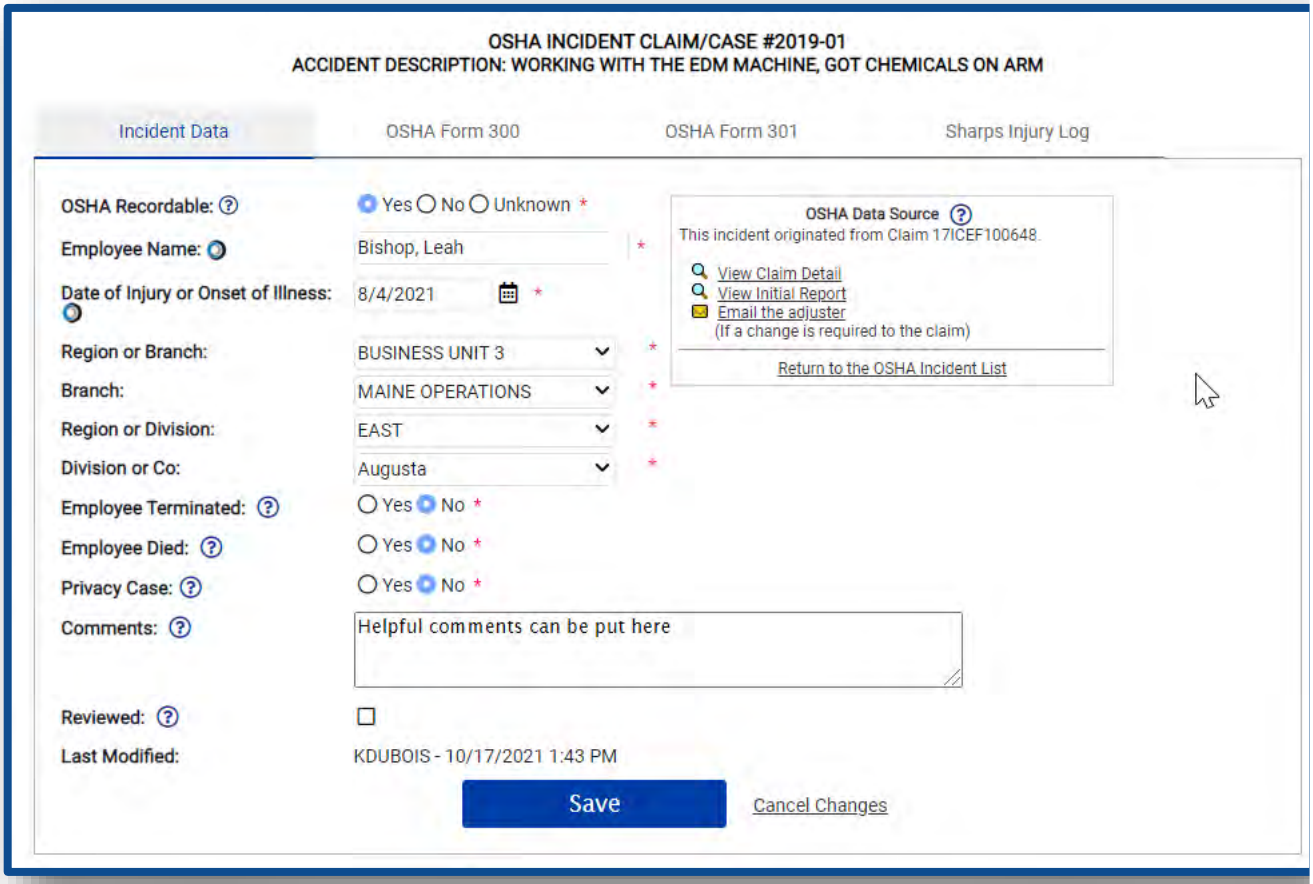
Under the OSHA Incidents tab, users can search for incidents entered in CCMSI's claims system to establish if they've been marked as recordable or not and to narrow down reported incidents whose data should be updated.

Entering in parameters in the data fields narrows the user's search results, returning incidents which fit those parameters. Clicking "Go" will generate a search results grid within iCE. Clicking "Export" wi package the grid into an Excel file.

The OSHA Incidents results grid lists the returned incidents. The data columns displayed give a brief overview of pertinent incident data. Usually, the most pertinent information users want to verify is if their reported incident is marked as OSHA recordable or not. This is indicated with a Y or N in the OSHA recordable column. Clicking on the pencil icon at the far left of the grid allows the user to edit OSHA information on the selected incident.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

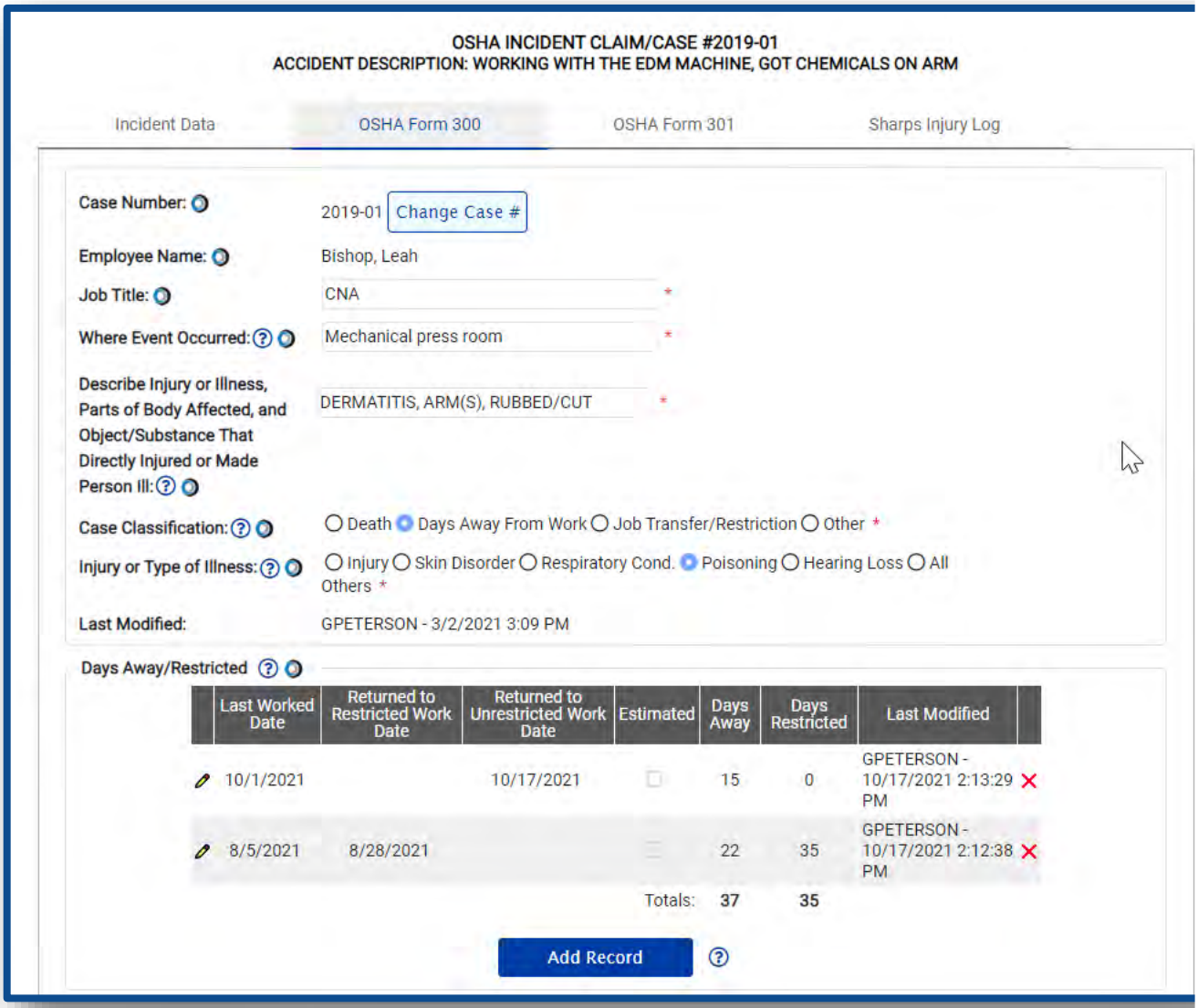
OSHA



If a user clicks on the pencil icon in the OSHA incidents results grid, they may edit their incident's OSHA information. The first screen is Incident Data which is a general incident information screen. Users must click "Save" after making their changes to permanently alter incident information.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

OSHA



OSHA INCIDENT CLAIM/CASE #2019-01
ACCIDENT DESCRIPTION: WORKING WITH THE EDM MACHINE, GOT CHEMICALS ON ARM

Incident Data | OSHA Form 300 | OSHA Form 301 | Sharps Injury Log

Case Number: 2019-01 Change Case #

Employee Name: Bishop, Leah

Job Title: CNA *

Where Event Occurred: Mechanical press room *

Describe Injury or Illness, Parts of Body Affected, and Object/Substance That Directly Injured or Made Person Ill: DERMATITIS, ARM(S), RUBBED/CUT *

Case Classification: ○ Death ◉ Days Away From Work ○ Job Transfer/Restriction ○ Other *

Injury or Type of Illness: ○ Injury ○ Skin Disorder ○ Respiratory Cond. ◉ Poisoning ○ Hearing Loss ○ All Others *

Last Modified: GPETERSON - 3/2/2021 3:09 PM

Days Away/Restricted

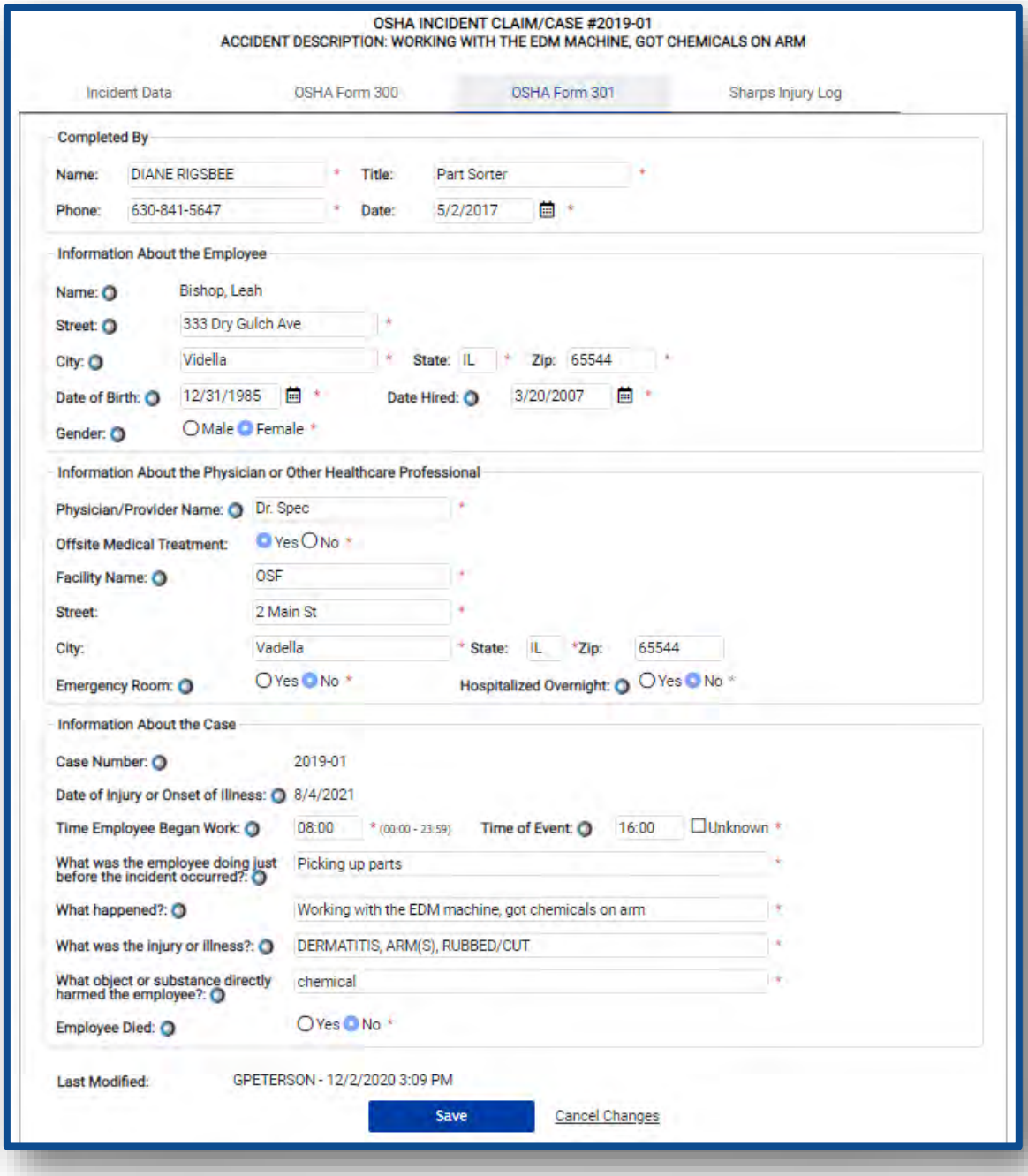
Last Worked Date	Returned to Restricted Work Date	Returned to Unrestricted Work Date	Estimated	Days Away	Days Restricted	Last Modified
10/1/2021		10/17/2021	☐	15	0	GPETERSON - 10/17/2021 2:13:29 PM
8/5/2021	8/28/2021		☐	22	35	GPETERSON - 10/17/2021 2:12:38 PM
			Totals:	37	35	

Add Record

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

In the OSHA Form 300 tab, a user can specify whether the incident is a privacy case as well as enter lost time for the employee. Some of the employee injury information is determined by data entered into the submitted initial report.

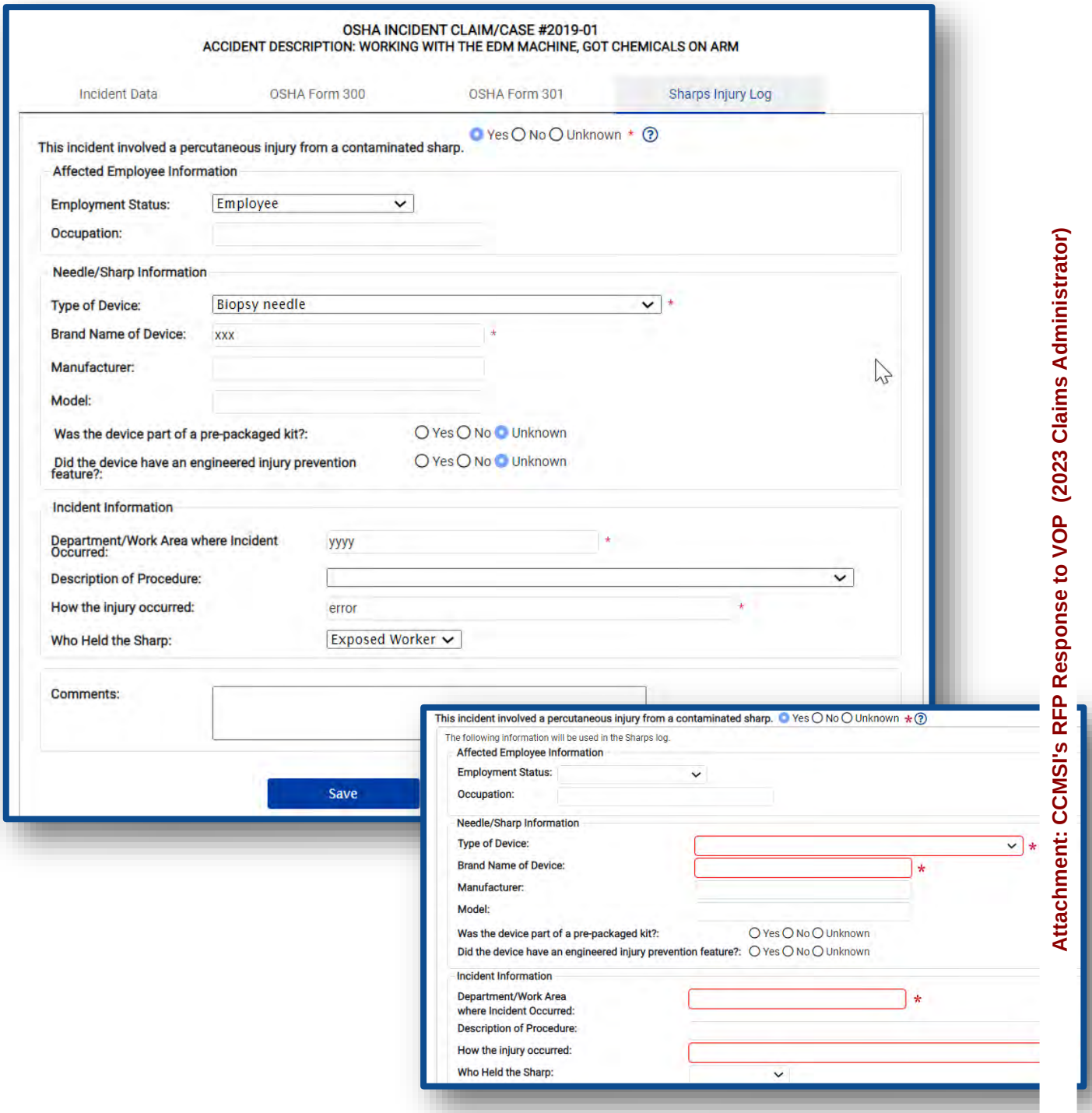
OSHA



In the OSHA Form 301 tab, a user can enter more detailed information about the injured employee, the medical treatment provided and about the injury incident itself. This is useful for those interested in providing risk control.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

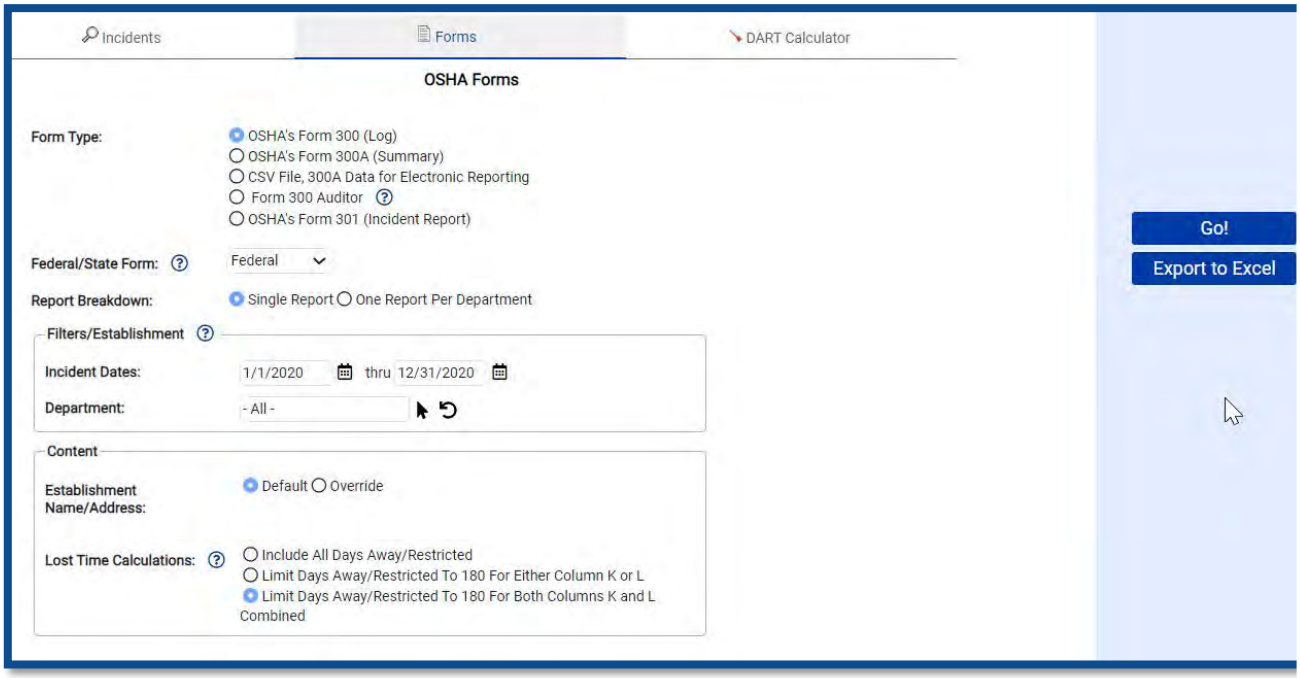
OSHA



In the Sharps Log, a user can enter more detailed information about whether or not the injury in question was due to a sharp as well as information regarding the device itself. This information may also be entered within the Initial Report.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

OSHA



The OSHA Forms tab houses the tools used to generate OSHA forms that users' generally need at the end/beginning of the year for their OSHA review.

Two screenshots of print ready OSHA forms follow on the next page.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

OSHA's Form 300 (Rev. 01/2004)

Log of Work-Related Injuries and Illnesses

Attention: This form contains information relating to employee health and must be used in a manner that protects the confidentiality of employees to the extent possible while the information is being used for occupational safety and health purposes.

Year 2020

U.S. Department of Labor
Occupational Safety and Health Administration

You must record information about every work-related death and about every work-related injury or illness that involves loss of consciousness, restricted work activity or job transfer, days away from work, or medical treatment beyond first aid. You must also record significant work-related injuries and illnesses that are diagnosed by a physician or licensed health care professional. You must also record work-related injuries and illnesses that meet any of the specific recording criteria listed in 29 CFR Part 1904.8 through 1904.12. Feel free to use two lines for a single case if you need to. You must complete an Injury and Illness Incident Report (OSHA Form 301) or equivalent form for each injury or illness recorded on this form. If you're not sure whether a case is recordable, call your local OSHA office for help.

Establishment Name: ICE Demo Client

City: NEW ORLEANS

State: LA

Identify the person			Describe the case			Classify the case (CHECK ONLY ONE box for each case based on the most serious outcome for that case)				Enter the number of days the injured or ill worker was:		Check the "Injury" column or choose one type of illness:					
(A) Case no.	(B) Employee's name	(C) Job title (e.g., Welder)	(D) Date of injury or onset of illness	(E) Where the event occurred (e.g., Loading dock north end)	(F) Describe injury or illness, parts of body affected, and object/substance that directly injured or made person ill (e.g., Second degree burns on right forearm from acetylene torch)	Death (G)	Days away from work (H)	Remained at Work: Job transfer or restriction (I)	Remained at Work: Other recordable cases (J)	Away from work (K)	On job transfer or restriction (L)	(M) Injury (1)	Skin disorder (2)	Respiratory condition (3)	Poisoning (4)	Hearing loss (5)	All other illness (6)
C165824	Claimant MO, 20	GARBAGE COLLECTION AND DRIVERS	8/8/2018		FRACTURE, THUMB RIGHT, CAUGHT IN/UND/BTW MACHINE				X	4	8						X
C166079	**Privacy Case**	GARBAGE COLLECTION AND DRIVERS	2/18/2019	in the yard of the business	SPRAIN/STRAIN, BACK, LUMBAR, SPRAIN/STRAIN				X	0	17						X
C051462	Claimant MO, 28	GARBAGE COLLECTION AND DRIVERS	4/4/2019	Alley between 5th St and Main	SPRAIN/STRAIN, BACK, LUMBAR, SPRAIN/STRAIN		X			180+	0						X
C165713	Claimant MO, 32	CLERICAL OFFICE EMPLOYEES NOC	7/17/2019	Server Room	SPRAIN/STRAIN, NECK, MOTOR VEHICLE-REARENDED				X	15	165+						X
C051704	Claimant MO, 33	GARBAGE COLLECTION AND DRIVERS	9/13/2019	hallway	CONTUSION, HAND LEFT, STRUCK BY/AGAINST		X			3	0						X
C053706	Claimant, Ind 41	GARBAGE COLLECTION AND DRIVERS	10/17/2019		SPRAIN/STRAIN, SHOULDER RIGHT, OVEREXERT/STRAIN LIFTING		X			0	145						X
C165834	Claimant MO, 33	GARBAGE COLLECTION AND DRIVERS	11/21/2019		CONTUSION, HAND LEFT, STRUCK BY/AGAINST				X	6	72						X
					Page totals:	0	3	0	4	208	407	0	0	0	0	0	7

Public reporting burden for this collection of information is estimated to average 14 minutes per response, including time to review the instructions, search and gather the data needed, and complete and review the collection of information. Persons are not required to respond to the collection of information unless it displays a currently valid OMB control number. If you have any comments about these estimates or any other aspects of this data collection, contact: US Department of Labor, OSHA Office of Statistical Analysis, Room N-3644, 200 Constitution Avenue, NW, Washington, DC 20210. Do not send the completed forms to this office.

Data for informational purposes only. The final completion of the OSHA form is the responsibility of the employer.

OSHA's Form 300A (Rev. 01/2004)

Summary of Work-Related Injuries and Illnesses

Year 2020

U.S. Department of Labor
Occupational Safety and Health Administration

All establishments covered by part 1904 must complete this Summary page, even if no work-related injuries or illnesses occurred during the year. Remember to review the Log to verify that the entries are complete and accurate before completing this summary.

Using the Log, count the individual entries you made for each category. Then write the totals below, making sure you've added the entries from every page of the Log. If you had no cases, write '0'.

Employees, former employees, and their representatives have the right to review the OSHA Form 300 in its entirety. They also have limited access to the OSHA Form 301 or its equivalent. See 20 CFR Part 1904.35, in OSHA's recordkeeping rule, for further details on the access provisions for these forms.

Number of Cases

Total number of deaths	Total number of cases with days away from work	Total number of cases with job transfer or restriction	Total number of other recordable cases
1	18	3	10
(G)	(H)	(I)	(J)

Number of Days

Total number of days away from work	Total number of days of job transfer or restriction
1302	1012
(K)	(L)

Injury and Illness Types

Total number of ... (M)			
(1) Injuries	16	(4) Poisonings	1
(2) Skin disorders	1	(5) Hearing Loss	0
(3) Respiratory conditions	0	(6) All other illnesses	14

Post this summary page from February 1 to April 30 of the year following the year covered by the form.

Public reporting burden for this collection of information is estimated to average 58 minutes per response, including time to review the instructions, search and gather the data needed, and complete and review the collection of information. Persons are not required to respond to the collection of information unless it displays a currently valid OMB control number. If you have any comments about these estimates or any other aspects of this data collection, contact: US Department of Labor, OSHA Office of Statistical Analysis, Room N-3644, 200 Constitution Avenue, NW, Washington, DC 20210. Do not send the completed forms to this office.

Establishment information

Your establishment name ICE Demo Client

Street 123 Duck Lane

City NEW ORLEANS State LA ZIP 70117

Industry description *(e.g., Manufacture of motor truck trailers)*

Standard Industrial Classification (SIC), if known *(e.g., 3715)*

— — — —

OR

North American Industrial Classification (NAICS), if known (e.g., 336212)

— — — — — —

Employment information

(If you don't have these figures, see the Worksheet on the back of this page to estimate.)

Annual average number of employees

Total hours worked by all employees last year

Sign here

Knowingly falsifying this document may result in a fine.

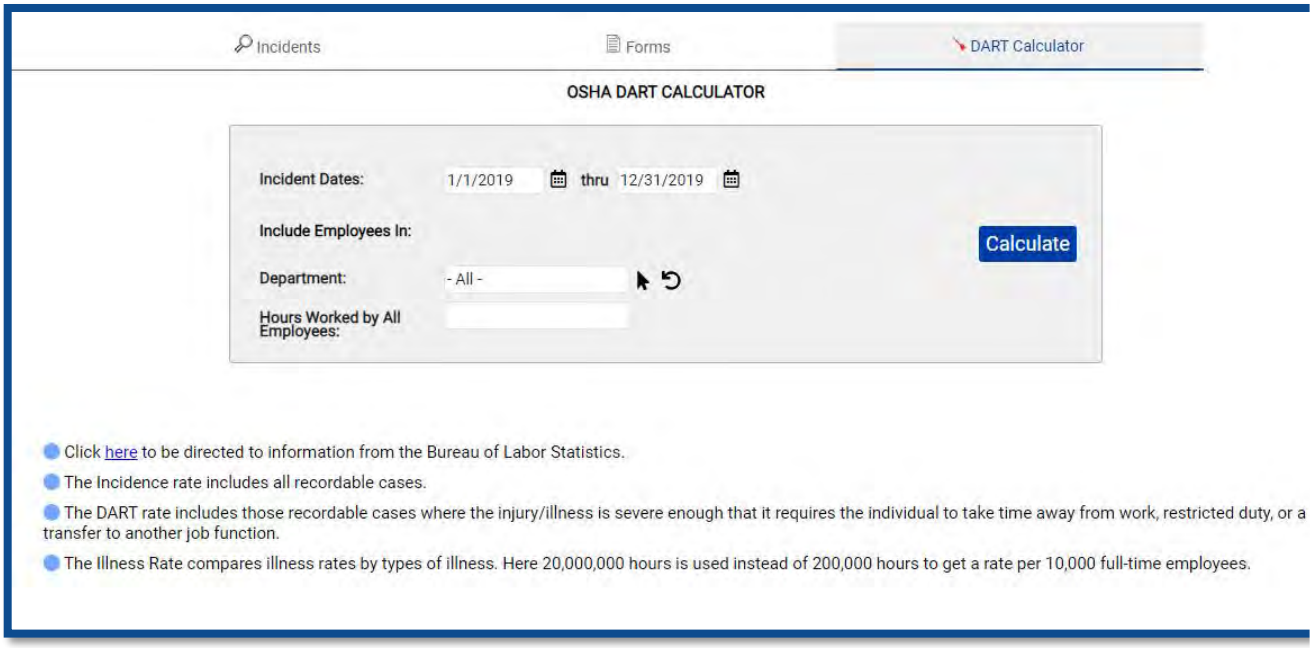
I certify that I have examined this document and that to the best of my knowledge the entries are true, accurate, and complete.

Company executive — Title

Phone — Date 12/8/2020

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

OSHA

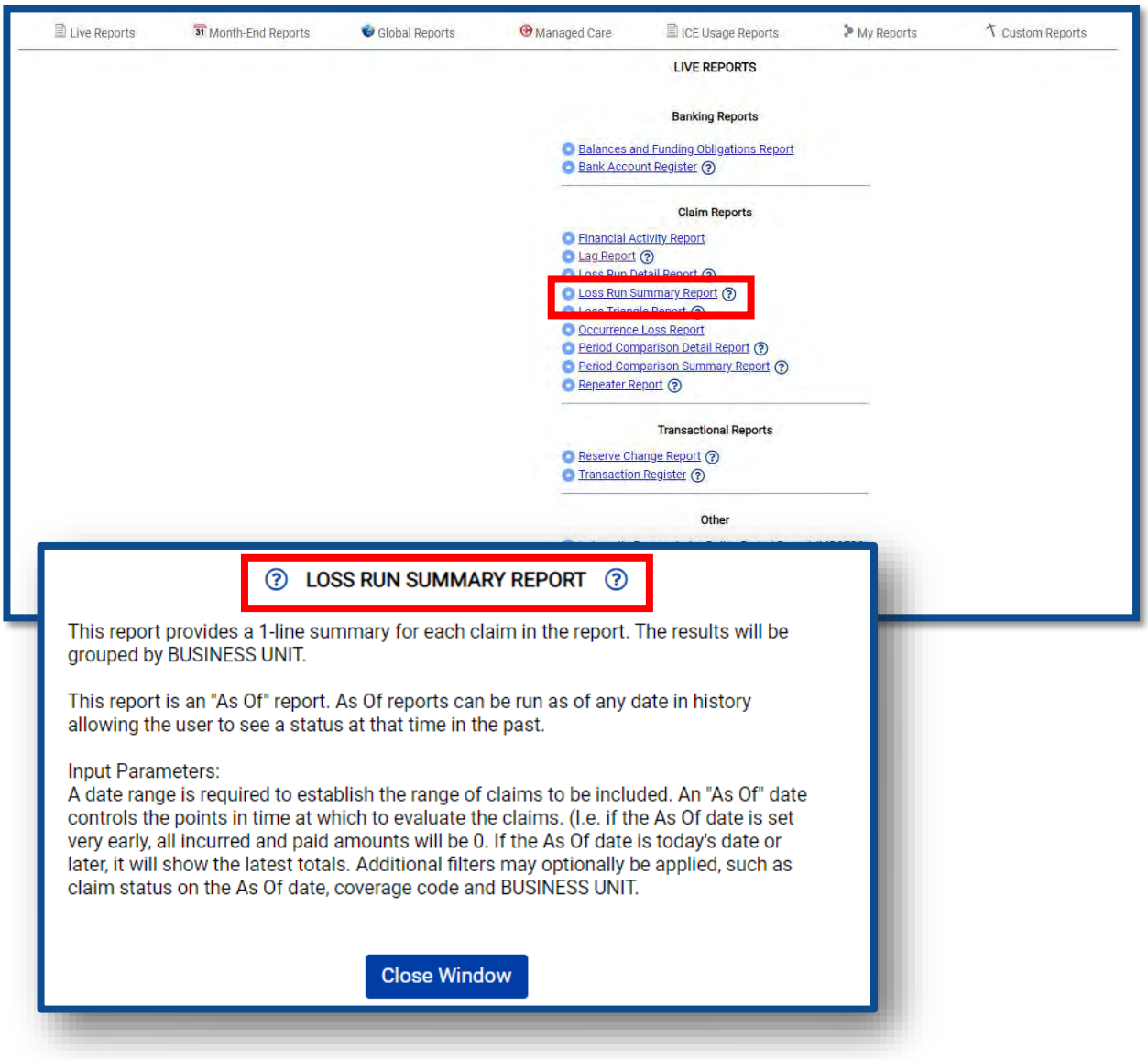


The DART calculator screen is used to provide calculations/statistics for DART (Days Away, Restricted or Transferred) rates.

Computation for Incidence Rate (OSHA Example) Total number of injuries and illnesses 200,000 X number of hours worked by all employees = total recordable case rate. The 200,000 figure in the formula represents the number of hours 100 employees working 40 hours per week, 50 weeks per year would work and provides the standard base for calculating incidence rates.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

REPORTING

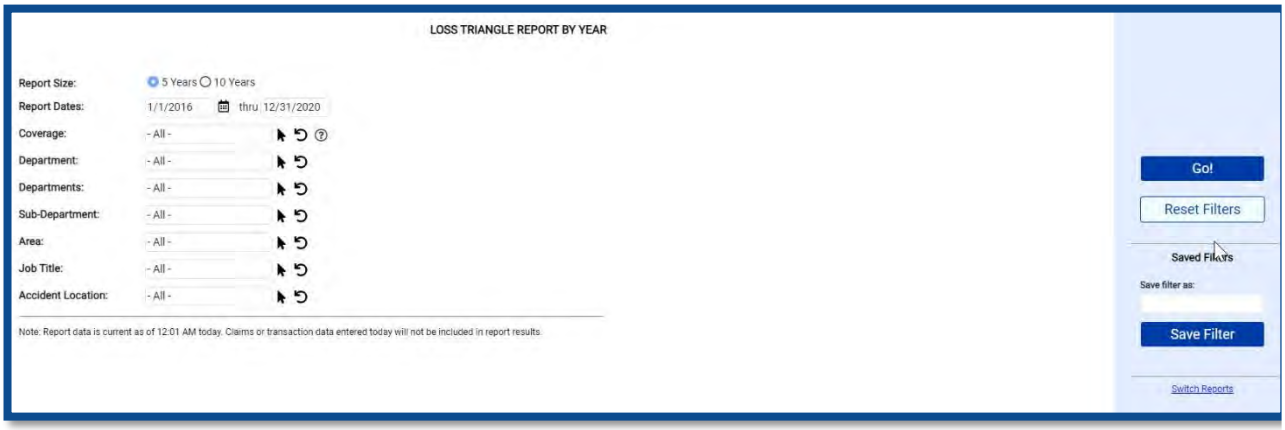


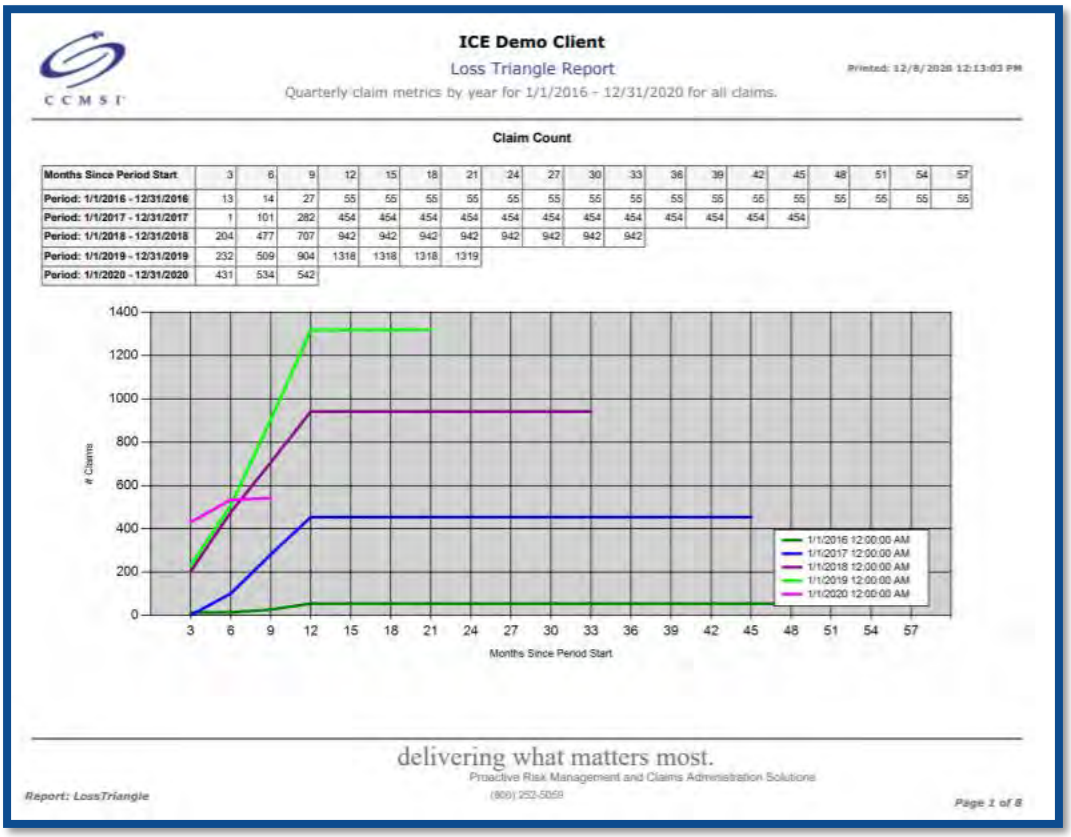
The Report Delivery module defaults to the Live Reports tab. Live reports provides the most commonly used reports by CCMSI's clients including, detail and summary loss runs, transaction, comparative period, loss triangles and reserve change reports. These reports can be generated with user-selected periods and as of dates. The question mark icons next to the reports are clickable icor that provide more information on what each report provides and what its analysis is good for.

The above is an example of the pop up window that displays when users click the question mark icoı next to each report. An example of all Live Reports is included in the Report Sample section followin the iCE Reports section.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

REPORTING



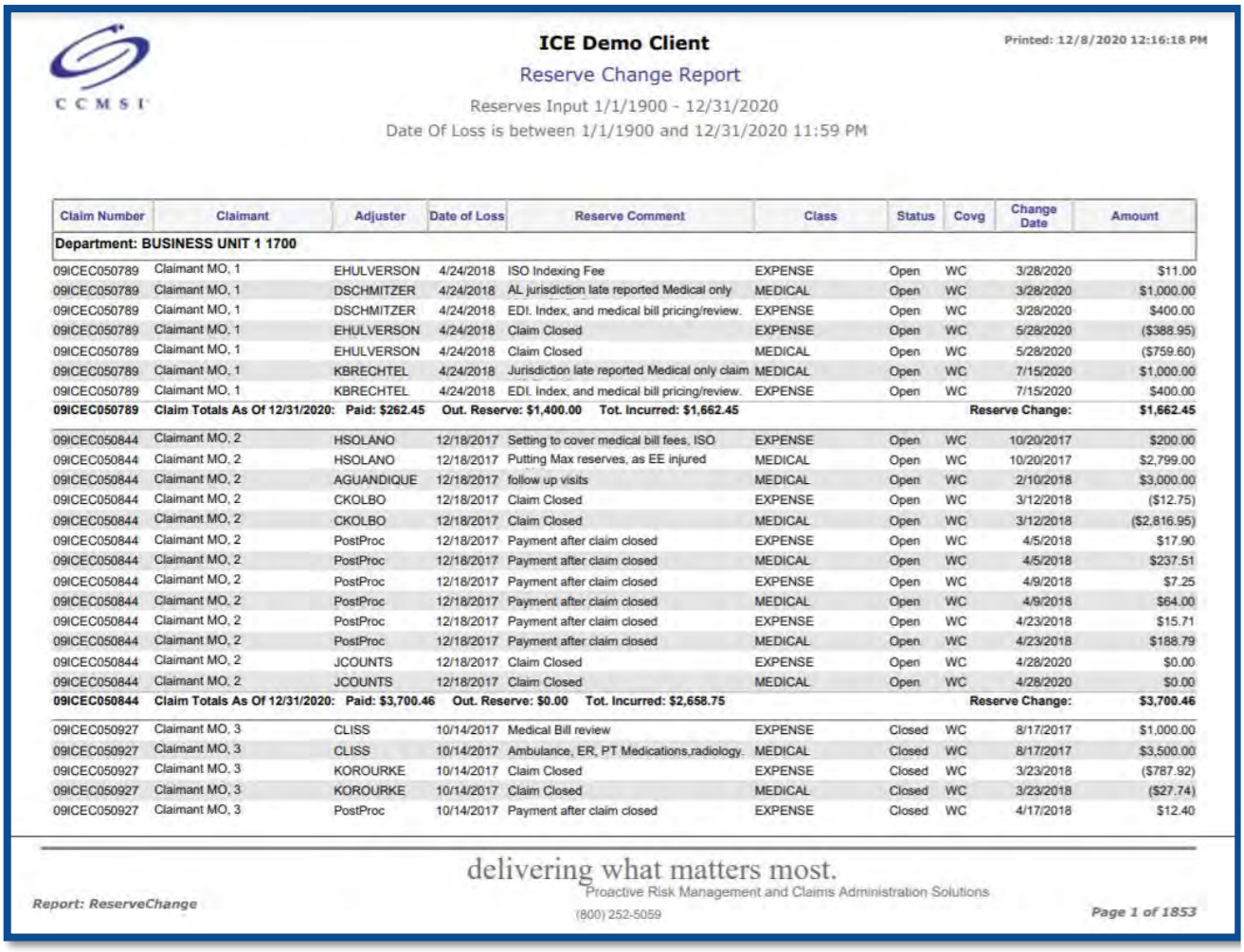


Clicking on one of the Live Report links, in this case the Loss Triangle link, shunts the user into the parameter screen where they can select what variables and date ranges they would like to include or their report. Clicking on the Go! button generates the report selected with the parameters inputted by the user.

This report will show a summary of various metrics for the requested inputs. These metrics will be displayed in grid form and plotted on graphs. The data will be broken down by year beginning with th user selected date. The report will automatically show 5 years worth of data if available.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

REPORTING



CCMSI

ICE Demo Client

Reserve Change Report

Reserves Input 1/1/1900 - 12/31/2020

Date Of Loss is between 1/1/1900 and 12/31/2020 11:59 PM

Printed: 12/8/2020 12:16:18 PM

Claim Number	Claimant	Adjuster	Date of Loss	Reserve Comment	Class	Status	Covg	Change Date	Amount
Department: BUSINESS UNIT 1 1700									
09ICEC050789	Claimant MO, 1	EHULVERSON	4/24/2018	ISO Indexing Fee	EXPENSE	Open	WC	3/28/2020	$11.00
09ICEC050789	Claimant MO, 1	DSCHMITZER	4/24/2018	AL jurisdiction late reported Medical only	MEDICAL	Open	WC	3/28/2020	$1,000.00
09ICEC050789	Claimant MO, 1	DSCHMITZER	4/24/2018	EDI. Index, and medical bill pricing/review.	EXPENSE	Open	WC	3/28/2020	$400.00
09ICEC050789	Claimant MO, 1	EHULVERSON	4/24/2018	Claim Closed	EXPENSE	Open	WC	5/28/2020	($388.95)
09ICEC050789	Claimant MO, 1	EHULVERSON	4/24/2018	Claim Closed	MEDICAL	Open	WC	5/28/2020	($759.60)
09ICEC050789	Claimant MO, 1	KBRECHTEL	4/24/2018	Jurisdiction late reported Medical only claim	MEDICAL	Open	WC	7/15/2020	$1,000.00
09ICEC050789	Claimant MO, 1	KBRECHTEL	4/24/2018	EDI. Index, and medical bill pricing/review.	EXPENSE	Open	WC	7/15/2020	$400.00
09ICEC050789	**Claim Totals As Of 12/31/2020: Paid: $262.45 Out. Reserve: $1,400.00 Tot. Incurred: $1,662.45**							**Reserve Change:**	**$1,662.45**
09ICEC050844	Claimant MO, 2	HSOLANO	12/18/2017	Setting to cover medical bill fees, ISO	EXPENSE	Open	WC	10/20/2017	$200.00
09ICEC050844	Claimant MO, 2	HSOLANO	12/18/2017	Putting Max reserves, as EE injured	MEDICAL	Open	WC	10/20/2017	$2,799.00
09ICEC050844	Claimant MO, 2	AGUANDIQUE	12/18/2017	follow up visits	MEDICAL	Open	WC	2/10/2018	$3,000.00
09ICEC050844	Claimant MO, 2	CKOLBO	12/18/2017	Claim Closed	EXPENSE	Open	WC	3/12/2018	($12.75)
09ICEC050844	Claimant MO, 2	CKOLBO	12/18/2017	Claim Closed	MEDICAL	Open	WC	3/12/2018	($2,816.95)
09ICEC050844	Claimant MO, 2	PostProc	12/18/2017	Payment after claim closed	EXPENSE	Open	WC	4/5/2018	$17.90
09ICEC050844	Claimant MO, 2	PostProc	12/18/2017	Payment after claim closed	MEDICAL	Open	WC	4/5/2018	$237.51
09ICEC050844	Claimant MO, 2	PostProc	12/18/2017	Payment after claim closed	EXPENSE	Open	WC	4/9/2018	$7.25
09ICEC050844	Claimant MO, 2	PostProc	12/18/2017	Payment after claim closed	MEDICAL	Open	WC	4/9/2018	$64.00
09ICEC050844	Claimant MO, 2	PostProc	12/18/2017	Payment after claim closed	EXPENSE	Open	WC	4/23/2018	$15.71
09ICEC050844	Claimant MO, 2	PostProc	12/18/2017	Payment after claim closed	MEDICAL	Open	WC	4/23/2018	$188.79
09ICEC050844	Claimant MO, 2	JCOUNTS	12/18/2017	Claim Closed	EXPENSE	Open	WC	4/28/2020	$0.00
09ICEC050844	Claimant MO, 2	JCOUNTS	12/18/2017	Claim Closed	MEDICAL	Open	WC	4/28/2020	$0.00
09ICEC050844	**Claim Totals As Of 12/31/2020: Paid: $3,700.46 Out. Reserve: $0.00 Tot. Incurred: $2,658.75**							**Reserve Change:**	**$3,700.46**
09ICEC050927	Claimant MO, 3	CLISS	10/14/2017	Medical Bill review	EXPENSE	Closed	WC	8/17/2017	$1,000.00
09ICEC050927	Claimant MO, 3	CLISS	10/14/2017	Ambulance, ER, PT Medications,radiology.	MEDICAL	Closed	WC	8/17/2017	$3,500.00
09ICEC050927	Claimant MO, 3	KOROURKE	10/14/2017	Claim Closed	EXPENSE	Closed	WC	3/23/2018	($787.92)
09ICEC050927	Claimant MO, 3	KOROURKE	10/14/2017	Claim Closed	MEDICAL	Closed	WC	3/23/2018	($27.74)
09ICEC050927	Claimant MO, 3	PostProc	10/14/2017	Payment after claim closed	EXPENSE	Closed	WC	4/17/2018	$12.40

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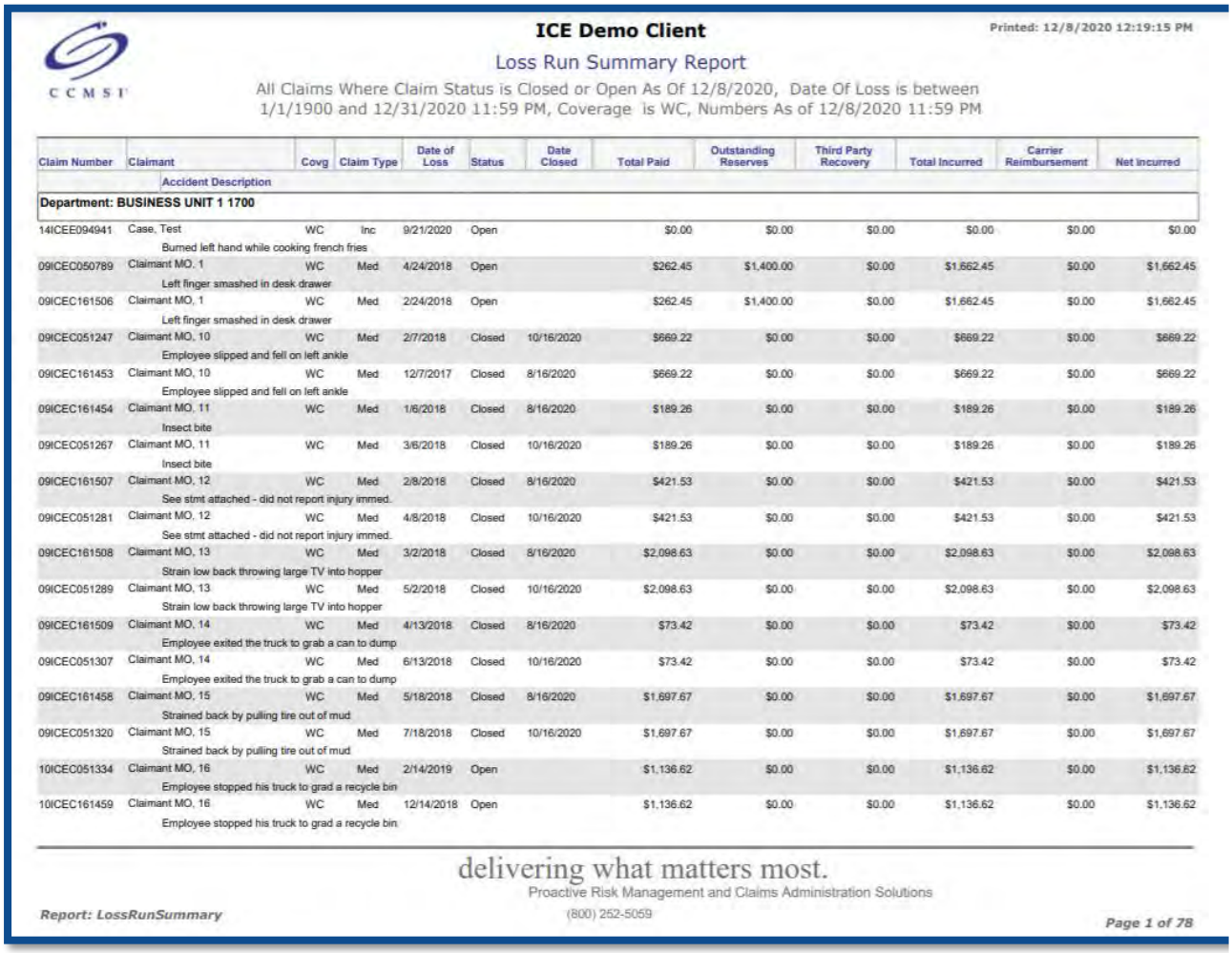
Report: ReserveChange

Page 1 of 1853

This report will show a list of reserve changes for the time period specified. The results will be grouped by Policy Holder and then by claim.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

REPORTING



CCMSI

ICE Demo Client

Printed: 12/8/2020 12:19:15 PM

Loss Run Summary Report

All Claims Where Claim Status is Closed or Open As Of 12/8/2020, Date Of Loss is between 1/1/1900 and 12/31/2020 11:59 PM, Coverage is WC, Numbers As of 12/8/2020 11:59 PM

Claim Number	Claimant / Accident Description	Covg	Claim Type	Date of Loss	Status	Date Closed	Total Paid	Outstanding Reserves	Third Party Recovery	Total Incurred	Carrier Reimbursement	Net Incurred
Department: BUSINESS UNIT 1 1700												
14ICEE094941	Case, Test Burned left hand while cooking french fries	WC	Inc	9/21/2020	Open		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
09ICEC050789	Claimant MO, 1 Left finger smashed in desk drawer	WC	Med	4/24/2018	Open		$262.45	$1,400.00	$0.00	$1,662.45	$0.00	$1,662.45
09ICEC161506	Claimant MO, 1 Left finger smashed in desk drawer	WC	Med	2/24/2018	Open		$262.45	$1,400.00	$0.00	$1,662.45	$0.00	$1,662.45
09ICEC051247	Claimant MO, 10 Employee slipped and fell on left ankle	WC	Med	2/7/2018	Closed	10/16/2020	$669.22	$0.00	$0.00	$669.22	$0.00	$669.22
09ICEC161453	Claimant MO, 10 Employee slipped and fell on left ankle	WC	Med	12/7/2017	Closed	8/16/2020	$669.22	$0.00	$0.00	$669.22	$0.00	$669.22
09ICEC161454	Claimant MO, 11 Insect bite	WC	Med	1/6/2018	Closed	8/16/2020	$189.26	$0.00	$0.00	$189.26	$0.00	$189.26
09ICEC051267	Claimant MO, 11 Insect bite	WC	Med	3/6/2018	Closed	10/16/2020	$189.26	$0.00	$0.00	$189.26	$0.00	$189.26
09ICEC161507	Claimant MO, 12 See stmt attached - did not report injury immed.	WC	Med	2/8/2018	Closed	8/16/2020	$421.53	$0.00	$0.00	$421.53	$0.00	$421.53
09ICEC051281	Claimant MO, 12 See stmt attached - did not report injury immed.	WC	Med	4/8/2018	Closed	10/16/2020	$421.53	$0.00	$0.00	$421.53	$0.00	$421.53
09ICEC161508	Claimant MO, 13 Strain low back throwing large TV into hopper	WC	Med	3/2/2018	Closed	8/16/2020	$2,098.63	$0.00	$0.00	$2,098.63	$0.00	$2,098.63
09ICEC051289	Claimant MO, 13 Strain low back throwing large TV into hopper	WC	Med	5/2/2018	Closed	10/16/2020	$2,098.63	$0.00	$0.00	$2,098.63	$0.00	$2,098.63
09ICEC161509	Claimant MO, 14 Employee exited the truck to grab a can to dump	WC	Med	4/13/2018	Closed	8/16/2020	$73.42	$0.00	$0.00	$73.42	$0.00	$73.42
09ICEC051307	Claimant MO, 14 Employee exited the truck to grab a can to dump	WC	Med	6/13/2018	Closed	10/16/2020	$73.42	$0.00	$0.00	$73.42	$0.00	$73.42
09ICEC161458	Claimant MO, 15 Strained back by pulling tire out of mud	WC	Med	5/18/2018	Closed	8/16/2020	$1,697.67	$0.00	$0.00	$1,697.67	$0.00	$1,697.67
09ICEC051320	Claimant MO, 15 Strained back by pulling tire out of mud	WC	Med	7/18/2018	Closed	10/16/2020	$1,697.67	$0.00	$0.00	$1,697.67	$0.00	$1,697.67
10ICEC051334	Claimant MO, 16 Employee stopped his truck to grad a recycle bin	WC	Med	2/14/2019	Open		$1,136.62	$0.00	$0.00	$1,136.62	$0.00	$1,136.62
10ICEC161459	Claimant MO, 16 Employee stopped his truck to grad a recycle bin	WC	Med	12/14/2018	Open		$1,136.62	$0.00	$0.00	$1,136.62	$0.00	$1,136.62

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Report: LossRunSummary

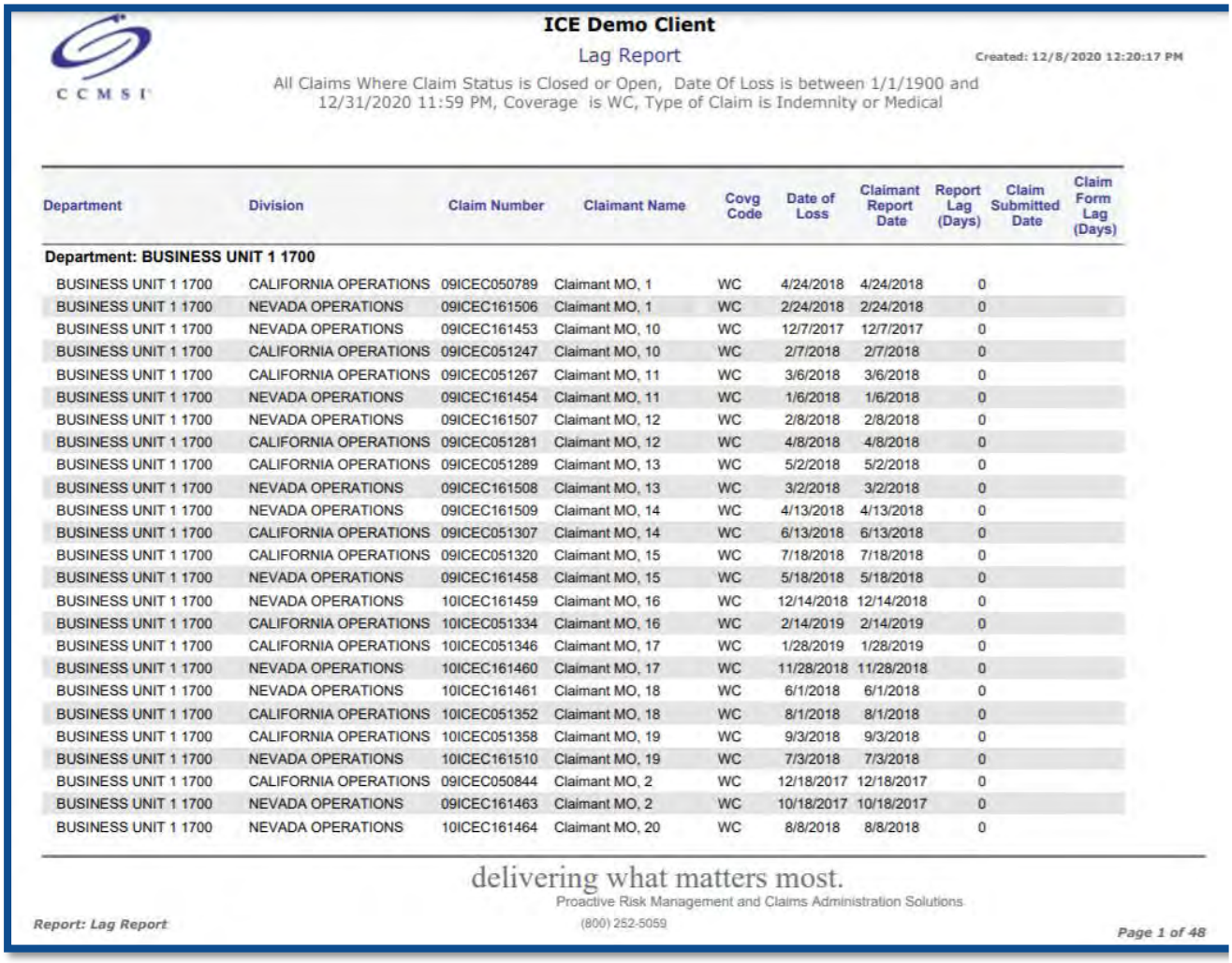
Page 1 of 78

This report provides a 1-line summary for each claim in the report. The results will be grouped by Policy Holder.

This report is an "As Of" report. As Of reports can be run as of any date in history allowing the user to see a status at that time in the past.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

REPORTING



ICE Demo Client

Lag Report

Created: 12/8/2020 12:20:17 PM

All Claims Where Claim Status is Closed or Open, Date Of Loss is between 1/1/1900 and 12/31/2020 11:59 PM, Coverage is WC, Type of Claim is Indemnity or Medical

Department	Division	Claim Number	Claimant Name	Covg Code	Date of Loss	Claimant Report Date	Report Lag (Days)	Claim Submitted Date	Claim Form Lag (Days)
Department: BUSINESS UNIT 1 1700									
BUSINESS UNIT 1 1700	CALIFORNIA OPERATIONS	09ICEC050789	Claimant MO, 1	WC	4/24/2018	4/24/2018	0		
BUSINESS UNIT 1 1700	NEVADA OPERATIONS	09ICEC161506	Claimant MO, 1	WC	2/24/2018	2/24/2018	0		
BUSINESS UNIT 1 1700	NEVADA OPERATIONS	09ICEC161453	Claimant MO, 10	WC	12/7/2017	12/7/2017	0		
BUSINESS UNIT 1 1700	CALIFORNIA OPERATIONS	09ICEC051247	Claimant MO, 10	WC	2/7/2018	2/7/2018	0		
BUSINESS UNIT 1 1700	CALIFORNIA OPERATIONS	09ICEC051267	Claimant MO, 11	WC	3/6/2018	3/6/2018	0		
BUSINESS UNIT 1 1700	NEVADA OPERATIONS	09ICEC161454	Claimant MO, 11	WC	1/6/2018	1/6/2018	0		
BUSINESS UNIT 1 1700	NEVADA OPERATIONS	09ICEC161507	Claimant MO, 12	WC	2/8/2018	2/8/2018	0		
BUSINESS UNIT 1 1700	CALIFORNIA OPERATIONS	09ICEC051281	Claimant MO, 12	WC	4/8/2018	4/8/2018	0		
BUSINESS UNIT 1 1700	CALIFORNIA OPERATIONS	09ICEC051289	Claimant MO, 13	WC	5/2/2018	5/2/2018	0		
BUSINESS UNIT 1 1700	NEVADA OPERATIONS	09ICEC161508	Claimant MO, 13	WC	3/2/2018	3/2/2018	0		
BUSINESS UNIT 1 1700	NEVADA OPERATIONS	09ICEC161509	Claimant MO, 14	WC	4/13/2018	4/13/2018	0		
BUSINESS UNIT 1 1700	CALIFORNIA OPERATIONS	09ICEC051307	Claimant MO, 14	WC	6/13/2018	6/13/2018	0		
BUSINESS UNIT 1 1700	CALIFORNIA OPERATIONS	09ICEC051320	Claimant MO, 15	WC	7/18/2018	7/18/2018	0		
BUSINESS UNIT 1 1700	NEVADA OPERATIONS	09ICEC161458	Claimant MO, 15	WC	5/18/2018	5/18/2018	0		
BUSINESS UNIT 1 1700	NEVADA OPERATIONS	10ICEC161459	Claimant MO, 16	WC	12/14/2018	12/14/2018	0		
BUSINESS UNIT 1 1700	CALIFORNIA OPERATIONS	10ICEC051334	Claimant MO, 16	WC	2/14/2019	2/14/2019	0		
BUSINESS UNIT 1 1700	CALIFORNIA OPERATIONS	10ICEC051346	Claimant MO, 17	WC	1/28/2019	1/28/2019	0		
BUSINESS UNIT 1 1700	NEVADA OPERATIONS	10ICEC161460	Claimant MO, 17	WC	11/28/2018	11/28/2018	0		
BUSINESS UNIT 1 1700	NEVADA OPERATIONS	10ICEC161461	Claimant MO, 18	WC	6/1/2018	6/1/2018	0		
BUSINESS UNIT 1 1700	CALIFORNIA OPERATIONS	10ICEC051352	Claimant MO, 18	WC	8/1/2018	8/1/2018	0		
BUSINESS UNIT 1 1700	CALIFORNIA OPERATIONS	10ICEC051358	Claimant MO, 19	WC	9/3/2018	9/3/2018	0		
BUSINESS UNIT 1 1700	NEVADA OPERATIONS	10ICEC161510	Claimant MO, 19	WC	7/3/2018	7/3/2018	0		
BUSINESS UNIT 1 1700	CALIFORNIA OPERATIONS	09ICEC050844	Claimant MO, 2	WC	12/18/2017	12/18/2017	0		
BUSINESS UNIT 1 1700	NEVADA OPERATIONS	09ICEC161463	Claimant MO, 2	WC	10/18/2017	10/18/2017	0		
BUSINESS UNIT 1 1700	NEVADA OPERATIONS	10ICEC161464	Claimant MO, 20	WC	8/8/2018	8/8/2018	0		

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(800) 252-5059

Report: Lag Report

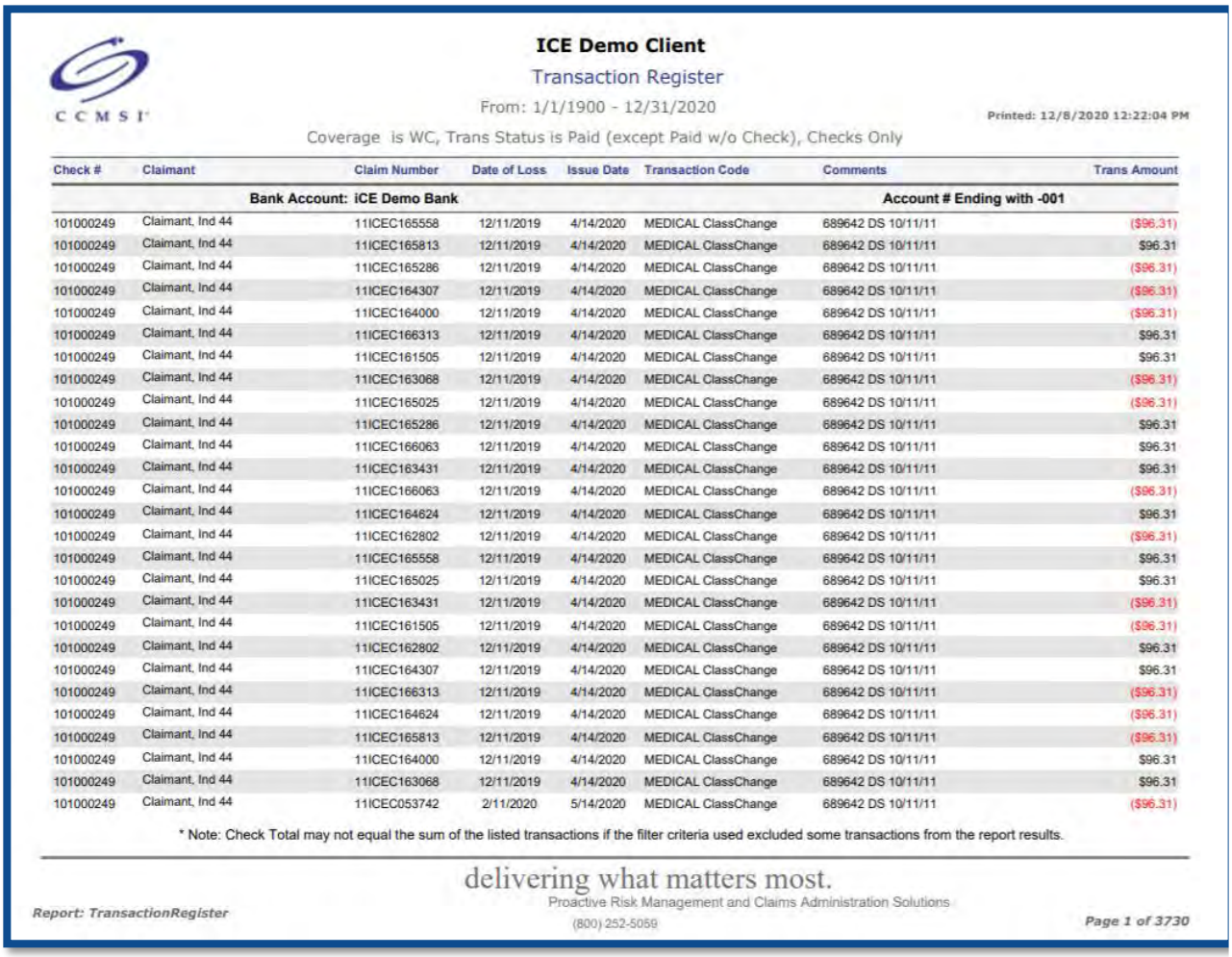
Page 1 of 48

This report will show a listing of claims that meet the input parameters. It will show the lag times for each claim. The first lag time is the number of days that the claimant waited to report an incident to the company. The second lag time is the number of days that the company waited to report the claim to CCMSI after the claimant reported the incident.

Input Parameters:
A date range for the report is required. Additional filters may optionally be applied, such as coverage code and Department.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

REPORTING



ICE Demo Client

Transaction Register

From: 1/1/1900 - 12/31/2020

Printed: 12/8/2020 12:22:04 PM

Coverage is WC, Trans Status is Paid (except Paid w/o Check), Checks Only

Check #	Claimant	Claim Number	Date of Loss	Issue Date	Transaction Code	Comments	Trans Amount
Bank Account: iCE Demo Bank						Account # Ending with -001	
101000249	Claimant, Ind 44	11ICEC165558	12/11/2019	4/14/2020	MEDICAL ClassChange	689642 DS 10/11/11	($96.31)
101000249	Claimant, Ind 44	11ICEC165813	12/11/2019	4/14/2020	MEDICAL ClassChange	689642 DS 10/11/11	$96.31
101000249	Claimant, Ind 44	11ICEC165286	12/11/2019	4/14/2020	MEDICAL ClassChange	689642 DS 10/11/11	($96.31)
101000249	Claimant, Ind 44	11ICEC164307	12/11/2019	4/14/2020	MEDICAL ClassChange	689642 DS 10/11/11	($96.31)
101000249	Claimant, Ind 44	11ICEC164000	12/11/2019	4/14/2020	MEDICAL ClassChange	689642 DS 10/11/11	($96.31)
101000249	Claimant, Ind 44	11ICEC166313	12/11/2019	4/14/2020	MEDICAL ClassChange	689642 DS 10/11/11	$96.31
101000249	Claimant, Ind 44	11ICEC161505	12/11/2019	4/14/2020	MEDICAL ClassChange	689642 DS 10/11/11	$96.31
101000249	Claimant, Ind 44	11ICEC163068	12/11/2019	4/14/2020	MEDICAL ClassChange	689642 DS 10/11/11	($96.31)
101000249	Claimant, Ind 44	11ICEC165025	12/11/2019	4/14/2020	MEDICAL ClassChange	689642 DS 10/11/11	($96.31)
101000249	Claimant, Ind 44	11ICEC165286	12/11/2019	4/14/2020	MEDICAL ClassChange	689642 DS 10/11/11	$96.31
101000249	Claimant, Ind 44	11ICEC166063	12/11/2019	4/14/2020	MEDICAL ClassChange	689642 DS 10/11/11	$96.31
101000249	Claimant, Ind 44	11ICEC163431	12/11/2019	4/14/2020	MEDICAL ClassChange	689642 DS 10/11/11	$96.31
101000249	Claimant, Ind 44	11ICEC166063	12/11/2019	4/14/2020	MEDICAL ClassChange	689642 DS 10/11/11	($96.31)
101000249	Claimant, Ind 44	11ICEC164624	12/11/2019	4/14/2020	MEDICAL ClassChange	689642 DS 10/11/11	$96.31
101000249	Claimant, Ind 44	11ICEC162802	12/11/2019	4/14/2020	MEDICAL ClassChange	689642 DS 10/11/11	($96.31)
101000249	Claimant, Ind 44	11ICEC165558	12/11/2019	4/14/2020	MEDICAL ClassChange	689642 DS 10/11/11	$96.31
101000249	Claimant, Ind 44	11ICEC165025	12/11/2019	4/14/2020	MEDICAL ClassChange	689642 DS 10/11/11	$96.31
101000249	Claimant, Ind 44	11ICEC163431	12/11/2019	4/14/2020	MEDICAL ClassChange	689642 DS 10/11/11	($96.31)
101000249	Claimant, Ind 44	11ICEC161505	12/11/2019	4/14/2020	MEDICAL ClassChange	689642 DS 10/11/11	($96.31)
101000249	Claimant, Ind 44	11ICEC162802	12/11/2019	4/14/2020	MEDICAL ClassChange	689642 DS 10/11/11	$96.31
101000249	Claimant, Ind 44	11ICEC164307	12/11/2019	4/14/2020	MEDICAL ClassChange	689642 DS 10/11/11	$96.31
101000249	Claimant, Ind 44	11ICEC166313	12/11/2019	4/14/2020	MEDICAL ClassChange	689642 DS 10/11/11	($96.31)
101000249	Claimant, Ind 44	11ICEC164624	12/11/2019	4/14/2020	MEDICAL ClassChange	689642 DS 10/11/11	($96.31)
101000249	Claimant, Ind 44	11ICEC165813	12/11/2019	4/14/2020	MEDICAL ClassChange	689642 DS 10/11/11	($96.31)
101000249	Claimant, Ind 44	11ICEC164000	12/11/2019	4/14/2020	MEDICAL ClassChange	689642 DS 10/11/11	$96.31
101000249	Claimant, Ind 44	11ICEC163068	12/11/2019	4/14/2020	MEDICAL ClassChange	689642 DS 10/11/11	$96.31
101000249	Claimant, Ind 44	11ICEC053742	2/11/2020	5/14/2020	MEDICAL ClassChange	689642 DS 10/11/11	($96.31)

* Note: Check Total may not equal the sum of the listed transactions if the filter criteria used excluded some transactions from the report results.

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Report: TransactionRegister

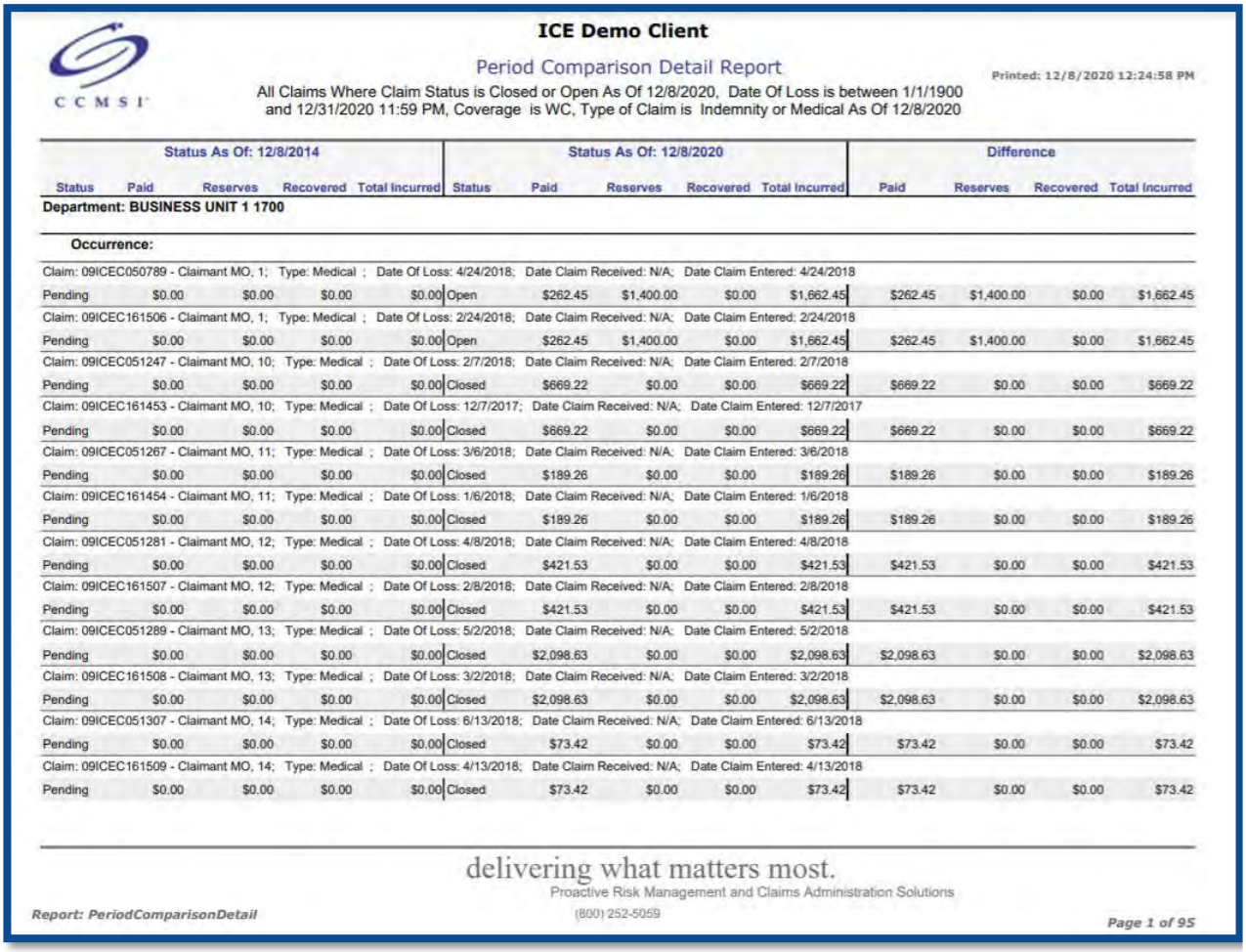
Page 1 of 3730

This report will show a list of completed transactions for the account for the date range selected. The results will include corrections and voided payments but will exclude deposits, recoveries and reimbursements. The results will be grouped by bank account number.

Input Parameters:
A range of transaction dates is required. Additional filters may optionally be applied, such as coverage code and Department.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

REPORTING



ICE Demo Client

Period Comparison Detail Report

Printed: 12/8/2020 12:24:58 PM

All Claims Where Claim Status is Closed or Open As Of 12/8/2020, Date Of Loss is between 1/1/1900 and 12/31/2020 11:59 PM, Coverage is WC, Type of Claim is Indemnity or Medical As Of 12/8/2020

Status As Of: 12/8/2014					Status As Of: 12/8/2020					Difference			
Status	Paid	Reserves	Recovered	Total Incurred	Status	Paid	Reserves	Recovered	Total Incurred	Paid	Reserves	Recovered	Total Incurred
Department: BUSINESS UNIT 1 1700													
Occurrence:													
Claim: 09ICEC050789 - Claimant MO, 1; Type: Medical ; Date Of Loss: 4/24/2018; Date Claim Received: N/A; Date Claim Entered: 4/24/2018													
Pending	$0.00	$0.00	$0.00	$0.00	Open	$262.45	$1,400.00	$0.00	$1,662.45	$262.45	$1,400.00	$0.00	$1,662.45
Claim: 09ICEC161506 - Claimant MO, 1; Type: Medical ; Date Of Loss: 2/24/2018; Date Claim Received: N/A; Date Claim Entered: 2/24/2018													
Pending	$0.00	$0.00	$0.00	$0.00	Open	$262.45	$1,400.00	$0.00	$1,662.45	$262.45	$1,400.00	$0.00	$1,662.45
Claim: 09ICEC051247 - Claimant MO, 10; Type: Medical ; Date Of Loss: 2/7/2018; Date Claim Received: N/A; Date Claim Entered: 2/7/2018													
Pending	$0.00	$0.00	$0.00	$0.00	Closed	$669.22	$0.00	$0.00	$669.22	$669.22	$0.00	$0.00	$669.22
Claim: 09ICEC161453 - Claimant MO, 10; Type: Medical ; Date Of Loss: 12/7/2017; Date Claim Received: N/A; Date Claim Entered: 12/7/2017													
Pending	$0.00	$0.00	$0.00	$0.00	Closed	$669.22	$0.00	$0.00	$669.22	$669.22	$0.00	$0.00	$669.22
Claim: 09ICEC051267 - Claimant MO, 11; Type: Medical ; Date Of Loss: 3/6/2018; Date Claim Received: N/A; Date Claim Entered: 3/6/2018													
Pending	$0.00	$0.00	$0.00	$0.00	Closed	$189.26	$0.00	$0.00	$189.26	$189.26	$0.00	$0.00	$189.26
Claim: 09ICEC161454 - Claimant MO, 11; Type: Medical ; Date Of Loss: 1/6/2018; Date Claim Received: N/A; Date Claim Entered: 1/6/2018													
Pending	$0.00	$0.00	$0.00	$0.00	Closed	$189.26	$0.00	$0.00	$189.26	$189.26	$0.00	$0.00	$189.26
Claim: 09ICEC051281 - Claimant MO, 12; Type: Medical ; Date Of Loss: 4/8/2018; Date Claim Received: N/A; Date Claim Entered: 4/8/2018													
Pending	$0.00	$0.00	$0.00	$0.00	Closed	$421.53	$0.00	$0.00	$421.53	$421.53	$0.00	$0.00	$421.53
Claim: 09ICEC161507 - Claimant MO, 12; Type: Medical ; Date Of Loss: 2/8/2018; Date Claim Received: N/A; Date Claim Entered: 2/8/2018													
Pending	$0.00	$0.00	$0.00	$0.00	Closed	$421.53	$0.00	$0.00	$421.53	$421.53	$0.00	$0.00	$421.53
Claim: 09ICEC051289 - Claimant MO, 13; Type: Medical ; Date Of Loss: 5/2/2018; Date Claim Received: N/A; Date Claim Entered: 5/2/2018													
Pending	$0.00	$0.00	$0.00	$0.00	Closed	$2,098.63	$0.00	$0.00	$2,098.63	$2,098.63	$0.00	$0.00	$2,098.63
Claim: 09ICEC161508 - Claimant MO, 13; Type: Medical ; Date Of Loss: 3/2/2018; Date Claim Received: N/A; Date Claim Entered: 3/2/2018													
Pending	$0.00	$0.00	$0.00	$0.00	Closed	$2,098.63	$0.00	$0.00	$2,098.63	$2,098.63	$0.00	$0.00	$2,098.63
Claim: 09ICEC051307 - Claimant MO, 14; Type: Medical ; Date Of Loss: 6/13/2018; Date Claim Received: N/A; Date Claim Entered: 6/13/2018													
Pending	$0.00	$0.00	$0.00	$0.00	Closed	$73.42	$0.00	$0.00	$73.42	$73.42	$0.00	$0.00	$73.42
Claim: 09ICEC161509 - Claimant MO, 14; Type: Medical ; Date Of Loss: 4/13/2018; Date Claim Received: N/A; Date Claim Entered: 4/13/2018													
Pending	$0.00	$0.00	$0.00	$0.00	Closed	$73.42	$0.00	$0.00	$73.42	$73.42	$0.00	$0.00	$73.42

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Report: PeriodComparisonDetail

Page 1 of 95

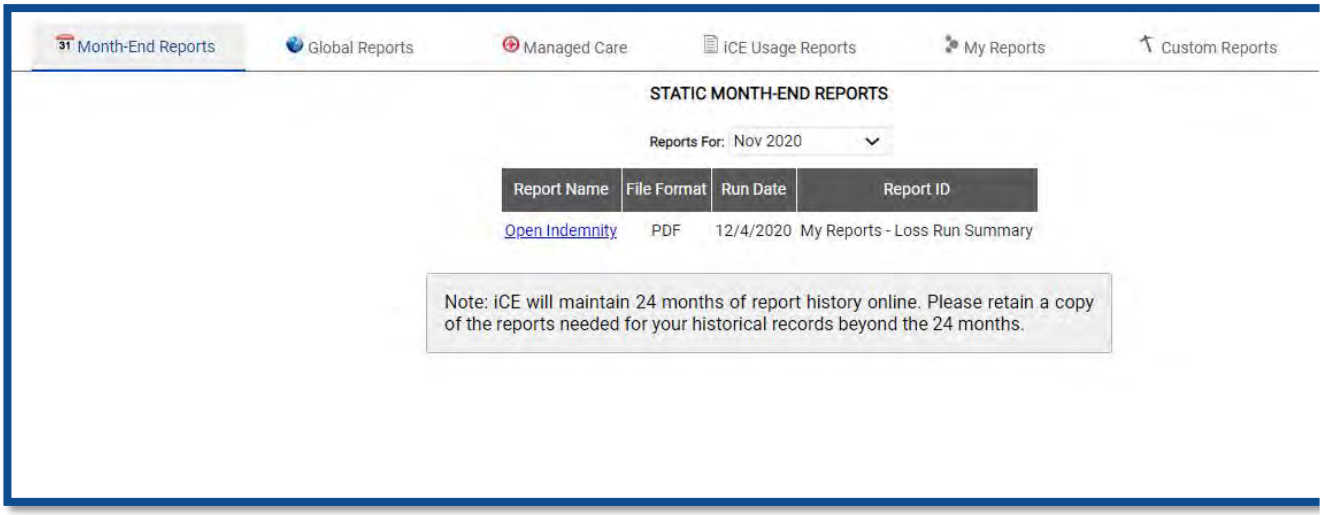
This report will allow the user to compare detailed claim data as of 2 different points in time. The results will be grouped by Department and then by Occurrence. (Claims not belonging to an occurrence will be grouped together under "Not Specified".)

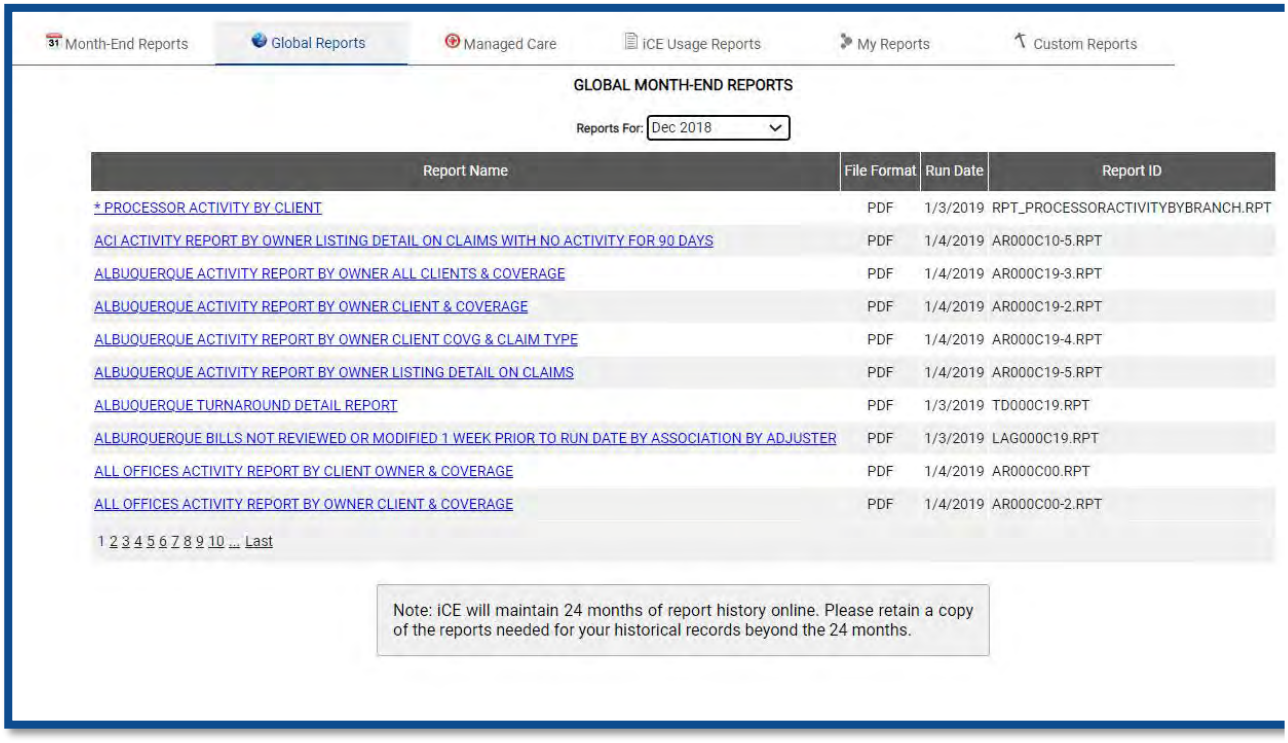
This report is an "As Of" report. As Of reports can be run as of any date in history allowing the user to see a status at that time in the past.

Input Parameters:
Four dates are required for this report. A date range is required to establish the range of claims to be included. Two "As Of" dates control the points in time at which to evaluate the claims. (I.e. if the As Of date is set very early, all incurred and paid amounts will be 0. If the As Of date is today's date or later, it will show the latest totals. Additional filters may optionally be applied, such as coverage code and Department.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

REPORTING

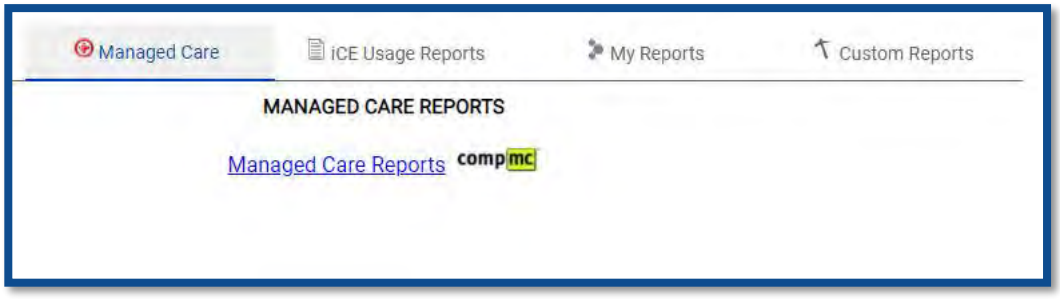


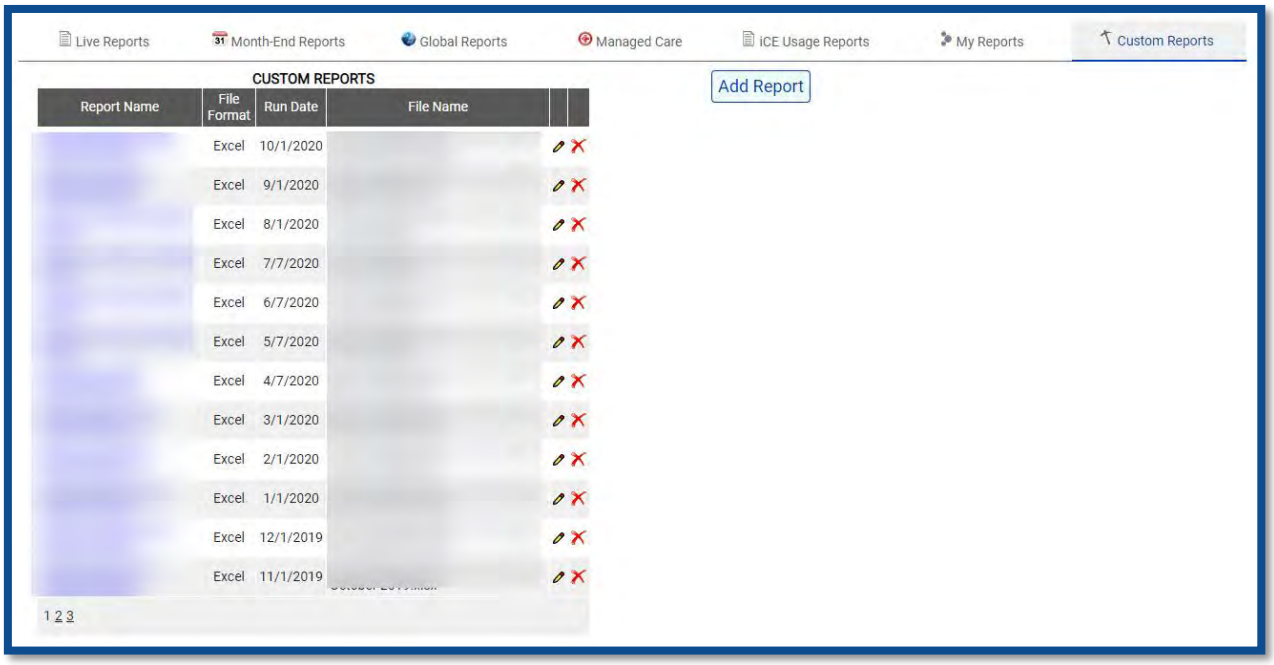


Both the Month-End Reports and Global Reports are sections of static reports automatically posted by CCMSI.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

REPORTING

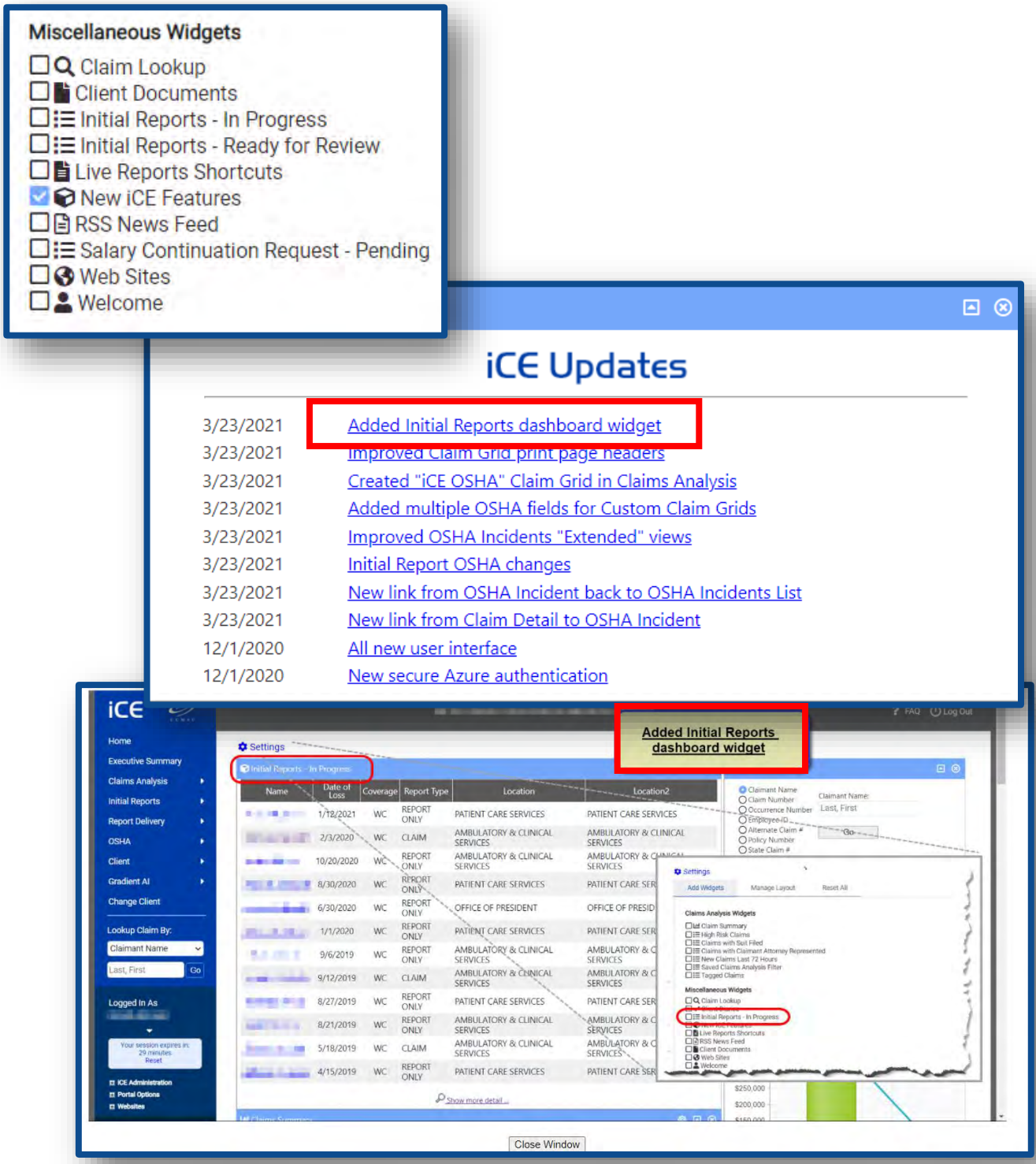




The Managed Care Report section requires a separate log in and provides data on CompMC while the Custom Reports section displays bespoke reports for the client manually uploaded by a data analyst on CCMSI's end.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

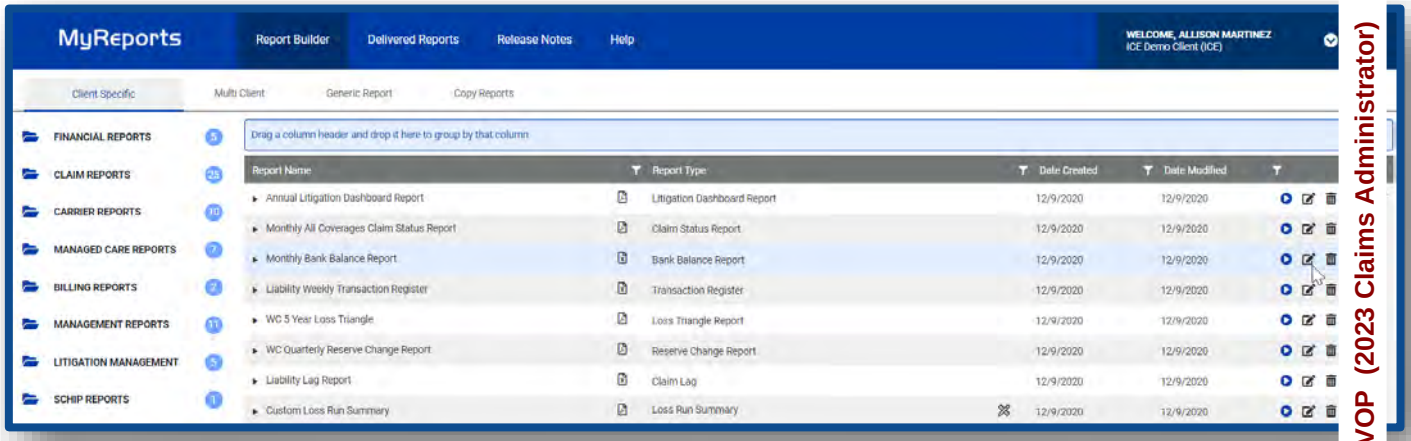
REPORTING



Between updates to the ICE booklet, users may keep abreast of recent updates and improvements to ICE via the ICE Updates widget list available in the ICE dashboard widget selection list. Clicking on one of the list links brings up a window displaying the selected update.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

REPORTING



MyReports is a highly sophisticated, yet user-friendly tool that places the power of up-to-date reporting within the user's hands. While iCE houses many easy-to-use reporting features, MyReport is the most customizable. The first time a user logs into MyReports, they will see the report categorized available and no scheduled or saved reports.

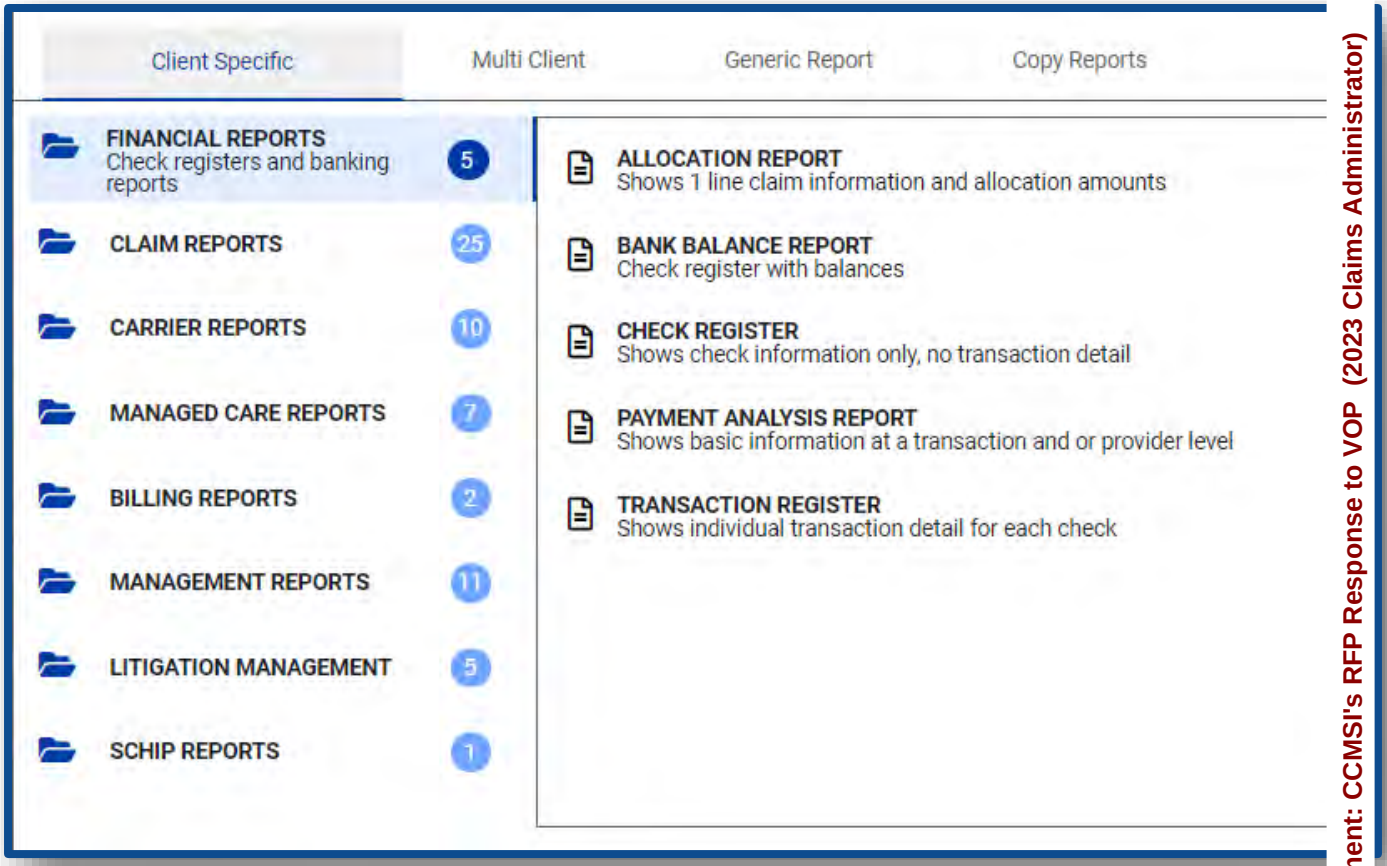
Main report categories are displayed with the number of reports within that category highlighted in the grey circle icon to the right of the category title. Hovering over any of the main report categories displays all reports available under that category along with a brief description of what information the report displays.

Reports categories screenshots follow.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

REPORTING

FINANCIAL REPORTS

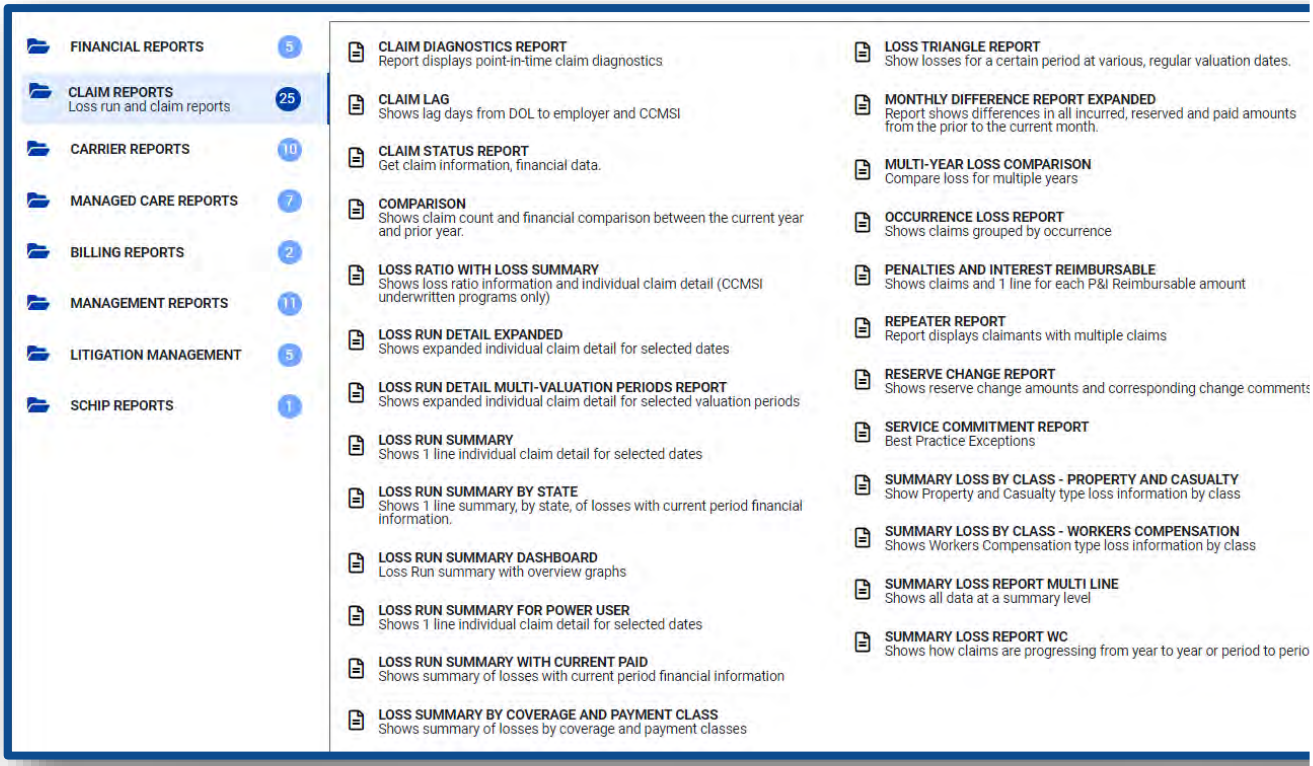


Allocation Report, Bank Balance Report, Check Register, Payment Analysis Report, Transaction Registe

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

REPORTING

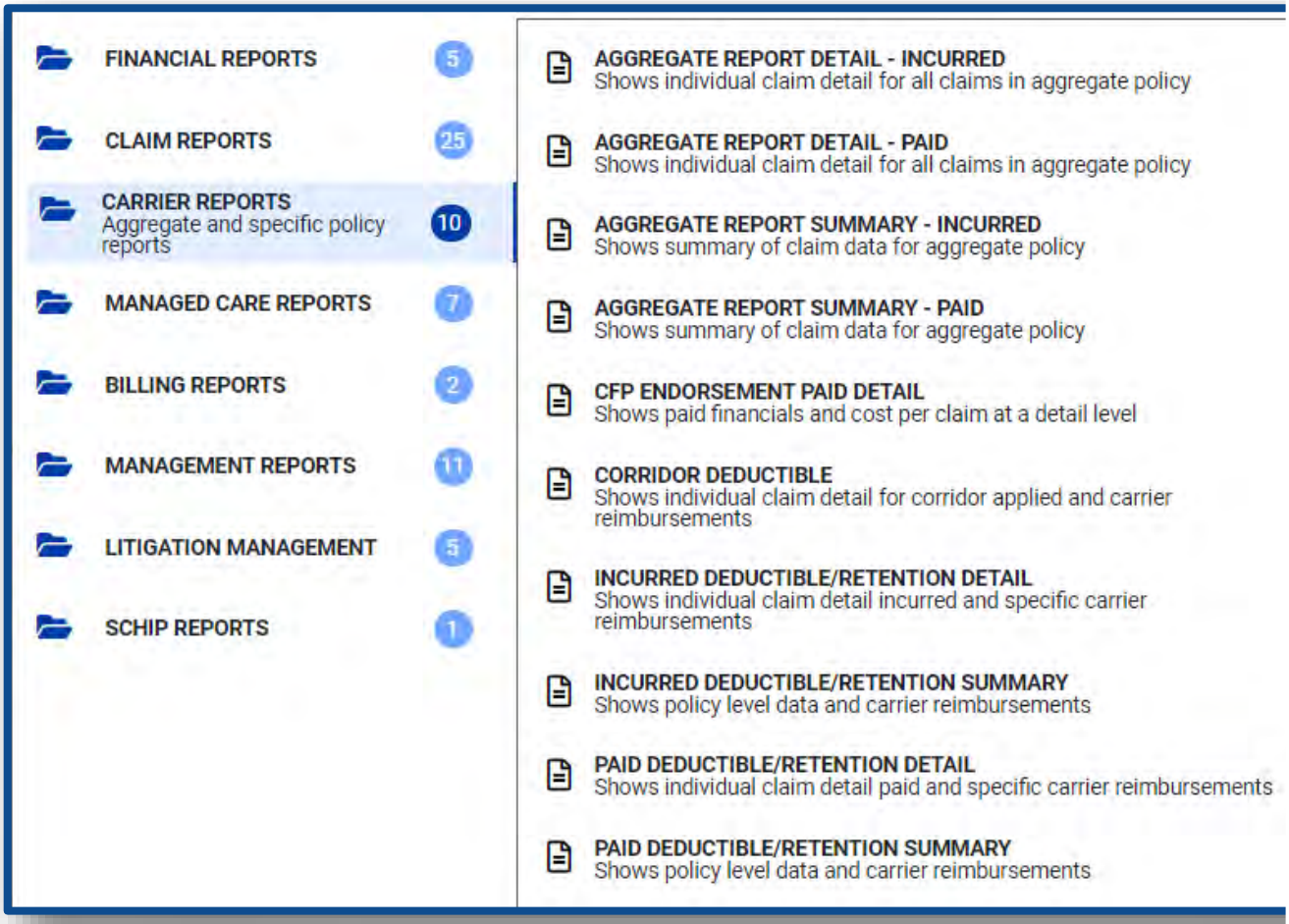
CLAIMS REPORTS



Claim Diagnostics Reports, Claim Lag, Claim Status Report, Comparison, Loss Ratio With Loss Summary, Loss Run Detail Expanded, Loss Run Detail Multi-Valuation Periods Report, Loss Run Summary, Loss Run Summary By State, Loss Run Summary Dashboard, Loss Run Summary For Power User, Loss Run Summary With Current Paid, Loss Run Summary By Coverage And Payment Class, Loss Triangle Report, Monthly Difference Report Expanded, Multi-Year Loss Comparison, Occurrence Loss Report, Penalties And Interest Reimbursable, Repeater Report, Reserve Change Report, Service Commitment Report, Summary Loss By Class – Property And Casualty, Summary Loss By Class – Workers Compensation, Summary Loss Report Multi Line, Summary Loss Report WC.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

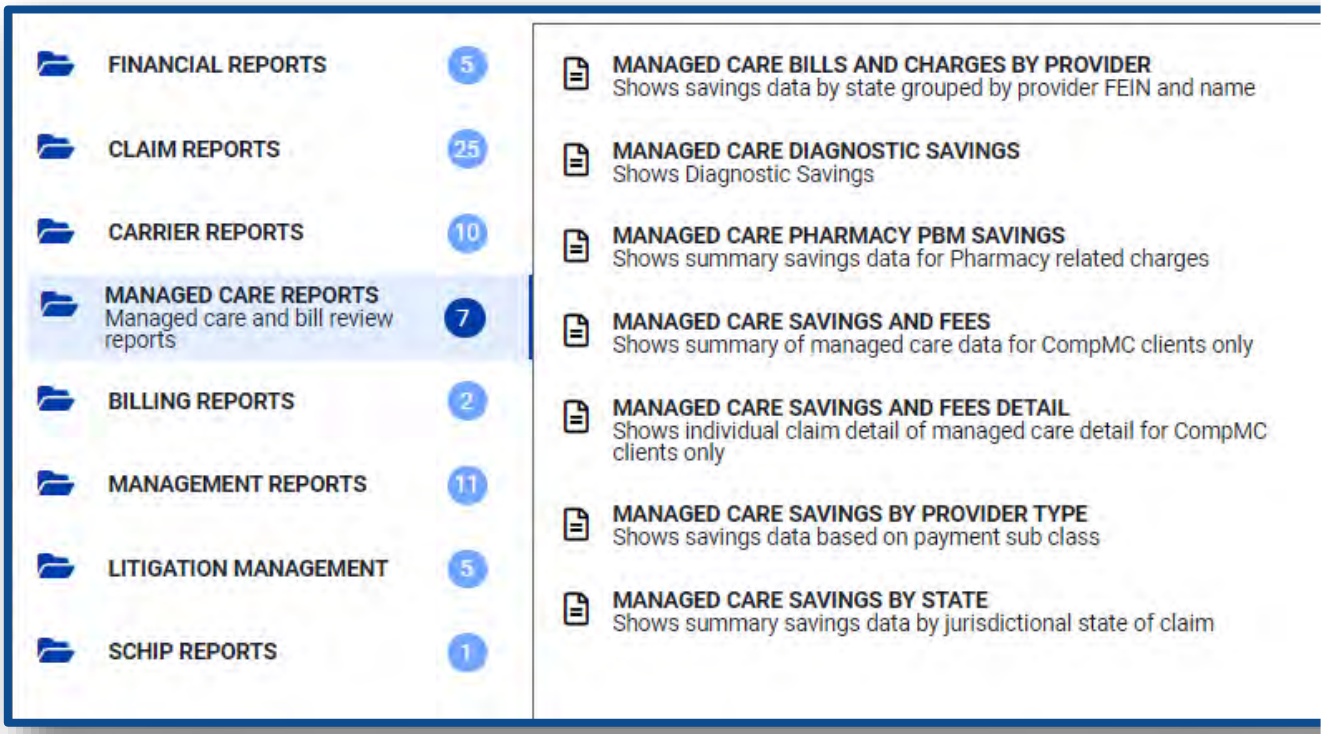
CARRIER REPORTS



Aggregate Report Detail – Incurred, Aggregate Report Detail – Paid, Aggregate Report Summary – Incurred, Aggregate Report Summary – Paid, CFP Endorsement Paid Detail, Corridor Deductible, Incurred Deductible/Retention Detail, Incurred Deductible/Retention Summary, Paid Deductible/Retention Detail, Paid Deductible/Retention Summary.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

MANAGED CARE REPORTS

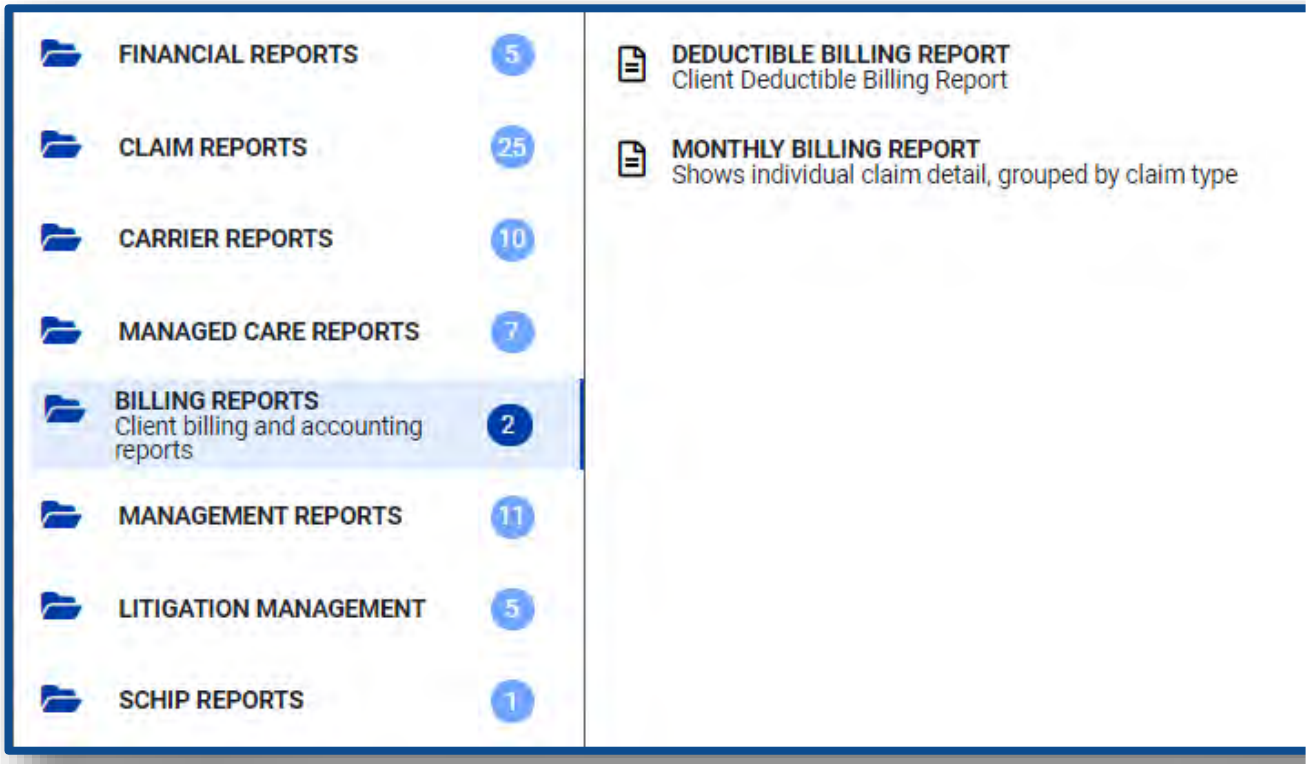


Managed Care Bills And Charges By Provider, Managed Care Diagnostic Savings, Managed Care Pharmacy PBM Savings, Managed Care Savings And Fees, Managed Care Savings and Fees Detail, Managed Care Savings By Provider Type, Managed Care Savings By State.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

REPORTING

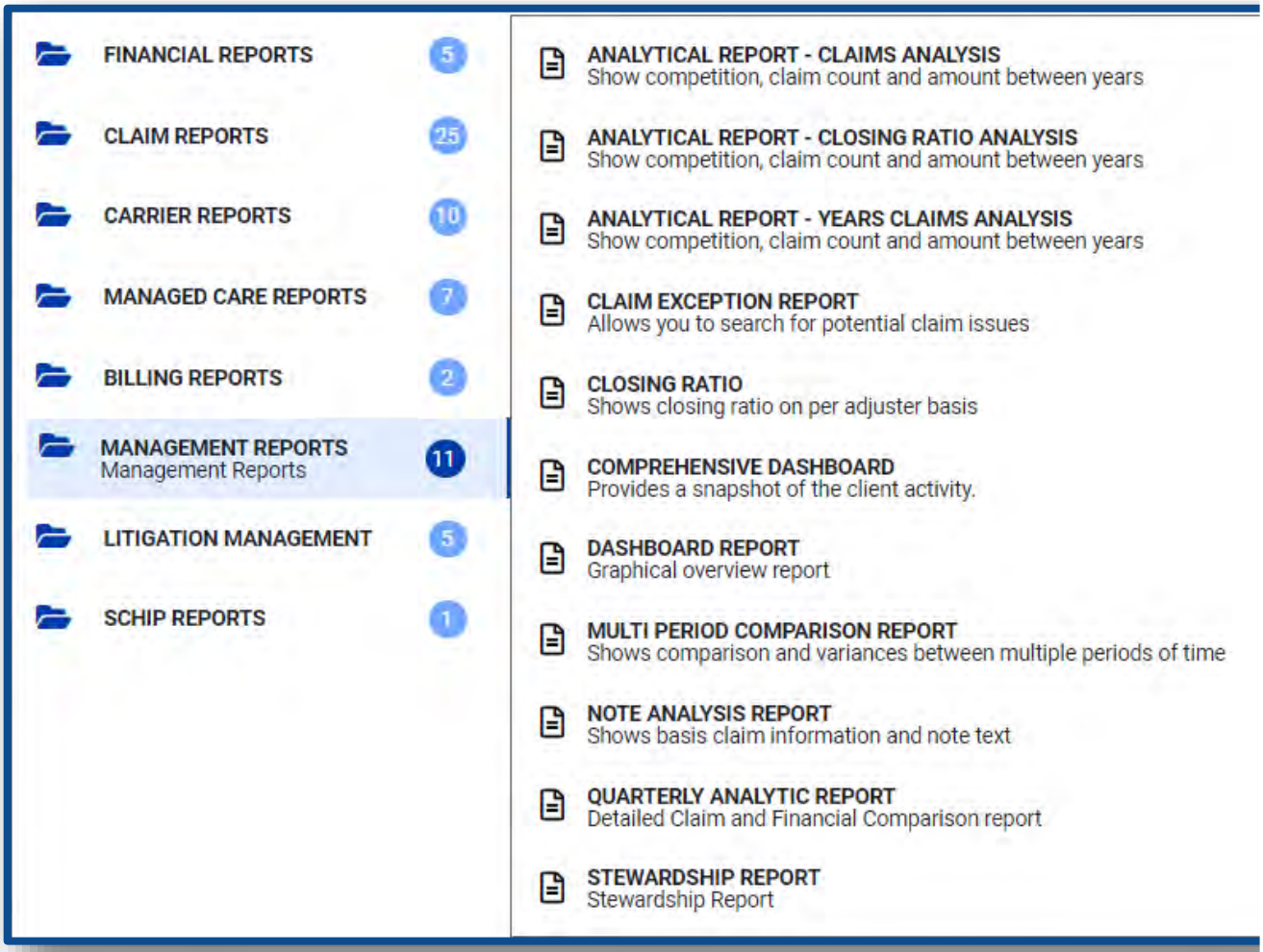
BILLING REPORTS



Deductible Billing Report, Monthly Billing Report.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

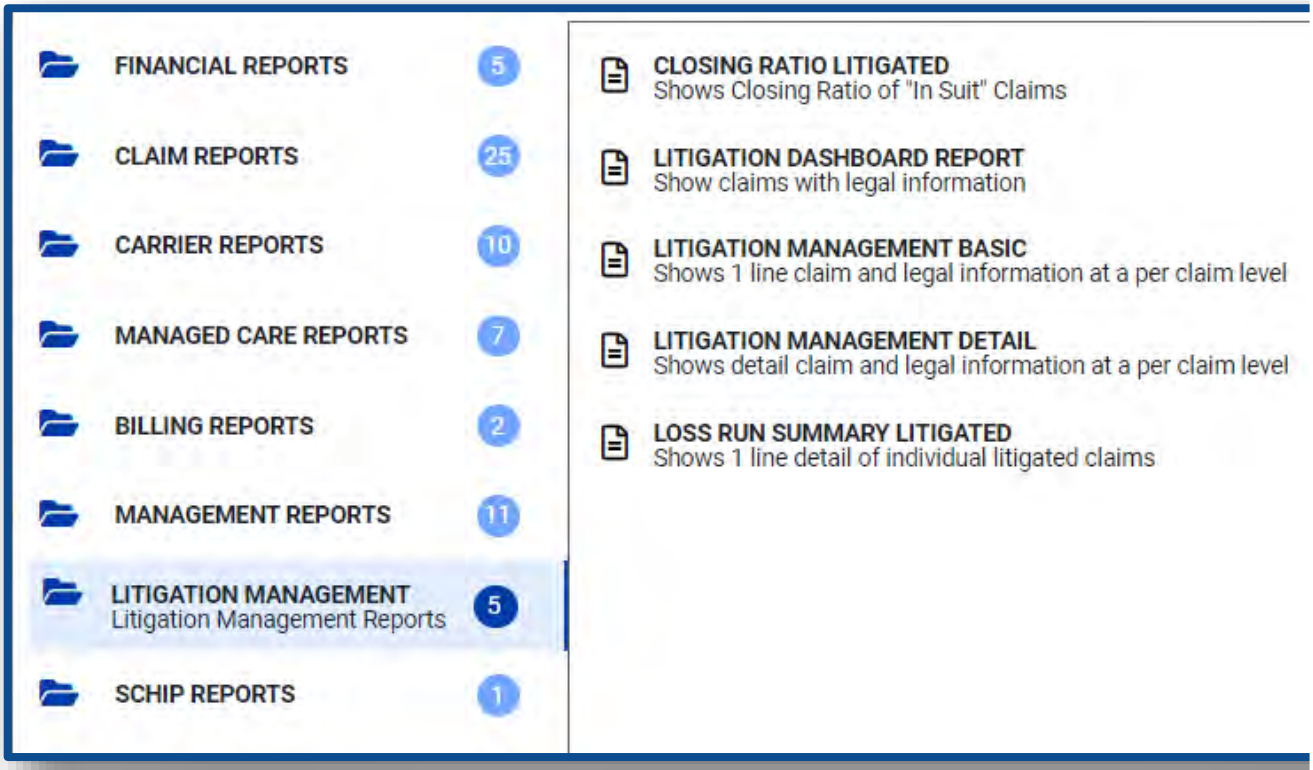
MANAGEMENT REPORTS



Analytical Report – Claims Analysis, Analytical Report – Closing Ratio Analysis, Analytical Report – Yea Claims Analysis, Claim Exception Report, Closing Ratio, Comprehensive Dashboard, Dashboard Report Multi Period Comparison Report, Note Analysis Report, Quarterly Analytic Report, Stewardship Repor

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

LITIGATION MANAGEMENT

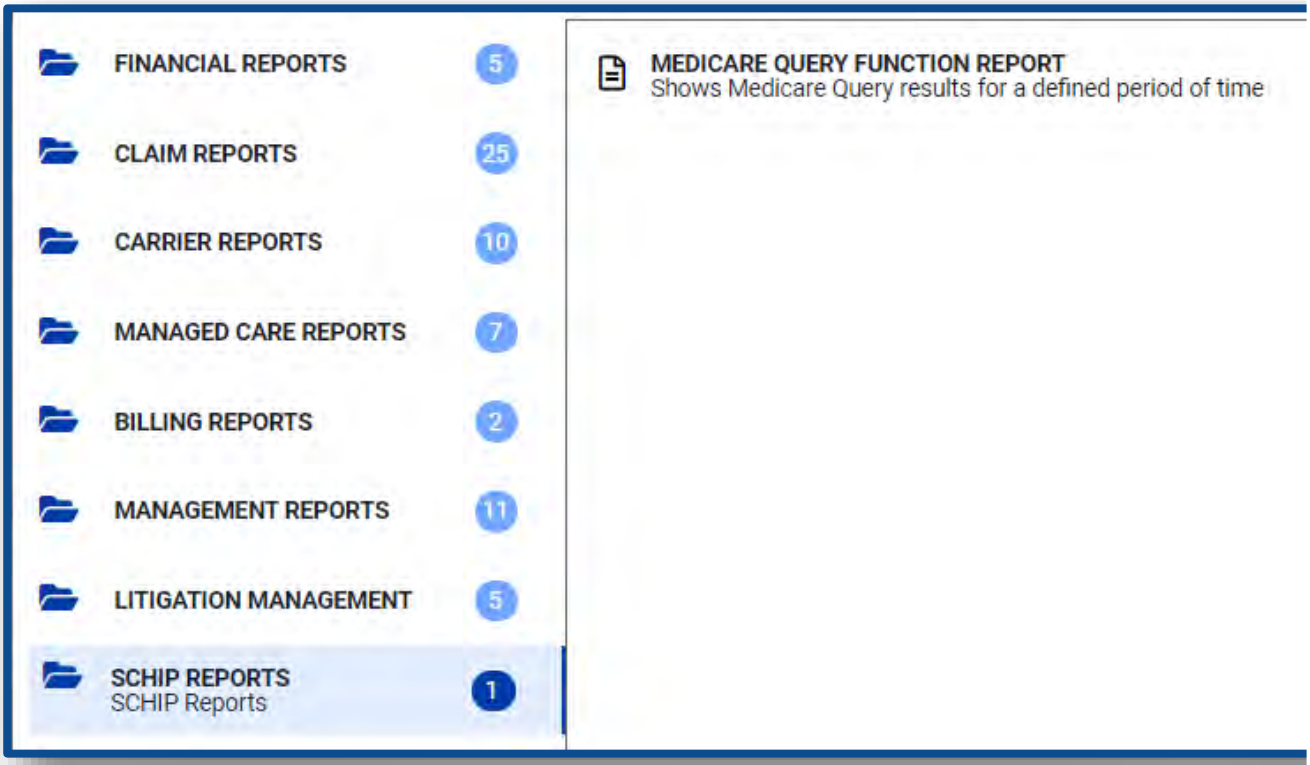


Closing Ratio Litigated, Litigation Dashboard Report, Litigation Management Basic, Litigation Management Detail, Loss Run Summary Litigated.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

REPORTING

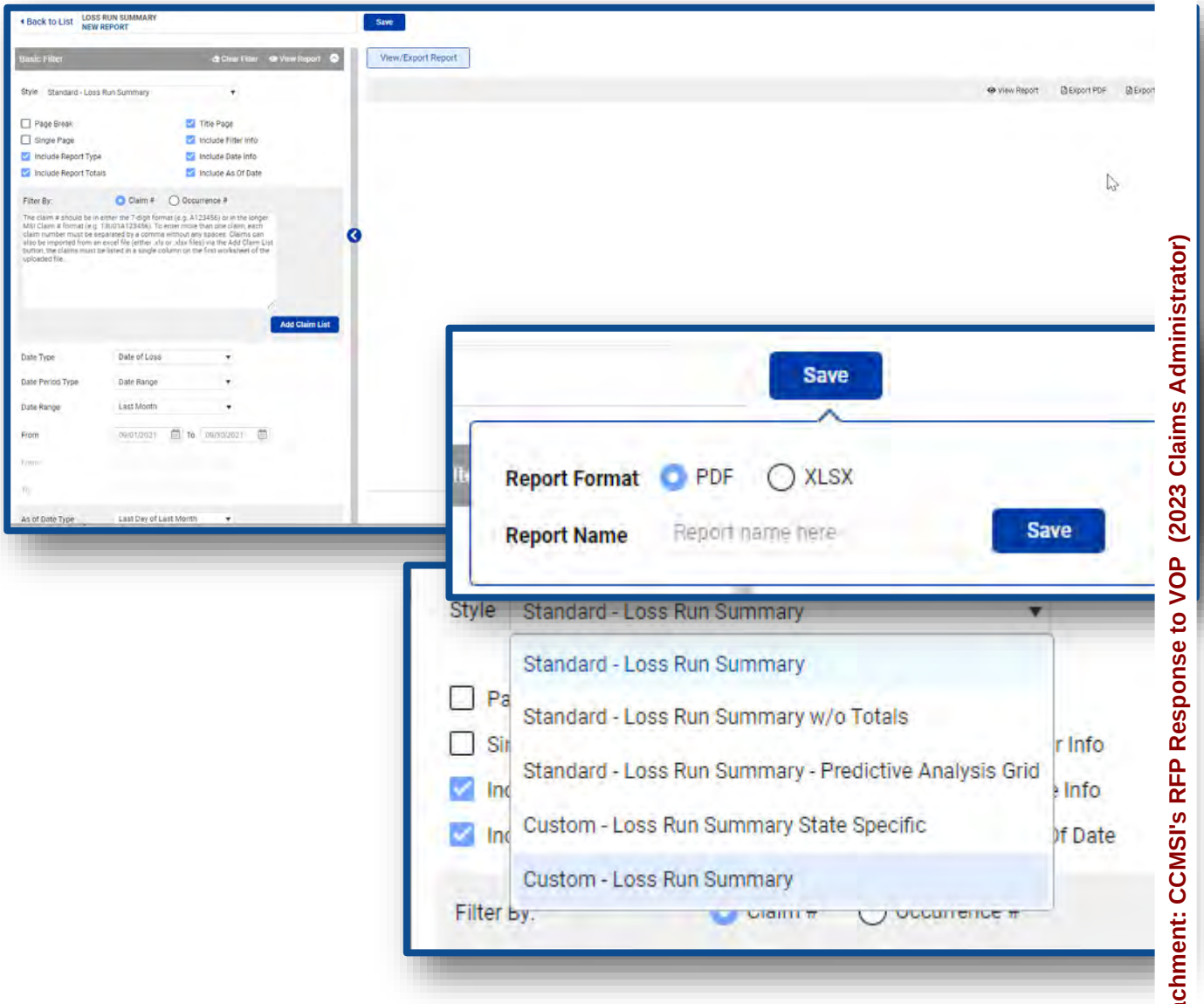
SCHIP REPORTS



Medicare Query Function Report.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

REPORTING

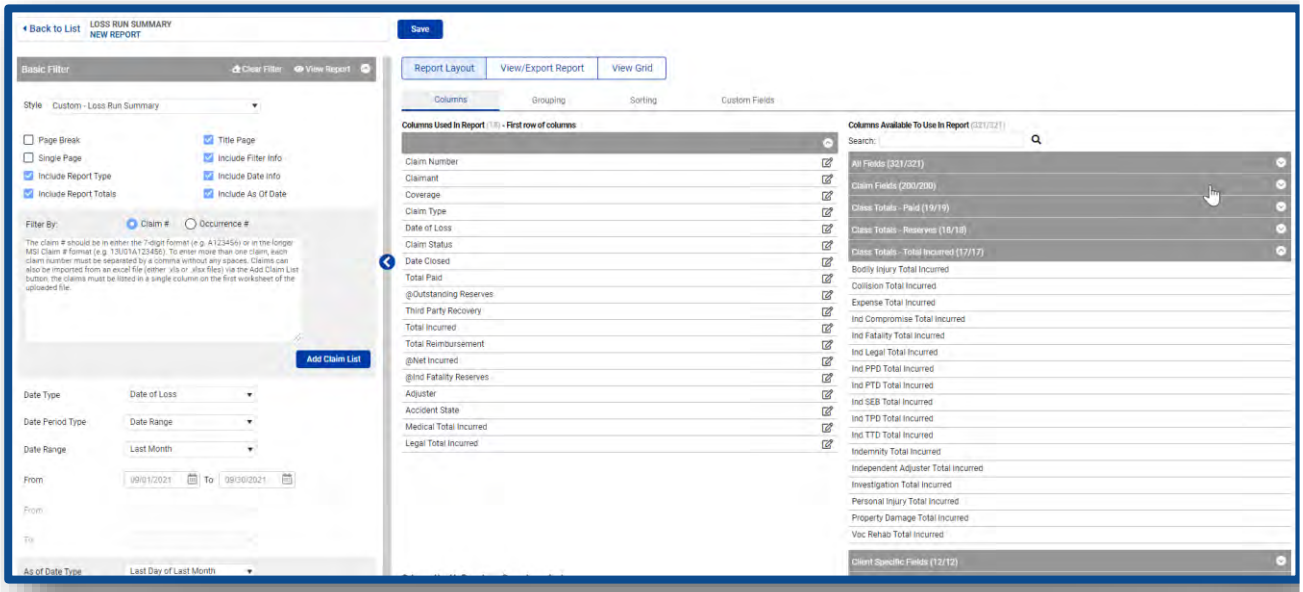


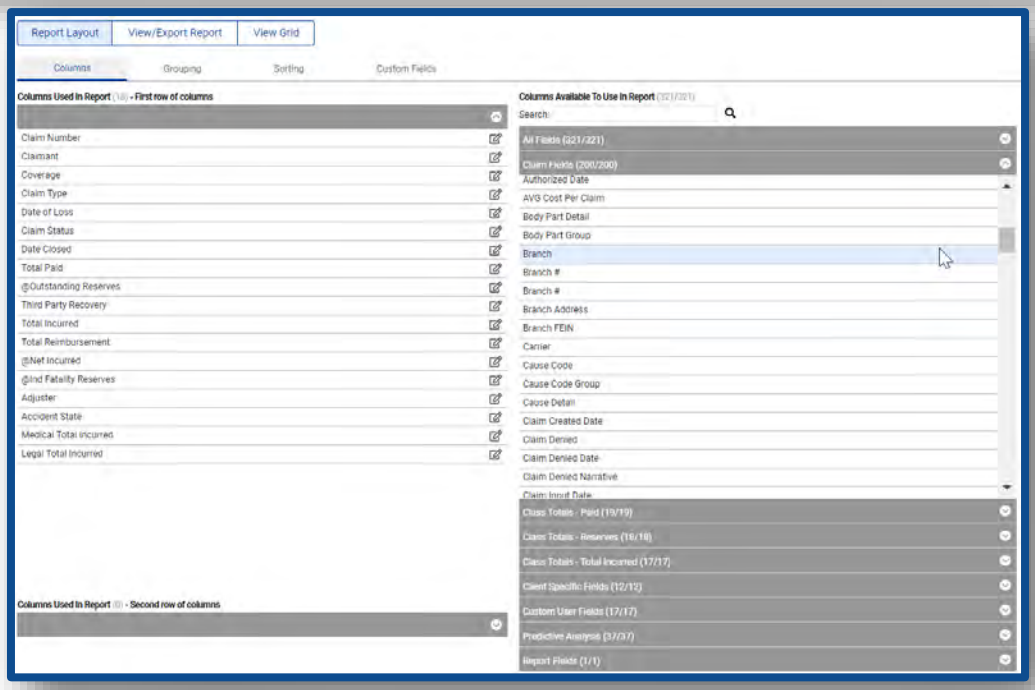
Clicking on a report brings the user to the report builder screen. The report defaults to the standard template. A user can fill in whatever parameters they want displayed on the final report then either run the report or save it. When Clicking the Save button, users are given the option to save as either an excel or pdf document. They may also alter the report title if they wish.

For users looking for more detailed information on their report, there is also a custom version of ma of the standard reports available. Using the column selection grid on the left, users can select whatever data they want displayed, tailoring the report to their unique specifications. Users can switch from standard to custom mode on a report by selecting the custom option in the drop down menu.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

REPORTING

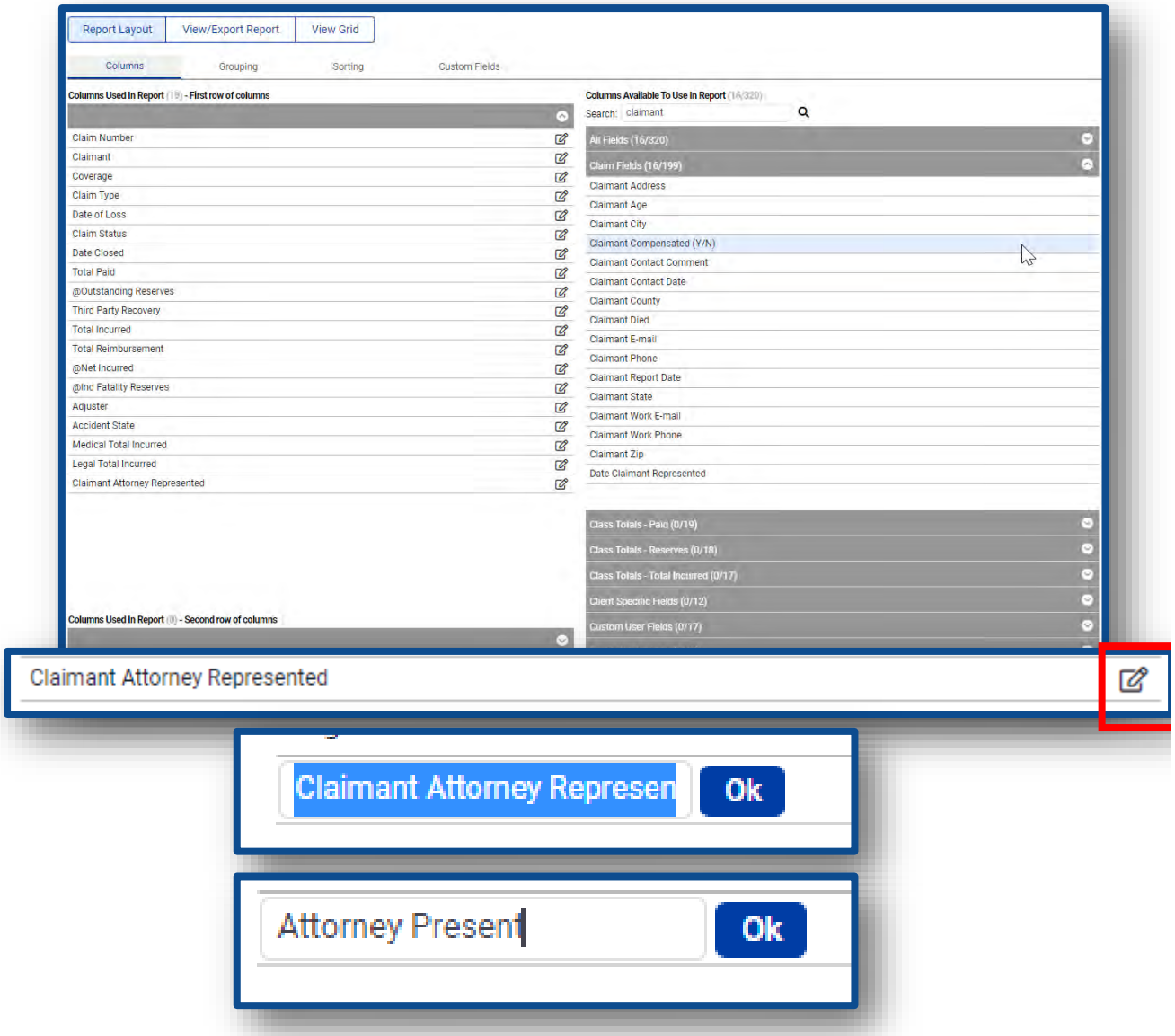




To create a custom MyReport, select one of the reports from a specific category. For this example, t loss run summary under claim reports has been selected. Under the “Style” drop down menu there are two selections for a custom version of this report. “Custom Loss Run Summary” has been select Once a custom style has been selected the customization menu will populate on the right hand side of the screen. From this tabbed menu, users may make tailored selections to the report’s columns, how the data is grouped, sorted and even the title of each column if the user’s employer possessed client specific terms.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

REPORTING



Under the Grouping tab, users can add page breaks, remove report details, hide group counts and subgroup totals, summarize by common fields or summarize by uncommon fields available within the Available Summary By Fields list. Under the Sorting tab, users may sort the report using categori shown in the Available Columns list.

Under Custom Fields users may select fields from the Available Fields list such as Claimant Attorney Represented and retitle that field to an employer appropriate title. This is to accommodate disparate client terminology used internally.

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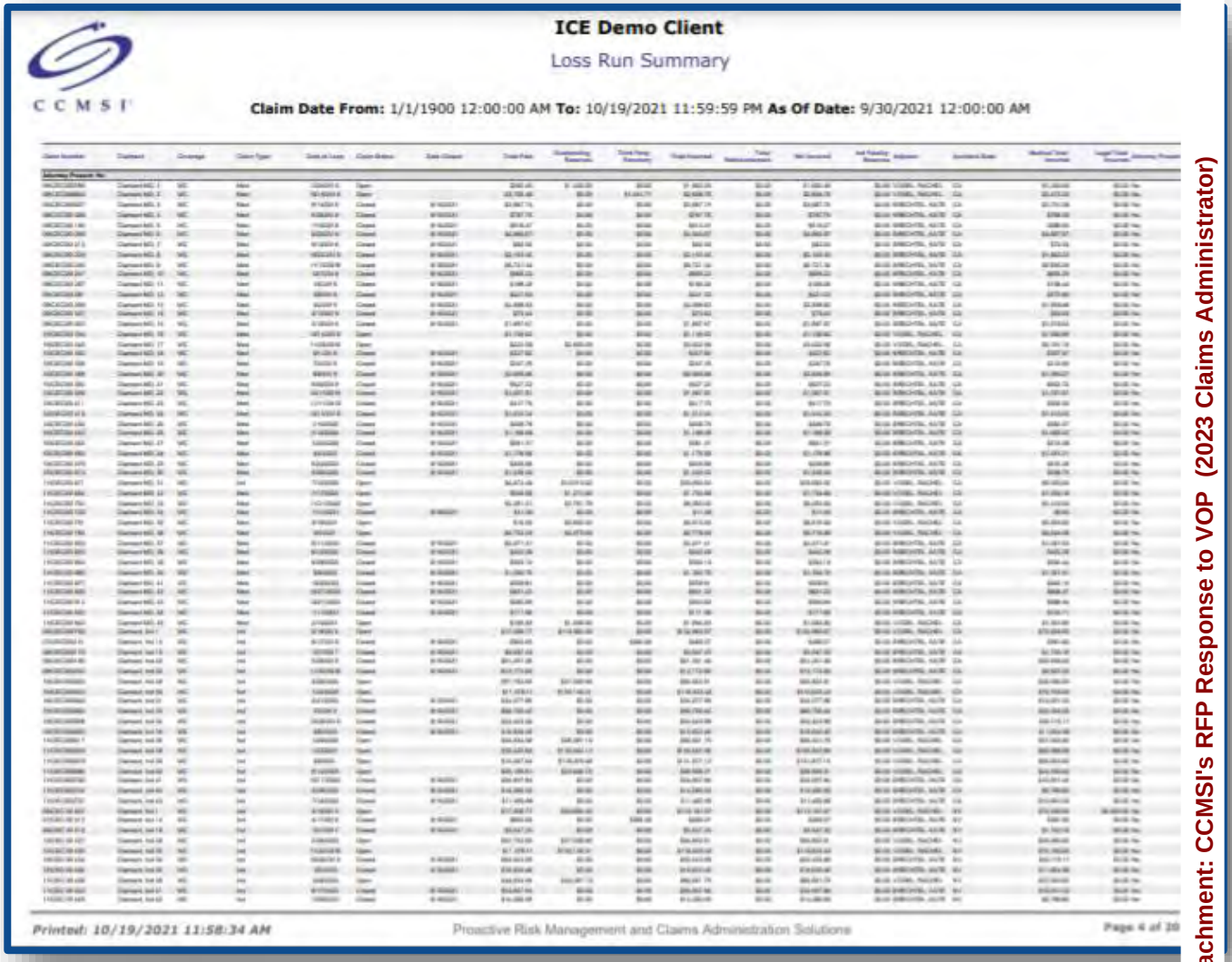
REPORTING



ICE Demo Client

Loss Run Summary

CCMSI

Claim Date From: 1/1/1900 12:00:00 AM **To:** 10/19/2021 11:59:59 PM **As Of Date:** 9/30/2021 12:00:00 AM

Printed: 10/19/2021 11:58:34 AM

Proactive Risk Management and Claims Administration Solutions

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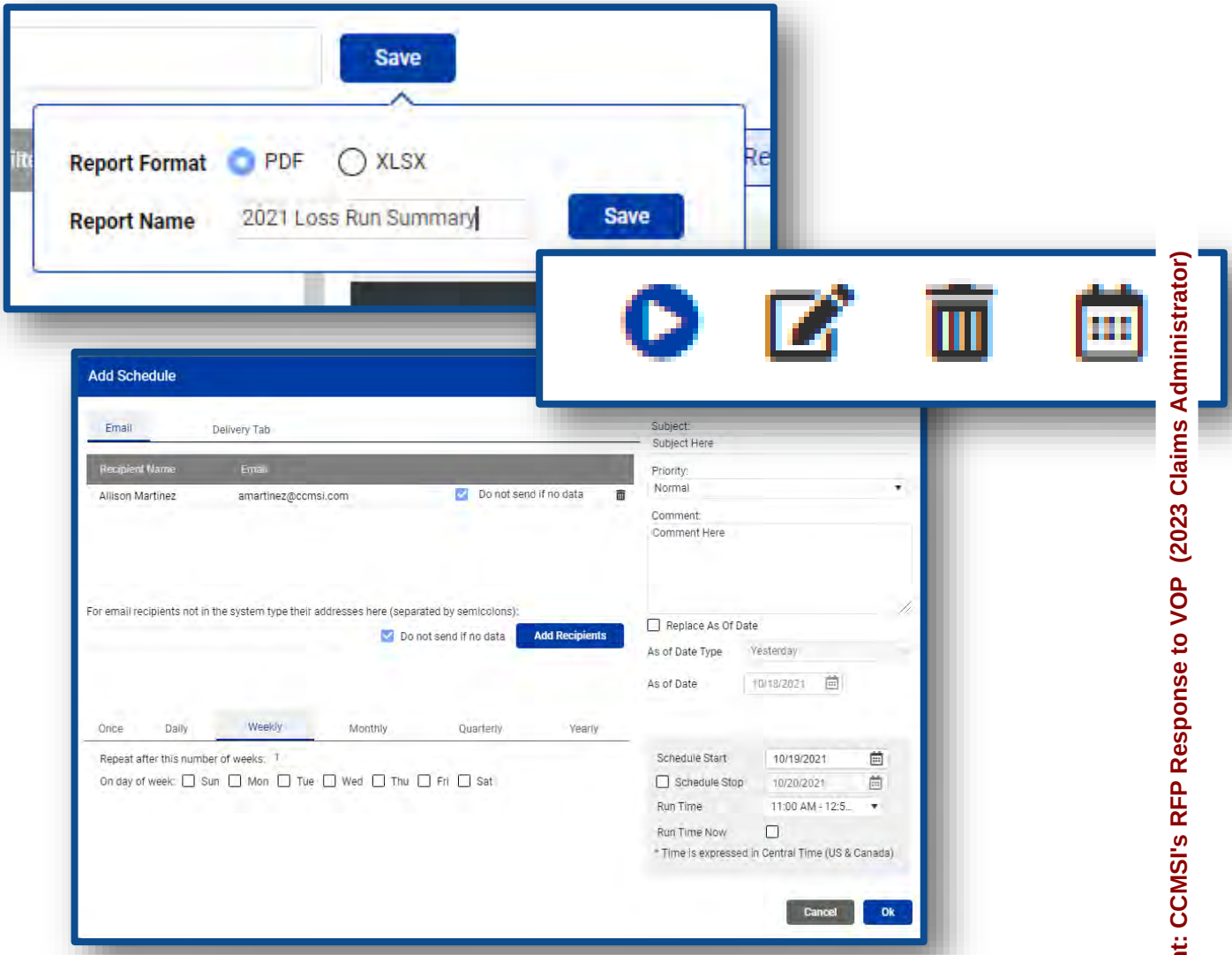
At any time, a user may view and export their report and if they know they will use this report frequently they may save it and schedule it to run at automatic intervals.

REPORTING



After a user has saved their report, the report appears in an active report queue on the MyReports main page. Using this active report bar, users can alter, run or delete reports as needed. Using the yellow task bar on the left, users are able to run their report (play icon,) edit their report (pencil icor delete their report (x icon) or add a schedule to their report (calendar icon.)

Clicking on the add schedule icon lets the user determine when their saved report will be run and to whom it will be sent on a daily, weekly, quarterly, etc. basis. Multiple emails can be attached to a report schedule, allowing the report to be sent to multiple users. MyReports generates a sent email from this client as well. Typing an email address into the field next to Add Recipients then clicking Ac Recipients adds a user to the recipient list for a particular report. Below those fields is the schedulin section where a user determines when a report is sent and how often. Next to that is the schedule start module to determine the start time for the new schedule. Above that is the email creation module.

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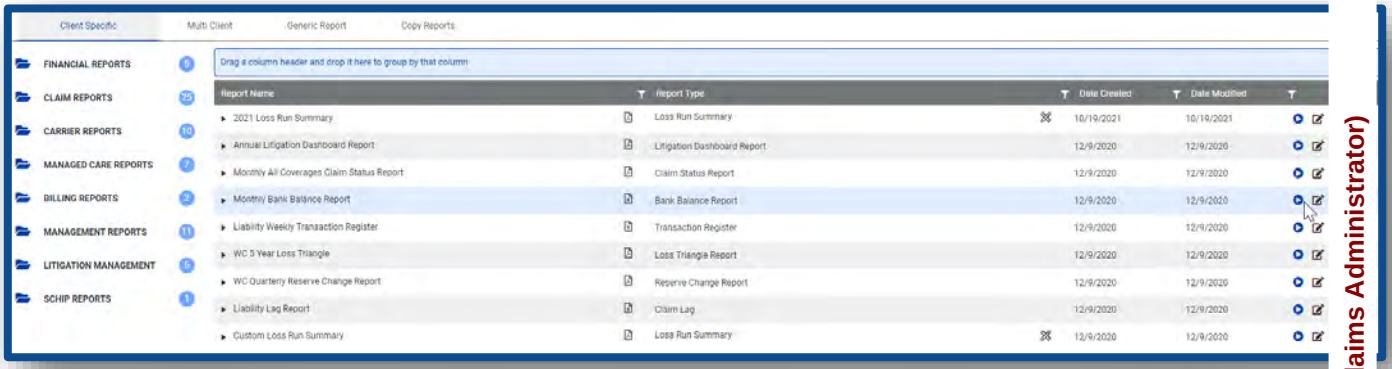

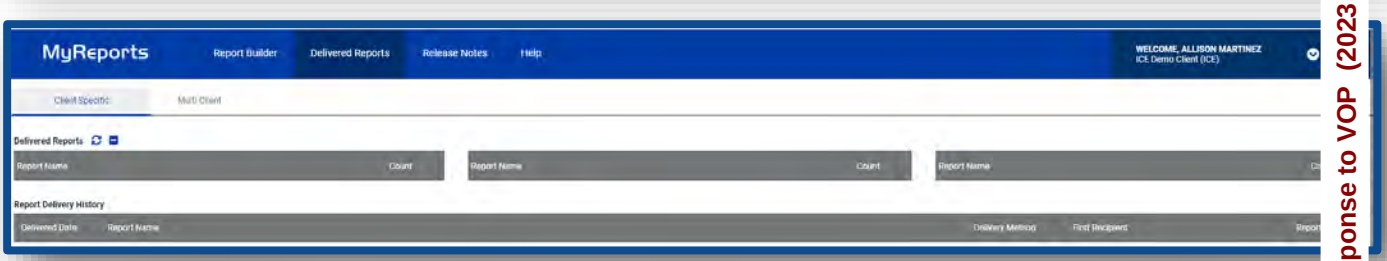

Each new report saved and scheduled appears in the active reports queue on the MyReports home page for users to keep track of what reports are going out from their account. At any time, a schedul can be altered or deleted without deleting the report.

Under the Delivered Reports tab, users can track which reports were sent and successfully delivered to recipients on their list. The delivery method either email or via the MyReports application is noted as well.

If any client would like their logos added to reports or to headers in ice, they may send the request with logo attached to customerserviceunit@ccmsi.com.

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Exhibit 6 – Corporate Claims Handling Best Practices

Corporate Claims Best Practices

Executive Summary

This Executive Summary is intended to provide a brief, yet meaningful overview of CCMSI's general philosophies and claim handling best practices applicable to the most important components of claims management.

Our claim professionals have received extensive training and resources to confirm their understanding of these Best Practices, and are audited annually to assure compliance with them, our service commitments, and client-specific instructions.

1. First Notice of Loss (FNOL)

    - All FNOLs will be date-stamped and reviewed by a qualified claim professional immediately upon receipt.
    - Information contained in the FNOL will be used as the basis for the initial instructions, investigation, and reserves assigned to each file.
    - EDI requirements of mandated states will be satisfied.

2. Coverage

    - Coverage for every type of claim will be confirmed and documented prior to payment of any claim.
    - If coverage cannot be confirmed within ten (10) business days from receipt of FNOL, claim log notes will be documented to reflect the issue and intended course of action to resolve the coverage question.
    - Other carriers or parties who may have defense or indemnity obligations to our clients will be identified and pursued.

3. Initial Contact

    - Workers' Compensation. On indemnity claims, contact with the employer, claimant, and medical provider will be attempted within two (2) business days from receipt of FNOL.
    - Workers' Compensation. On medical only claims, the need for and type of contact with the employer, claimant, and medical provider will be at the discretion of the CCMSI claim professional. This decision will depend upon the nature and complexity of each individual claim.
    - Property Damage. On first-party property claims, the insured will be contacted within two (2) business days from receipt of FNOL. On third-party claims, the insured and claimant will be contacted within two (2) business days from receipt of FNOL.
    - Other Injury Claims. On all other injury claims, the insured and claimant will be contacted within two (2) business days from receipt of FNOL.
    - Failed contact attempts will be followed within three (3) business days until complete or deemed that additional efforts would not be successful.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

- Catastrophic Claims. On all catastrophic claims, immediate contact will be made with the employer, claimant, medical provider, and excess/reinsurance carrier, as appropriate. When appropriate, immediate assignment will also be made to a catastrophic medical case management professional.

4. Claim File Documentation

- Documentation will be meaningful, clear, and concise.
- Statutory forms will be completed accurately and timely. Log notes will be documented to show compliance with statutory or regulatory requirements.
- Adherence with all special handling requirements and client instructions will be timely. Documentation of compliance will be evident in the log notes.
- Log notes will be promptly documented with a meaningful summary of all correspondence and important information.
- A Claim Summary will be documented and periodically updated for all claims that are not medical only claims.
- Files will contain an Action Plan, which will outline the facts of the case and the intended strategy to bring the claim to conclusion. Action Plans will be revised periodically by the claim professional as the claim progresses and new or additional information becomes available.
- All files will be managed in compliance with applicable privacy standards.

5. Investigation

- A complete investigation of each claim will be made within ten (10) business days from receipt of FNOL.
- Each investigation will be thorough enough to justify acceptance or denial of liability or compensability on behalf of our clients.
- Workers' Compensation. Compensability determination will be made within ten (10) business days from receipt of FNOL. If this guideline cannot be met, appropriate documentation and action plan is required.
- Property/Casualty. Liability determination will be made within thirty (30) business days from receipt of FNOL. If this guideline cannot be met, appropriate documentation and action plan is required.
- All claims involving subrogation, salvage, or SIF potential will be investigated, acted upon, monitored, and documented by the claim professional.
- All claims will be monitored for possible fraud. If applicable, claims will be handled in compliance with state fraud requirements and/or referred to CCMSI's Special Investigation Unit, *FRAUD IDENTIFICATION RECOVERY EDGE* (*FIRE*).
- All indemnity and third-party injury, fraud, and high-loss property claims will be indexed upon initial receipt of the FNOL. Workers' Compensation claims will receive auto index updates for the first year and open claims will be re-indexed every six (6) months until the claim is settled or closed. Property / Casualty claims listed above will be indexed upon receipt and re-indexed every six (6) months until the claim is settled or closed. Indexing will be in compliance with all applicable federal requirements.
- All WC indemnity claims will have a claim risk assessment completed and a risk assessment score as low, moderate, or high.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

6. Reserve Philosophy

- All claims will carry reserves that reflect the expected financial result of each claim. The expected financial result will be factually based and reflect the total probable payment obligation of our client.
- An initial reserve will be established within ten (10) business days from receipt of FNOL.
- Reserves will be adjusted within ten (10) business days of the claim professional receiving new information that materially changes the exposure of the claim. Some examples of new information that may require a reserve change include a change in the claimant's medical condition, TTD benefits being extended longer than expected, permanency factor changes, claim resolution strategy changes, etc.
- The adequacy of reserves will be reviewed every thirty (30) to ninety (90) days at each adjuster and supervisor diary.
- Upon reserve changes, the log notes will be documented with the information and rationale for the change.

7. Medical & Disability Management

- Our claim professionals will facilitate the earliest possible return to work or maximum medical recovery.
- Transitional work opportunities will be vigorously pursued with the employer and medical provider.
- All appropriate value-added medical case management services will be utilized in order to promote quality care, achieve optimum utilization of services, and avoid any unnecessary, inappropriate, or duplicate services or costs. The claim file will reflect a proactive and continuous effort to confirm that medical treatment being rendered or recommended is appropriate for the injury.
- Medical records will be secured throughout the life of the file to support bill payments and justify temporary total disability payments.
- Log notes will be updated on a regular basis to document the claimant's diagnosis, prognosis, medical treatment plan, and return-to-work strategy.
- Our claim professionals will schedule and coordinate Independent Medical Exams with a physician in the appropriate specialty. Timely written notification will be issued to the claimant and assigned physician.
- Our claim professionals will utilize aggressive managed care and cost containment strategies and techniques to mitigate our client's medical costs in conjunction with CCMSI's managed care program, *Comp MC*™.

8. Claim Supervision

- Claim files will reflect meaningful supervisor involvement pursuant to the claim professional's skill and authority level.
- Initial and follow-up supervisory instructions will reflect guidance and specific directions to the claim professional commensurate with claim complexity and skill level of the claim professional.
- Supervisors will carry diaries commensurate with the complexity of the claim and skill level of the claim professional.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

9. Claim Payments

- All bills will be reviewed and approved by the designated claim professional within ten (10) business days from receipt.
- All appropriate bills will be paid within thirty (30) business days from receipt unless there is a dispute, pending investigation, or additional information is needed.
- TTD and PPD payments will be made timely in accordance with jurisdictional requirements.
- A summary of each indemnity payment will be automatically generated to the claim notes.
- Payments will be made in strict compliance with authority levels agreed upon with the client.
- Internal security will exist that prohibits a single claim professional from approving, executing, and releasing payment of the same bill.
- All overpayments will be noted in the misc. screen until fully recovered.

10. Litigation Management

- Our claim professionals have ultimate accountability for all litigation activities.
- Our claim professionals will direct and monitor defense counsel activities.
- Legal bills will be closely reviewed to confirm charges are appropriate and substantiated before payment.
- Our claim professionals will maintain regular contact with the claimant's attorney to achieve a prompt resolution of the claim.
- Our claim professionals will discuss and develop a defense strategy plan with defense counsel and update this plan when the situation dictates a change.
- When appropriate, a defense budget for costs and expenses will be developed and updated.
- On appropriate cases, arbitration or mediation will be utilized in an effort to save costs and achieve prompt settlements.

11. Carrier Reporting

- Claims that meet carrier reporting criteria will be reported timely in compliance with established requirements.
- After initial reporting, our claim professionals will provide periodic updates to the carrier as the claim develops.
- Our claim professionals will work closely with designated claim professionals from carriers to achieve a prompt and appropriate resolution to applicable claims.
- Specific and aggregate recoveries will be obtained from appropriate carriers in compliance with policy terms.

12. Fraud/SIU

- All potential fraud issues must be documented in log notes.
- When fraud indicators are present, the designated claim professional shall consider a referral to CCMSI's fraud program, *FIRE* (Fraud Identification Recovery Edge).

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

13. Medicare Compliance

- Our claim professionals are responsible for compliance with Mandatory Insurer Reporting (MIR) and Medicare Secondary Payer (MSP) compliance.
- Medicare Query Function (MQF) is performed immediately on all workers' compensation claims to determine Medicare eligibility. The MQF is performed on all liability claims upon verification and receipt of the mandatory *Big Five* data elements.
- All claims meeting the Mandatory Insurer Reporting criteria will be reported quarterly under the appropriate RRE.
- Adjusters will conduct Conditional Payment Research (CPR) and satisfy any related Medicare liens prior to any settlement, judgment, or award.
- Prior to any settlement on all cases involving a Medicare beneficiary, adjusters will determine judgment or award if Medicare has a legitimate secondary payer interest. Where Medicare has an interest as the secondary payer, the adjuster is responsible for demonstrating Medicare's interest was considered.

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Exhibit 7 – Litigation Management Guidelines

CCMSI Litigation Management Policy/Guidelines

Purpose

- These guidelines lay out the foundation to assist all claim professionals in the litigation management of claims to ensure that a proper and professional defense is provided for our clients and/or insurance carriers. From the beginning of litigation until the final resolution, the designated claim professional and defense counsel should be in regular communication and pursue the earliest opportunity to resolve the claim effectively and economically favorable for our client/insurance carriers.

Goal

- Identify the results to be achieved and implement realistic strategies to achieve those results at the earliest opportunity
    - The CCMSI claim professional should strive for all litigated claims to be resolved quickly and efficiently to achieve the best possible outcome for our clients/insurance carriers
    - The CCMSI claim professional is responsible for the development, implementation and monitoring of litigation strategies. The CCMSI claim professional is also responsible for directing defense counsel activities
    - The CCMSI claim professional is responsible for monitoring and controlling legal expenditures to ensure they are reasonable, necessary and appropriate
    - The log notes in each litigated case must document direction provided by the CCMSI claim professional to defense counsel
    - It is not appropriate for the CCMSI claim professional to refer the case to defense counsel and allow defense counsel to direct the activities on the case

Defense Counsel Selection - Defense counsel can be selected in several ways:

- CCMSI claim professional's referral
- Client direction – where applicable
- CCMSI legal panel
- Carrier legal panel

Great care must be taken with defense counsel selection, especially for large deductible clients. Most carriers have approved legal panels for large deductible policies and require (or at a minimum strongly encourage) use of approved defense counsel. If non-panel counsel is used, the CCMSI claim professional must have written approval from the carrier. If a client directs the CCMSI claim professional to use non-approved counsel, the carrier must be notified immediately.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

Defense Counsel Case Referral

Early exchange of information with defense counsel is encouraged on all potentially litigated claims. This will ensure that the most appropriate and effective strategies can be developed and implemented to resolve the claim.

The designated claim professional should provide defense counsel with the following information:

- Pertinent claim information such as claimant name, claim #, date of loss, and CCMSI claim professional contact information
- Petitioner/Plaintiff Counsel's name, firm and contact information, where applicable
- The allegations/issues involved in the case
- Any critical issues that are known or immediate legal services anticipated within the first 30 days
- A formal assignment letter/form with the claim professional's directions to defense counsel and copies of all relevant documents needed to prepare our litigation strategies
- One attorney will be primarily responsible for each case
- If others attorneys in the firm must become involved, primary counsel should discuss this need with the CCMSI claim professional

Initial Evaluation & Litigation Plan

- Defense counsel must provide an initial written evaluation of every referred case within 30 days (CCMSI Corporate Claims Best Practices, Section 15, Best Practice #5)
- The initial evaluation should include, but is not limited to the following:
    - A brief summary of the case facts
    - Identify all legal issues and disputes
    - Identify any and all additional investigation opportunities
    - An evaluation of compensability/liability and/or damages associated with the case
    - Defenses where applicable
    - Settlement evaluation / exposure
    - Identify upcoming legal activities such as, written discovery, depositions, and any court-mandated deadlines
    - Identify the preferred outcome and recommended strategies to achieve that outcome
- The litigation plan must reflect an agreement on strategy between defense counsel and the CCMSI claim professional
- Defense counsel should not perform duties that are appropriate for the CCMSI claim professional (CCMSI Corporate Claims Best Practices, Section 15, First Paragraph)
- The CCMSI claim professional should conduct investigations and activity versus defense counsel where appropriate
- Potential conflicts of interest must be reviewed upon initial assignment and throughout the life of the case

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

Communication/Documentation

CCMSI recognizes that the designated claim professional and defense counsel should maintain regular contact throughout the life of the case to ensure that opportunities to resolve the case where appropriate are pursued. Defense counsel should immediately communicate, verbally and in writing, important case developments to the designated claim professional, such as:

- settlement discussions/demands
- Any new defense strategies, new information obtained through discovery or other means
- Settlement conferences, mediations, arbitrations hearings or trial dates

CCMSI does not require defense counsel to exchange every document received during the course of a lawsuit or litigation. However, CCMSI does recommend that the following documents (but not limited to the below) be sent to the designated CCMSI claim professional in a timely manner

- Copies of substantive pleadings or motions
- State documents
- The answer to any complaint or response/filing to any legal proceeding, any amended complaints and any third party pleadings
- Written discovery (interrogatories)
- Statements of damages
- All settlement demands or offers; written or oral
- Any releases, dismissals or final judgments, awards and all orders of the court
- All discovery responses and deposition summaries
- Briefs
- Releases
- Detailed case summaries

Legal Budget

- When required or recommended (CCMSI Corporate Claims Best Practices, Section 15, Best Practice #5a & 5b), the legal budget should be provided within 30-60 days of assignment of case
    - Worker's Compensation Claims – questionable, dispute or denied cases that are likely to proceed to trial/arbitration/mediation
    - Property/Casualty Claims –where discovery has been conducted and Motion to Dismiss/Motion for Summary Judgment has been denied. These are cases that are likely to proceed to mediation and/or trial
- The legal budget must address all legal services necessary to execute the litigation plan. The legal budget must be reviewed & updated as necessary.
- A legal budget should include, but is not limited to the following:
    - Legal tasks that counsel will initiate
    - Legal tasks that plaintiff counsel is anticipated to initiate
    - Legal tasks that the court or others involved in the case are anticipated to initiate
    - Legal tasks relating to case management, reporting and communications
    - Expenses

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Billing

- CCMSI will not pay for the defense firm's cost of preparing new attorneys and/or paralegals to become familiar with the case.
- Research will only be paid for issues unique to the case, not for general legal issues that arise routinely.
- Quarterly billing is preferred at the hourly rate in effect when the case is initially referred.
- Final invoices on resolved or settled cases should be submitted within 60 days of the case's resolution.
- The CCMSI claim professional is responsible for reviewing defense counsel bills for and unclear or unsubstantiated charges.
- CCMSI retains the right to have legal bills audited.
- Defense counsel shall not bill for standard overhead costs such as opening/closing files, conflict checking, preparing bills or filing.
- Travel reimbursement will be made for trips exceeding 25 miles.

Case Resolution

- Alternative dispute resolution/arbitration/mediation should be explored when appropriate.
- Counsel and the CCMSI claim professional should discuss strategy well in advance of any event. Strategy discussions should include, but is not limited to the following:
    - Selection of the mediator, arbitrators or other neutrals when not established by the court
    - Who should attend the event, and whether the attendance should be in person or via other medium
    - Define the expected roles of counsel, the claim professional, and third party participants, when applicable
    - Settlement options (monetary and non-monetary)
    - Structured settlements should be considered where appropriate
    - Compliance with MMSEA requirements, including resolution of conditional payments (Medicare "liens")
    - Potential outcomes of the case if it does not settle
- Defense counsel will consult with the CCMSI claim professional before going to trial, accepting a verdict or filing an appeal.

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Exhibit 8 – Internal Auditing Guidelines & Worksheets

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CCMSI INTERNAL AUDIT OVERVIEW

CCMSI Audit Team Mission Statement

The CCMSI audit team will serve our clients, claim professionals, and organization as a whole. We will accomplish this by conducting regular claim file audits in each office to assess compliance with CCMSI Best Practices. The audits we perform will be objective and provide constructive feedback to both the individual office as well as CCMSI's executive management. We will assist each office by identifying opportunities for employee development and assessing internal management controls.

Ultimately, our aim is to assist CCMSI in ensuring that we consistently deliver what matters most—a high level of claim service to our clients. Our audit process is reflective of this goal by maintaining a corporate-level quality control program. We believe that our commitment to quality claim service will position CCMSI to take advantage of new business opportunities in the future.

Strategy and Objectives

We plan to annually audit a sample of claims handled by each adjuster, which will be done through a standard method understood by all claims staff. After each review, feedback will be provided to the individual office. If needed, the management of that office will implement Corrective Plans of Action to address any areas identified as needing improvement.

This continuous evaluation of the claims staff, as well as the processes and systems, will be communicated to executive management. This ongoing communication will foster growth and development in the claims staff and management, and will encourage continuous improvement in CCMSI's quality handling of claims.

Goals of the Audit Team

- Ensure compliance with Best Practices, Client Handling Instructions and Carrier Requirements
- Provide an objective audit with constructive feedback;
- Help management and claims staff proactively identify areas for improvement;
- Work with our claims staff to provide solutions to any areas that were identified as needing improvement;
- Foster understanding of our mission with all claims staff;
- Streamline processes to ensure timely delivery of services to our clients; and
- Ensure quality service and value to our clients.

Confidentiality

Audit results are confidential and should not be shared externally without approval of your Regional Vice-President (RVP).

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Internal Audit Process

- Each office will be audited annually and advised that this is a continual process.
- The lead auditor will contact the point person in advance to confirm the audit date is appropriate.
- The lead auditor will obtain a current employee list from Human Resources and determine all appropriate staff to audit based on whether they carry a claims load and their date of hire.
- The lead auditor will ask the point person to instruct all adjusters to complete a Pre-Audit Survey.
- The lead auditor will request the point person to complete/update the State-Specific Fact Sheet.
- The audit will include eight to ten files for each adjuster unless additional information is needed. If clear trends are evident after reviewing eight claims, the auditor may elect not to review further files.
- For staff who earned 93% or higher on their last two audits, the auditor will audit four claims and review the score at that point. If the score is 93% or higher, the score on these four claims will be used as the final score. If the score is below 93%, an additional four to six claims will be reviewed for a full audit.
- The claims selected will include those assigned to the adjuster during the time period since the last internal audit. Typically, this will be a date range of the prior eight to nine months in order to finalize the prior audit, and then not within the last one to two months.
- For indemnity adjusters, it is preferred they are assigned the claim from the start or receive the transfer from a medical only adjuster; avoiding transfers from another indemnity adjuster, if at all possible.
- The audit will include a review of all adjusters handling files, including supervisors with significant caseloads, P&C adjusters, indemnity adjusters, and medical only adjusters.
- It is not mandatory for adjusters employed fewer than six months to be included in the audit, but may be spot-checked, if appropriate. Typically, they will have recently had a new-employee spot-check.
- LevelUp adjusters will not be included in the annual audit, as this is a training program with an audit performed at the local level.
- Audit Worksheets will be completed for each reviewed claim, as well as an Audit Tally Sheet for each audited adjuster.
- Comments are provided on the Audit Worksheets to help support the marks and should provide constructive feedback.
- Audits will be conducted primarily online, but may include some on-site audits, which will include meeting with the appropriate staff (manager, point person, and/or supervisors) and a brief review of the audit findings.
- The lead auditor will provide a draft copy of the Audit Report to the point person in a timely manner and provide a due date for any reconsiderations to be returned.
- If no response is received, the draft copy will be posted as the final report in ten business days.
- Local management will disseminate and communicate audit results to claims staff in a timely manner.
- All Pre-Audit Surveys, Audit Worksheets, and Final Audit Reports generated for each audit will be posted to the O: drive as a resource for future audits.

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QC Incentive Program for Rewarding Excellence by Office

When an office achieves 90% or higher on the overall office audit score:

- Office will receive $15 per claim professional, including clerical staff or any others who work on claims, to go toward an office luncheon or in-house celebration for the claims staff. Betsy McConkey will provide a budget to the point person and cc Suzi Wear to look for the receipts on the point person's expense report.

When an office achieves 90% or higher for two consecutive years:

- Office is not formally audited by the QC team for **two years**.
- Office is allowed to carry over their score from the previous year or the average of the past two years, whichever is higher.
- In lieu of a formal audit:
  - *Year one:* a spot-check is required to be completed by local management for any adjusters who scored less than 87% in the formal audit.
  - *Year two:* a spot-check is required to be completed by the audit team for any adjusters who scored less than 87% in the year-one skip.
- In year three (when re-audited after a two-year skip):
  - If the office earns 90% or higher, they will again be skipped for two years and retain the year-three score.
  - If the office earns 87-89%, they will be skipped for one year, as outlined below.

When an office achieves 87% or above for two consecutive years:

- Office is not formally audited by the QC team for **one year**.
- Office is allowed to carry over their score from the previous year or the average of the past two years, whichever is higher.
- In lieu of a formal audit:
  - *Year one:* a spot-check is required to be completed by local management for any adjusters who scored less than 87% in the formal audit.
- In year two (when re-audited after a one-year skip):
  - If the office earns 90% or higher, they will be skipped for two years and retain the year-two score.
  - If the office earns 87-89%, they will be skipped again for one year.
- The audit team has the discretion to audit an office earlier if there are significant changes in the office (turnover, significant new hires, large accounts, etc.).

QC Incentive Program for Rewarding Excellence by Claim Professional

- All claim professionals who earn a score of 90% or higher on their individual score will be provided a Certificate of Claims Excellence signed by Rod Golden, COO; Carrie Milholland, Vice President-Corporate Claims; and Betsy McConkey, Senior QC Manager.
- Any claim professional who scores 93-95% on their individual scores will be provided a certificate entitling them to a half day off to be used within three months, of which their direct supervisor

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or manager must approve and keep record. The individual receiving this reward shall NOT make notation of the half day in e-time sheets.

- Any claim professional who scores 96-100% on their individual scores will be provided a certificate entitling them to a full day off to be used within three months, of which their direct supervisor or manager must approve and keep record. The individual receiving this reward shall NOT make notation of the day off in e-time sheets.

QC Corrective Plan of Action

When an office receives 86% or lower:

- Local management is required to complete a Corrective Plan of Action, signed off by the RVP, within ten days of the lead auditor's request.
- Video or on-site training may be provided by the QC team, if appropriate.
- The lead auditor will follow up within ninety days to confirm completion of all action steps in the Corrective Plan of Action.
- The QC team will pull claims for local management to perform required spot-checks six months after the audit results are finalized for all adjusters/supervisors who scored 86% or lower in the formal audit.
- Six months later, the QC team will perform the regularly scheduled annual audit.
- Overall audit scores remain the same until the next formal audit (spot-check scores do not change the official score).

QC Spot-Checks

How the spot-check process will work:

- The lead auditor will confirm who will be audited with the point person.
- The lead auditor will pick claims and run audit reports, if needed.
- The lead auditor will provide forms (worksheets/tally sheet) to the point person to complete the audit.
- Point person will return all audit material in thirty days.
- Local management will disseminate and communicate audit results to claims staff in a timely manner.
- All Audit Worksheets and Spot-Check Summaries generated for each audit will be posted to the O: drive as a resource for future audits.

A spot-check consists of:

- Completed Audit Worksheets in Excel of three to five claims;
- Completed Audit Tally Sheet; and
- Brief summary of the findings for each adjuster, including any ongoing deficiencies that need work.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

New-Hire Spot-Checks

- Ninety days after the adjuster/supervisor's date of hire, the lead auditor will reach out to the point person to confirm they have been handling claims.
- The lead auditor will pick claims since the date of hire and audit three to five claims.
- The lead auditor will provide forms (worksheets/tally sheet) to the point person.
- Local management will disseminate and communicate audit results to claims staff in a timely manner.
- All Audit Worksheets for each audit will be posted to the O: drive as a resource for future audits.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

Last Name - Claim # (1)

Date/Day of Loss		**Carrier Name**		**Claim Office**	
Date/Day of Entry		**Policy Type**		**Coverage**	
Date/Day Adj Assigned		**Reporting Level**		**Jurisdiction**	
File Status (O/C)		**Adjuster Name**		**Client Name**	
Date Closed		**Supervisor Name**		**Claimant Name**	
Date Audited		**Auditor Name**		**Claim Number**	
				Adj | Supv Claim Score	#DIV/0! n/a

COVERAGE		YES	NO	N/A
Was coverage promptly documented in the log notes as a part of the initial coverage review? **Required on deductible policies. For excess policies: score as Y if documented promptly, N if documented after 30 days, N/A if no mention.	1			
Was the coverage correctly documented in the log notes with the coverage type, insurance carrier/company, policy number, policy period, deductible or retention amount, and reporting level? **Required on deductible policies. For excess policies: score as Y if documented correctly, N if documented incorrectly, N/A if no mention.	2			
Were potential coverage issues identified and documented in the log notes within 10 business days?	3			
COMMENTS **n/a** **PERCENTAGE / TOTALS**		0	0	0

INITIAL CONTACT		YES	NO	N/A
Client Contact				
Was verbal or written **client** contact made or attempted within 2 business days, or within the carrier or client service commitments, whichever is stricter? (day 1 is the day the claim is received by CCMSI, day 2 is the very next business day; generic acknowledgement not sufficient)	4			
If the client was not reached on the first attempt, was client contact attempted at least every 3 business days thereafter until the client was reached?	5			
Was the client contact meaningful and thorough?	6			
If attempts to contact the client were discontinued, was the rationale stated in the log notes?	7			
Claimant Contact				
Was verbal **claimant** contact made or attempted within 2 business days of receipt, or within the carrier or client service commitments, whichever is stricter? (day 1 is the day the claim is received by CCMSI, day 2 is the very next business day)	8			
If the claimant was not reached on the first attempt, was claimant contact attempted at least every 3 business days thereafter until the claimant was reached?	9			
If verbal contact was unsuccessful, was a written follow-up sent promptly to the claimant requesting contact?	10			
Was claimant contact meaningful and thorough?	11			
If attempts to contact the claimant were discontinued, was the rationale stated in the log notes?	12			
Medical Contact				
Were the initial medical records logged? If not, was verbal or written **health provider** contact made or attempted within 2 business days, or within the carrier or client service commitments, whichever is stricter? (day 1 is the day the claim is received by CCMSI, day 2 is the very next business day)	13			
If the medical records were needed to determine compensability, were attempts to obtain these evident in the log notes?	14			
Witness Contact				
Were witnesses contacted/interviewed, if appropriate?	15			
COMMENTS **n/a** **PERCENTAGE / TOTALS**		0	0	0

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

Last Name - Claim # (1)

Claim Number	0	Date Audited	1/0/1900

INVESTIGATION / CLAIM RISK ASSESSMENT		YES	NO	N/A
Was a brief description of the accident input early in the claim log notes?	16			
Were red-flag fraud indicators recognized and addressed in the investigation?	17			
ISO/Index				
Was the initial ISO/Index Report generated as part of the initial investigation of the claim?	18			
Was a diary established to re-index the claim after 18 months, then every 6 months?	19			
Was the claim re-indexed after 18 months, then every 6 months?	20			
Was the ISO/Index results reviewed in the log notes, with comments of whether or not any follow up was needed?	21			
If there were any relevant hits found on the ISO report, any prior injuries or prior claims, were these fully investigated?	22			
CRA				
Was the CRA form sufficiently completed for a valid profile scoring?	23			
Was the CRA form completed within 10 business days from receipt of the first notice of injury? If not, were continued efforts to gather the information evident?	24			
Subrogation/Recovery				
Was sufficient subrogation, recovery or SIF investigation completed within 10 business days to rule out or identify recovery potential? If not, were continued efforts to gather the information evident?	25			
Was a claim-specific subro, recovery or SIF exposure rationale documented once this was ruled out or identified?	26			
Were all potentially responsible parties put on notice immediately, if applicable?	27			
Was a request for written acknowledgement from the insurance carrier(s) requested & pursued until obtained from all potentially responsible parties, if applicable?	28			
If notice of representation was received on a claim with subrogation potential, was our lien notice sent to the claimant's attorney requesting acknowledgement of our lien?	29			
If the claimant's attorney did not acknowledge our subro lien, was follow up made every 30-90 days until acknowledged?	30			
Was follow-up on subrogation, recovery or SIF completed at a maximum every 90 days?	31			
Was the carrier and/or client consulted prior to waiving or compromising any recoveries?	32			
Compensability				
Was a sufficient investigation completed timely to determine compensability? (within 10 business days)	33			
If the investigation was incomplete, were continued efforts to gather the information evident? (unresolved contacts, witness statements, subro follow up, prior medical records, etc.)	34			
Was the compensability statement strong? (stated after investigation complete, specific to the claim, and reflect the adjuster's review of all important issues unique to the claim)	35			
Were denials clearly documented in the notes, discussed with the client (if required), and reported to the state (if applicable)?	36			
COMMENTS	n/a **PERCENTAGE / TOTALS**	0	0	0

RESERVES & WAGE INFORMATION		YES	NO	N/A
Reserves				
Were the initial reserves established timely? (w/in 10 business days, or within the carrier or client service commitments, whichever is stricter)	37			
Were the initial reserves adequate and specific to the claim, based on the facts known at that time?	38			
Were subsequent reserves adjusted timely as developments occurred? (w/in 10 business days)	39			
Were meaningful reserve rationales regularly documented for reserve changes within the reserve worksheet? (including calculations for TTD, permanency or impairment)	40			
Were reserves established in compliance with corporate philosophy? (no stair stepping)	41			
Were the reserves sufficient to bring the claim to a conclusion, based on the facts of the claim at the time of review?	42			
Wage Information				
Was the wage statement/wage information promptly requested?	43			
Was the wage statement/wage information regularly pursued until received?	44			
Was an appropriate explanation of the wage rates with all calculations documented in the log notes?	45			
COMMENTS	n/a **PERCENTAGE / TOTALS**	0	0	0

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

Last Name - Claim # (1)

Claim Number 0 **Date Audited** 1/0/1900

MEDICAL & DISABILITY MANAGEMENT		YES	NO	N/A
Was a medical authorization form requested? (Yes if documented, N/A if no mention)	46			
Were pertinent medical records requested, with appropriate follow up if not received?	47			
Were the medical records regularly summarized in the log notes?	48			
Was the medical treatment plan proactively managed? (RTW & MMI targets tracked, IME/2nd opinion requests, prompt authorization of treatment, DME, Rx requests/approvals, etc.)	49			
Was light duty work aggressively pursued and coordinated, if available?	50			
If applicable, was UR/Pre-Cert appropriately used?	51			
If relevant in a particular state, was a PPD rating timely requested?	52			
Nurse CM/Voc Rehab				
Did the assignment to NCM or Voc Rehab include clear instructions/expectations?	53			
Was regular collaboration with the NCM/Voc Rehab Specialist evident, showing the adjuster was overseeing the medical/voc management?	54			
Was a brief summary/description regularly provided for NCM/Voc Rehab correspondence/e-mails/attachments? (including date, CM/Voc Rehab name, summary)	55			
COMMENTS **n/a** **PERCENTAGE / TOTALS**		0	0	0

LITIGATION MANAGEMENT/SETTLEMENT EVALUATION		YES	NO	N/A
Claimant's Attorney				
Was the claimant's attorney letter of representation acknowledged in writing within 10 business days?	56			
Defense Attorney				
Was the file referred to a defense attorney timely? (In states where counsel files an answer, 10 business days)	57			
Did the assignment to the defense attorney include clear instructions and expectations? (including an overview of the claim facts, investigation to date, as well as the issuing carrier name, as applicable)	58			
Was there prompt follow up for the defense attorney's initial litigation review/evaluation if not received within 30 calendar days from referral?	59			
Was a brief summary/description regularly provided for legal correspondence/e-mails/attachments? (including date, attorney name, summary)	60			
Was regular collaboration with the defense attorney evident (or claimant's attorney if no defense on file), showing adjuster was managing the litigation plan?	61			
Budget/Approved Atty				
Was a legal budget requested? (Required for deductible claims; do not mark down for non-deductible claims)	62			
Was there continued follow up for a budget from the DA until received? (Required for deductible claims, do not mark down for non-deductible claims)	63			
Was a carrier-approved defense attorney used, if applicable? (Required for deductible claims, do not mark down for non-deductible claims)	64			
Exposure/Settlement				
Was the claim exposure, settlement values and plans for disposition evident in the notes?	65			
If settling out future medical, was consideration shown in the claim for MMSEA/SCHIP submission & eligibility based on age or SSDI status, if applicable?	66			
Was appropriate settlement authority/concurrence obtained from the client contact and/or supervisor, if applicable?	67			
COMMENTS **n/a** **PERCENTAGE / TOTALS**		0	0	0

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

Last Name - Claim # (1)

Claim Number 0 **Date Audited** 1/0/1900

CARRIER REPORTING		YES	NO	N/A
If the claim meets carrier reporting requirements, was prompt notice given and documented in the log notes? (when, why and to whom the claim was reported)	68			
Was the notice sent in such a manner in which proof of receipt was provided? (certified, fax, e-mail)	69			
Was a diary established for follow up every 15 calendar days until the proof of receipt was returned and acknowledgement was received from the carrier?	70			
Were timely follow-up reports provided to the carrier once the initial report was made? If the carrier decontrolled the file, this should be clearly shown in the log notes.	71			
Was reserve authority or settlement authority obtained timely from the carrier in conjunction with their reporting requirements?	72			
COMMENTS **n/a** **PERCENTAGE / TOTALS**		0	0	0

DOCUMENTATION & ONGOING MGMT		YES	NO	N/A
Action Plans/File Mgmt				
Was a meaningful/proactive initial action plan developed/documented within 30 calendar days, or within the carrier or client service commitments, whichever is stricter?	73			
Was a meaningful/proactive action plan updated every 30-90 calendar days thereafter with appropriate follow up? (Should be able to follow the current treatment status and estimated return to work date, expected MMI date, plans for disposition, current legal status, etc.)	74			
Did the adjuster regularly complete their diaries no later than 15 calendar days?	75			
Were directions and recommendations from supervisors acknowledged or acted upon?	76			
Did the log notes contain appropriate information and read smoothly? (current, clear and complete?)	77			
All claims: SCHIP coding required for Medicare Eligible claims. Were the compensable body parts properly coded? ***Deductible claims:*** Were the loss type/body part/cause codes accurate for the current status of the claim?	78			
Benefits/State Forms				
Were indemnity benefits paid timely? (print date regular and near the period paid)	79			
Were indemnity benefits properly calculated?	80			
If applicable, were adjustments to benefits clearly documented, showing the amount and reason? Were underpayments issued promptly or recovery attempted? If recovery is not allowed in the jurisdiction, was this clearly stated?	81			
Was a brief summary/description provided for state filings, TPD pays, etc.	82			
Surveillance				
If surveillance was used, did the assignment to the surveillance company include clear instructions/expectations?	83			
Was surveillance managed and used appropriately, if applicable?	84			
Was a brief summary/description provided for surveillance reports/e-mails/attachments? (including date, company name, summary)	85			
Ongoing Contact/Mgmt				
Was follow up contact made with the claimant, when appropriate, or as issues arose?	86			
Were the carrier/client instructions followed? (concurrence with denials, reserves or assignment to: CM, surveillance, attorney, etc.) ***Deductible claims:*** Was the correct UW company included on all correspondence and settlement documents and State forms?	87			
Was the claim progressing appropriately and/or concluded effectively and timely?	88			
COMMENTS **n/a**		0	0	0

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

Last Name - Claim # (1)

Claim Number	0	Date Audited	1/0/1900

MINIMUM SYSTEM REQUIREMENTS		YES	NO	N/A
Were the 3-point contact fields on the Miscellaneous screen completed?	89			
Was the recovery tab on the Miscellaneous screen completed appropriately?	90			
Was the lien box on the Miscellaneous screen completed, if applicable?	91			
Was the "Claim Denied" box checked on the Claim Edit screen, if applicable?	92			
Were the Claimant and Defendant tabs on the Legal screen completed, if applicable? ***Deductible claims with budgets obtained after 2/1/21***: Was the litigation budget amount properly entered on the Legal Screen/Defendant tab?	93			
Were the Carrier fields completed, if applicable?	94			
Did the claim summary provide a good overview of the claim? (current, concise and complete)	95			
COMMENTS	n/a **PERCENTAGE / TOTALS**	0	0	0

SUPERVISION		YES	NO	N/A
Did the supervisor document a ***meaningful*** initial review within 30 calendar days?	96			
Was the supervisory follow up frequency in line with the severity of the claim? (maximum of every 90 days)	97			
Was the reserve adequacy regularly reviewed by the supervisor throughout the life of the claim?	98			
Was the supervisor direction appropriate in addressing any claims handling deficiencies in any of the core competencies?	99			
Did the supervisor follow up to ensure the claims professional executed on the direction provided?	100			
Was the supervisor mindful of potential leakage/E&O risks? (subro, overpayments, carrier reporting, etc.)	101			
If the supervisor diary was removed, was a meaningful explanation provided?	102			
COMMENTS	n/a **PERCENTAGE / TOTALS**	0	0	0

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

Last Name-Claim # (1)

Date/Day of Loss		**Carrier Name**		**Claim Office**	
Date/Day of Entry		**Policy Type**		**Coverage**	
Date/Day Adj Assigned		**Reporting Level**		**Jurisdiction**	
File Status (O/C)		**Adjuster Name**		**Client Name**	
Date Closed		**Supervisor Name**		**Claimant Name**	
Date Audited		**Auditor Name**		**Claim Number**	
				Adj | Supv Claim Score	#DIV/0! n/a

INVESTIGATION/FNOL		YES	NO	N/A
Was the claim input and the claims management initiated within 2 business days of the first notice of injury?	1			
Was a brief description of the accident input early in the claim log notes?	2			
If a coverage note was documented in the log notes, was the coverage correctly documented with the coverage type, insurance carrier/company, policy number, policy period, deductible or retention amount, and reporting level? (Score as Y if documented correctly, N if documented incorrectly, N/A if no mention)	3			
Was the compensability statement appropriate and clear? (stated after investigation complete; specific to the claim)	4			
Initial Contacts				
If 2-pt or 3-pt contact was required per the Carrier or Client Service Instructions, was this completed timely?	5			
If 2-pt or 3-pt contact was required per the Carrier or Client Service Instructions, was this completed appropriately? (meaningful, specific questions asked, R/S, etc.)	6			
ISO/Index				
If an initial ISO/index was required per the Carrier or Client Service Instructions, was this report generated as part of the initial setup of the claim?	7			
If the ISO/Index report was ran, were the results reviewed in the log notes, with comments of whether or not any follow up was needed?	8			
If there were any relevant hits found on the ISO report, were these fully investigated?	9			
Subrogation/Recovery				
Was sufficient subrogation, recovery or SIF investigation completed within 10 business days to rule out or identify recovery potential? If not, were continued efforts to gather the information evident?	10			
Was a claim-specific subro, recovery or SIF exposure rationale documented once this was ruled out or identified?	11			
Were all potentially responsible parties put on notice immediately, if applicable?	12			
Was a request for written acknowledgement from the insurance carrier(s) requested & pursued until obtained from all potentially responsible parties, if applicable?	13			
Was follow-up on subrogation, recovery or SIF completed at a maximum every 90 days?	14			
COMMENTS **n/a** **PERCENTAGE / TOTALS**		0	0	0

RESERVES		YES	NO	N/A
Were the initial reserves adequate and specific to the claim, based on the facts known at that time?	15			
Were the initial reserves established timely? (w/in 10 business days, or within the carrier or client service commitments, whichever is stricter)	16			
Were subsequent reserves adjusted timely as developments occurred? (w/in 10 business days)	17			
Were the reserves sufficient to bring the claim to a conclusion, based on the facts of the claim at the time of review?	18			
Were meaningful reserve rationales documented for all reserve changes within the reserve worksheet?	19			
Were reserves established in compliance with corporate philosophy? (no stair stepping)	20			
COMMENTS **n/a** **PERCENTAGE / TOTALS**		0	0	0

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

Last Name-Claim # (1)

CCMSI

Claim Number	0	Date Audited	1/0/1900

MEDICAL & DISABILITY MANAGEMENT		YES	NO	N/A
Were pertinent medical records timely requested and reviewed/attached to the log notes?	21			
Were the medical records appropriately summarized in the log notes?	22			
Was the medical treatment plan proactively managed? (prompt authorization of treatment, DME, Rx requests/approvals, etc.)	23			
COMMENTS **n/a** **PERCENTAGE / TOTALS**		0	0	0

DOCUMENTATION & ONGOING MGMT		YES	NO	N/A
Action Plans/File Mgmt				
Was a meaningful/proactive initial action plan developed/documented within 30 calendar days, or within the carrier or client service commitments, whichever is stricter?	24			
Was a meaningful/proactive action plan updated every 30-90 calendar days thereafter with appropriate follow up? (Should be able to follow the current treatment status and estimated return to work date, expected MMI date, etc.)	25			
Did the adjuster regularly complete their diaries no later than 15 calendar days?	26			
Were directions and recommendations from supervisors acknowledged or acted upon?	27			
Did the log notes contain appropriate information and read smoothly? (current, clear and complete?)	28			
Was a brief summary/description regularly provided for any other non-medical attachments?	29			
Was input sought from the supervisor/indemnity adjuster on complex or questionable issues?	30			
Was the claim converted from Medical Only to Indemnity timely?	31			
Were the carrier/client instructions followed? (concurrence with denials, reserves or assignment to: CM, surveillance, attorney, etc.) ***Deductible claims: Was the correct UW company included on all correspondence and State forms?***	32			
Was the claim progressing appropriately and/or concluded effectively and timely?	33			
COMMENTS **n/a** **PERCENTAGE / TOTALS**		0	0	0

SUPERVISION	YES	NO	N/A

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

Last Name-Claim # (1)

Date/Day of Loss		**Carrier Name**		**Claim Office**	
Date/Day of Entry		**Policy Type**		**Coverage**	
Date/Day Adj Assigned		**Reporting Level**		**Jurisdiction**	
File Status (O/C)		**Adjuster Name**		**Client Name**	
Date Closed		**Supervisor Name**		**Claimant Name**	
Date Audited		**Auditor Name**		**Claim Number**	
				Adj | Supv Claim Score	#DIV/0! n/a

COVERAGE		YES	NO	N/
Was coverage promptly documented in the log notes as a part of the initial coverage review? (within 10 business days)	1			
Did the coverage analysis include the carrier name, policy number, reporting level, policy effective dates, limits of coverage, deductibles, replacement cost vs. actual cost value, sub limits, SIR limit, and any applicable endorcements? (limits of coverage above the SIR limit must be included)	2			
Were potential coverage issues identified and documented in the log notes within 10 business days?	3			
COMMENTS **n/a** **PERCENTAGE / TOTALS**		0	0	0

INITIAL CONTACT		YES	NO	N/
Client Contact				
Was verbal or written **client** contact made or attempted within 2 business days, or within the carrier or client service commitments, whichever is stricter? (day 1 is the day the claim is received by CCMSI, day 2 is the very next business day; generic acknow not appropriate)	4			
If client not reached on first attempt, was client contact attempted at least every 3 business days thereafter until the client was reached?	5			
Was client contact meaningful and thorough?	6			
If attempts to contact client were discontinued, was a sufficient note provided in the log notes?	7			
Claimant Contact				
Was verbal **claimant** contact made or attempted within 2 business days, or within the carrier or client service commitments, whichever is stricter? (day 1 is the day the claim is received by CCMSI, day 2 is the very next business day)	8			
If claimant not reached on first attempt, was claimant contact attempted at least every 3 business days thereafter until the claimant was reached?	9			
If verbal contact was unsuccessful, was a written follow-up sent promptly to the claimant requesting contact?	10			
Was claimant contact meaningful and thorough?	11			
If attempts to contact claimant were discontinued, was a sufficient note provided in the log notes?	12			
Witness Contact				
Were witnesses contacted/interviewed, if appropriate?	13			
COMMENTS **n/a** **PERCENTAGE / TOTALS**		0	0	0

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

Last Name-Claim # (1)

CCMSI

Claim Number 0 **Date Audited** 1/0/1900

INVESTIGATION		YES	NO	N/A
Was a brief description of the accident input early in the claim log notes?	14			
Were red-flag fraud indicators recognized and addressed in the investigation?	15			
ISO/Index				
Was the initial ISO/Index Report generated as part of the initial investigation of the claim?	16			
Was a diary established to re-index the claim after 18 months, then every 6 months?	17			
Was the claim re-indexed after 18 months, then every 6 months?	18			
Was the ISO/Index results reviewed in the log notes, with comments of whether or not any follow up was needed?	19			
If there were any relevant hits found on the ISO report, any prior injuries or prior claims, were these fully investigated?	20			
Subrogation/Recovery				
Was sufficient subrogation, recovery, including potential third party contribution and/or risk transfers, or salvage investigation completed within 10 business days to rule out or identify recovery potential? If not, were continued efforts to gather the information evident?	21			
Was a claim-specific subro, recovery, potential third party contribution and/or risk transfers, or salvage exposure rationale documented once this was ruled out or identified?	22			
Were all potentially responsible parties put on notice immediately, if applicable?	23			
Was a request for written acknowledgement from the insurance carrier(s) requested & pursued until obtained from all potentially responsible parties, if applicable?	24			
Was follow-up on subrogation, recovery or salvage completed at a maximum every 90 days?	25			
Were potential third party tortfeasors identified, investigated and pursued for third party contribution?	26			
Were contractual risk transfers identified, investigated and evaluated?	27			
If a potential contractual risk transfer existed, was a tender appropriately pursued?	28			
Was the carrier and/or client consulted prior to waiving or compromising any recoveries?	29			
Liability Determination				
Was a sufficient investigation completed timely to determine liability? (within 30 days)	30			
If the investigation was incomplete, were continued efforts to gather the information evident? (unresolved contacts, witness statements, subro follow up, prior medical records, etc.)	31			
Was the liability statement strong? (stated after investigation complete, specific to the claim, include the alleged cause of action and appropriate liability analysis against the client or the standard of care, when applicable)	32			
Did the adjuster document comparative or contributory negligence in the liability statement, if applicable?	33			
Did the adjuster obtain, document and evaluate investigative documents to support the liability statement? ex: police report, photos, scene investigation, use of experts, etc.	34			
Were denials clearly documented in the notes, including State Specific denial language in the denial letter?	35			
COMMENTS **n/a** **PERCENTAGE / TOTALS**		0	0	0

RESERVES		YES	NO	N/A
Were the initial reserves established timely? (w/in 10 business days, or within the carrier or client service commitments, whichever is stricter)	36			
Were the initial reserves adequate and specific to the claim, based on the facts known at that time?	37			
Were subsequent reserves adjusted timely as developments occurred? (w/in 10 business days)	38			
Were meaningful reserve rationales regularly documented for reserve changes within the reserve worksheet?	39			
Were reserves established in compliance with corporate philosophy? (no stair stepping)	40			
Were the reserves sufficient to bring the claim to a conclusion, based on the facts of the claim at the time of review?	41			
COMMENTS **n/a** **PERCENTAGE / TOTALS**		0	0	0

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

Last Name-Claim # (1)

CCMSI

Claim Number	0	Date Audited	1/0/1900

DAMAGES EVALUATION		YES	NO	N/A
Was the claimant or claimant's attorney questioned about prior injuries and/or claims?	42			
If there were prior injuries, pre-existing medical conditions and/or claims noted by the claimant and/or attorney, were these fully investigated?	43			
Was a medical authorization form requested? (Yes if documented, N/A if no mention)	44			
Were pertinent medical records requested, with appropriate follow up if not received?	45			
Were the medical records regularly summarized in the log notes?	46			
Was the adjuster proactive in obtaining/documenting the claimant's injury and treatment information?	47			
If lost wages were claimed, were pertinent proofs requested, received, documented and evaluated in the log notes?	48			
Were proofs of all other applicable damages requested, received, documented and evaluated in the log notes? (general damages, special damages, property damages, auto damages, loss of use, etc.)	49			
Did the adjuster identify and evaluate unrelated and/or mitigation of damages? (unrelated medical treatment, unrelated property damages, depreciation, etc.)	50			
Were collateral sources appropriately identified, investigated, documented and evaluated in the log notes?	51			
COMMENTS	n/a PERCENTAGE / TOTALS	0	0	0

LITIGATION MANAGEMENT/SETTLEMENT EVALUATION		YES	NO	N/A
Claimant's Attorney				
Was the claimant's attorney letter of representation acknowledged timely? (within 10 business days)	52			
Defense Attorney				
Was the file referred to a defense attorney timely? (within 3 business days)	53			
Did the assignment to a defense attorney include clear instructions and expectations? (including an overview of the claim facts, investigation to date, as well as the issuing carrier name, as applicable)	54			
Was there prompt follow up for the defense attorney's initial litigation review/evaluation if not received within 30 calendar days from referral?	55			
Was a brief summary/description regularly provided for legal correspondence/e-mails/attachments? (including date, attorney name, summary)	56			
Was regular collaboration with the defense attorney evident, showing adjuster was managing the litigation plan?	57			
Did the adjuster perform all duties that could be accomplished by the adjuster rather than allowing the defense attorney to handle?	58			
Budget/Approved Atty				
Was a legal budget requested? (Required for deductible claims; do not mark down for non-deductible claims)	59			
Was there continued follow up for a budget from the defense attorney until received? (Required for deductible claims, do not mark down for non-deductible claims)	60			
Was a carrier-approved defense attorney used, if applicable? (Required for deductible claims, do not mark down for non-deductible claims)	61			
Exposure/Settlement				
Was the settlement and/or damage exposure and plans for disposition evident in the notes?	62			
If settling out future medical, was consideration shown in the claim for MMSEA/SCHIP submission & eligibility based on age or SSDI status, if applicable?	63			
Was appropriate settlement authority/concurrence obtained from the client contact and/or supervisor, if applicable?	64			
COMMENTS	n/a PERCENTAGE / TOTALS	0	0	0

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

Last Name-Claim # (1)

CCMSI

Claim Number	0	Date Audited	1/0/1900

CARRIER REPORTING		YES	NO	N/
If the claim meets carrier reporting requirements, was prompt notice given and documented in the log notes? (when, why and to whom the claim was reported)	65			
Was the notice sent in such a manner in which proof of receipt was provided? (certified, fax, e-mail)	66			
Was a diary established for follow up every 15 calendar days until the proof of receipt was returned and acknowledgement was received from the carrier?	67			
Were timely follow-up reports provided to the carrier once the initial report was made? If the carrier decontrolled the file, this should be clearly shown in the log notes.	68			
Was reserve authority or settlement authority obtained timely from the carrier in conjunction with their reporting requirements?	69			
COMMENTS	**n/a** **PERCENTAGE / TOTALS**	0	0	0

DOCUMENTATION & ONGOING MGMT		YES	NO	N/
Action Plans/File Mgmt				
Was a meaningful/proactive initial action plan developed/documented within 30 calendar days, or within the carrier or client service commitments, whichever is stricter?	70			
Was a meaningful/proactive action plan updated every 30-90 calendar days thereafter with appropriate follow up? (Should be able to follow the plans for disposition, current legal status, etc.)	71			
Did the adjuster regularly complete their diaries no later than 15 calendar days?	72			
Were directions and recommendations from supervisors acknowledged or acted upon?	73			
Did the log notes contain appropriate information and read smoothly? (current, clear and complete?)	74			
All claims: SCHIP coding required for Medicare Eligible claims. Were the compensable body parts properly coded? ***Deductible claims:*** Were the loss type/body part/cause codes accurate for the current status of the claim?	75			
Surveillance				
If surveillance was used, did the assignment to the surveillance company include clear instructions/expectations?	76			
Was surveillance managed and used appropriately, if applicable?	77			
Was a brief summary/description provided for surveillance reports/e-mails/attachments? (including date, company name, summary)	78			
Ongoing Contact/Mgmt				
Was follow up contact made with the claimant, when appropriate, or as issues arose?	79			
Were the carrier/client instructions followed? (concurrence with denials, reserves or assignment to: surveillance, attorney, etc.) ***Deductible claims:*** Was the correct UW company included on all correspondence and settlement documents?	80			
Was the claim progressing appropriately and/or concluded effectively and timely?	81			
COMMENTS	**n/a** **PERCENTAGE / TOTALS**	0	0	0

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

Last Name-Claim # (1)

CCMSI

Claim Number 0 **Date Audited** 1/0/1900

MINIMUM SYSTEM REQUIREMENTS		YES	NO	N/
Were the 3-point contact fields on the Miscellaneous screen completed?	82			
Was the recovery tab on the Miscellaneous screen completed appropriately?	83			
Was the lien box on the Miscellaneous screen completed, if applicable?	84			
Was the "Claim Denied" box checked on the Claim Edit screen, if applicable?	85			
Were the Claimant and Defendant tabs on the Legal screen completed, if applicable? ***Deductible claims with budgets obtained after 2/1/21*** : Was the litigation budget amount properly entered on the Legal Screen/Defendant tab?	86			
Were the Carrier fields completed, if applicable?	87			
Did the claim summary provide a good overview of the claim? (current, concise and complete)	88			
COMMENTS **n/a** **PERCENTAGE / TOTALS**		0	0	0

SUPERVISION		YES	NO	N/
Did the supervisor document a ***meaningful*** initial review within 30 calendar days?	89			
Was the supervisory follow up frequency in line with the severity of the claim? (maximum of every 90 days)	90			
Was the reserve adequacy regularly reviewed by the supervisor throughout the life of the claim?	91			
Was the supervisor direction appropriate in addressing any claims handling deficiencies in any of the core competencies?	92			
Did the supervisor follow up to ensure the claims professional executed on the direction provided?	93			
Was the supervisor mindful of potential leakage/E&O risks? (subro, overpayments, carrier reporting, etc.)	94			
If the supervisor diary was removed, was a meaningful explanation provided?	95			
COMMENTS **n/a** **PERCENTAGE / TOTALS**		0	0	0

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CCMS

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Exhibit 9 – Comp MC Managed Care Program

Comp MC

Bill Review Services

Bill review

Bill review is a complex area that requires complete understanding of state specific regulations and trends in medical billing. Comp MC is based on state-of-the-art software designed to achieve maximize savings.

- Software adjusts medical bills to applicable state fee schedules- fee schedule data is continually reviewed and updated for accuracy. Usual and customary reductions in non-fee schedule states are applied using UCR database information.
- Software includes detection of unnecessary billed medical services- staff members read and interpret complex bill supporting documents to obtain the absolute maximum savings allowable
- Pathway rules can be written for unique bill handling situations- automating special routing and processing for specified bills per client or provider or service

PPO network access

All bill review programs include a PPO component. Most programs only offer a structure designed to drive bills to a particular, predetermined PPO network rather than one that would be in the best interest of the client.

Comp MC utilizes a mosaic approach to PPO networks. We look closely at the savings results of all the available PPO networks in each state and place the one with the best results in a primary position. Other networks are then placed in secondary positions to maximize savings. Bills are matched against the primary network and fall to the next network if a match is not found. This approach maximizes the PPO network penetration – the number of bills that are repriced.

The Comp MC program includes the best available PPO networks. Access to these outstanding networks allows us to realize the maximum savings possible.

The Comp MC mosaic varies from client to client and state to state. An illustration of a PPO mosaic follows:

- Primary PPO — Coventry Health
- Second PPO — Prime Health
- Third PPO — Careworks
- Fourth PPO — Multiplan
- Fifth PPO — HealthSmart

The Comp MC PPO mosaic is regularly reviewed to ensure the most beneficial selection is utilized based on actual claim activity and available networks

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

Comp MC has no ownership interest in the national PPO networks we offer our clients. Our approach is always to achieve the best overall savings for our clients.

Out of network bill review

Even with the best possible PPO mosaic in place, some providers simply are not part of an available PPO. In these situations out of network bill review fills a critical role in maximizing savings results. Comp MC partners with IQA for out of network bill review

Negotiations

After we have thoroughly reviewed and reduced charges according to state allowable amounts, applied rules and edits and reductions through networks and audits, we may also contact the provider directly to see if they are agreeable to a further negotiated reduction. All negotiated reductions are obtained through a signed agreement with the provider so no provider disputes can be made.

Physical medicine specialty network

Physical medicine is an important consideration in any managed care program. Significant savings and efficiencies can be realized through a broad based, integrated program. Comp MC's physical medicine specialty network is One Call PT.

Diagnostic Specialty Network

Controlling the utilization of diagnostic specialty networks is an important savings tool. Comp MC's diagnostic specialty network partner is One Call Medical. Through this partnership we are able to provide outstanding network coverage and penetration levels, personal service and deep discounting below normal rates.

Prescription drug services

Comp MC partners with Mitchell as our primary PBM for drug card and mail order prescription services. CCMSI has full data integration with Mitchell for both claim and payment files. Services available through our Comp MC Rx program include a First Fill Program, Retail Drug Cards and Home Delivery Services for claimants and outstanding utilization management to track claimant formulary usage.

Nurse review audits

Due to the complexity and dollar amount of certain types of medical bills, adding a nurse's skilled interpretation and line item bill analysis can uncover inappropriate charges and services billed. This service applies to both in-network and out of network bills. We utilize predetermined criteria for nurse review audits based on industry best practices that can be tailored to specific client needs and requests.

Overall Retrospective Savings

Start with a medical bill and first apply Bill Review reductions to decrease the bill to the appropriate fee schedule or usual and customary charges. Then apply a custom designed PPO Mosaic strategy. Utilize Out Of Network Negotiations, Nurse Review Audits and Retrospective Specialty Networks whenever possible. The Comp MC program maximizes savings at every possible step.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

COMP MC SYSTEM CAPABILITIES

Advanced Reporting and Analysis

Managed care involves a significant amount of data and timely and comprehensive reporting is critical to the success of a managed care program. Comp MC has numerous reports available providing a thorough analysis of data.

In addition to our standardize reports, we also have an ad hoc reporting system that allows real time creation of customization of reports. These reports can also be scheduled for future generation and delivery.

Document Management

Comp MC document workflow is entirely paperless. All documents are scanned and indexed when received. They are routed electronically to the assigned adjuster for processing and are viewable by the entire client service team. There is no interoffice mail or paper to get lost.

The workflow decreases overall turnaround time for bill payment- adjuster processing and bill review is streamlined and bills are paid more timely.

We know where everything is at all times. Historical tracking capabilities for all documents allow for analysis of processing time throughout document lifecycle. No more lost bills or bills stacked up when the adjuster is out of the office.

Document images can be easily retrieved, batched and emailed for audit, legal or other purposes. Images are available through the CCMSI iCE portal.

Duplicate Bill Detection

Duplicate bills are a fact of life so detection of those duplicates is a critical area of any managed care program. Comp MC has redundant duplicate bill checking detection capabilities which analyze several levels of bill components. These include duplicate checking by client, provider FEIN, claim number, procedure codes and dates of service against permanent and temporary bill history.

Three levels of duplicate detection are applied – when the bill is indexed, within the bill review process and during the adjuster review of the bill prior to payment.

The combination of the Prospective and Retrospective services with outstanding System Capabilities allows Comp MC to "deliver what matters most" – the absolute highest possible level of managed care savings.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

CCMS

CCMSI

Exhibit 10 – Loss Control Services

Loss Control Services

CCMSI can assist you with all of your risk management, safety and health concerns. Based on CCMSI's experience, our consultants can help to identify and develop policy standards that should be in place. Our loss control services, provided by our trained professionals, are proven effective at reducing our clients' workers compensation losses.

CCMSI's Loss Control philosophy and policy standards set the mark for the level of service we try to provide. The following inserts provide an overview and highlights of our services:

- **Philosophy**
- **Claims Analysis**
- **Risk Management Audit**
- **Regulatory Compliance**
- **Training Topics**
- **Video Library Program**
- **Risk Reminder**
- **Internet Resources**
- **On-line Interactive Training**
- **ASAP – Account Servicing and Planning**
- **Geographical Service Area**

Loss Control Philosophy

Our Loss Control professionals are committed to providing clients with customized, cost-effective health and safety programs that will reduce the frequency and severity of injuries, increasing client profitability.

The 3 Key Elements of a Successful CCMSI Pre-Loss Management Program

1. Quantifiable, risk management on-site audits are conducted by our Loss Control professionals to determine the effectiveness of existing occupational health and safety efforts. This survey includes the evaluation of safety management, program elements, hazard-specific controls, and OSHA compliance.

2. CCMSI Loss Control professionals assist clients in setting realistic, cost-conscious management and safety goals and procedures and developing timetables for their implementation. CCMSI provides the client with extensive technical assistance, managerial and hazard-specific training, as well as measurements of results.

3. CCMSI Loss Control personnel are part of an overall "Client Service Team" that incorporates the operational functions of claims management and underwriting in order to provide integrated and coordinated client services.

CCMSI's Loss Control personnel are highly trained and professionally certified. Examples of staff certifications include:

- **Certified Healthcare Safety Processional (CHSP)**
- **Certified Safety Professionals (CSP)**
- **Certified Hazard Control Managers (CHCM)**
- **Associates in Risk Management (ARM)**

Staff members are expected to continually enhance their skills in order to provide the most modern and effective risk management services to their clients.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

Claims Analysis – Cumulative Trauma Disorders

CCMSI Ergonomics

Repetitive and cumulative stress injuries can drain hundreds of thousands of dollars from your organization. The number of these types of injuries has increased at an alarming rate over the past decade. CCMSI can assist you in addressing your ergonomic needs through our Safety Consultation Services. An overview of the services we provide include:

Ergonomics Assessment/Programming

PROGRAM ASSESSMENT

(A) Management Commitment and Employee Involvement

(B) Process Management

(C) Hazard Prevention Control

RISK ASSESSMENT/WORKSITE ANALYSIS

(A) Records/Reports Review

(B) Work Station Layouts, Process Evaluations

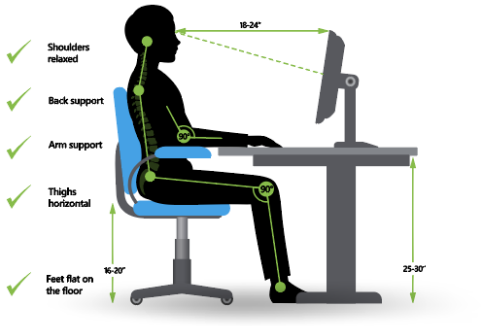
(C) Employee Exposure Assessments

MEDICAL MANAGEMENT

(A) Occupational Health Nurses and Physician on Staff

(B) Trend Evaluation

(C) Return-to-Work Programming



EDUCATION AND TRAINING

(A) Management and Employer Training on Symptom and Exposure Recognition

(B) Ergonomics Committee Training

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

Risk Management Audit

CCMSI has developed a Loss Control Performance Audit to assess each clients' baseline safety performance and provide future direction for the implementation and prioritization of loss control services. The audit measures four primary areas of Risk Management and includes a quantifiable evaluation of the subtopics included within each area.

Each of these activities is key to effective loss control management. CCMSI provides a quantifiable evaluation of the present efforts along with recommendations for improvement.

By quantifying each area, the client can set improvement goals for operating managers that can be measured monthly, quarterly, or semi-annually. Activity can then be compared to the original audit to measure progress.

This format of measurement of the loss control program will assist the client in establishing accountabilities among all levels of management for overall implementation and program maintenance.

Upon completion of the loss control audit, a written report is generated providing the client with a complete discussion of each evaluated area listing specific recommendations for improvement.

Performance Audit Categories

SAFETY MANAGEMENT

Management Involvement/Commitment
Safety Policy
Safety Accountabilities
Self Audit
Safety Committee
Supervisory/Management Training
Annual Objectives
Safety Responsibilities
Safety Budget
Employee Grievance Procedures
OSHA Recordkeeping

EMPLOYEE SAFETY

Hiring Practices
New/Transferred Employee Orientation
Job Training
Employee Involvement
Employee Assistance Programs

PROGRAM ELEMENTS

Accident Tracking/Trending
Self Inspections
Early Return-to-Work Programs
Safety Promotions & Publicity
Fleet Safety
Safety Rules
Industrial Hygiene
Accident Investigation
Safety Meetings
Safety Incentive Programs
Progressive Safety Discipline
Claims Administration
Risk Management
Material Handling/Ergonomics

HAZARD-SPECIFIC PROGRAMS

(Examples only – will be based on exposures encountered)

Blood Borne Pathogens Program
Hazard Communication Program
Lockout/Tagout Program
Respiratory Protection Program

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

Regulatory Compliance

Dealing with OSHA is a valid concern for businesses today. OSHA fines can easily drain dollars from your bottom line. Citations, compliance costs, as well as future legislation are all issues that need to be addressed in today's competitive business environment. CCMSI can assist you with these Risk Management concerns.

OSHA Compliance/Risk Management Services

Compliance Auditing Written Program Evaluation
Compliance Recommendations Competent Person Evaluations

Loss Control Auditing
- Safety Management Evaluations
- Program Auditing

Industrial Hygiene Services
- Process Evaluation
- Program Evaluation & Development
- Noise Monitoring

Safety Training
- Management & Employee Training
- Hazard-Specific Training
- OSHA 10-Hour Course

Ergonomics Auditing
- Management Structure
- Job Task Analysis
- Training

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

Training Topics

CCMSI can provide valuable safety training resource materials to assist in the development and implementation of your organization's Safety Program. Employee training is key to maintaining an effective Loss Control Program. CCMSI has developed several Safety Training Resource Manuals that offer a variety of training programs that are available for our clients' use.

Sample of Available Training Topics

- **Blood borne Pathogens**
- **Crane & Rigging Training**
- **CTS**
- **Defensive Driving**
- **Diffusing a Combative Resident**
- **Ergonomics**
- **Fire Safety**
- **First Aid/CPR**
- **Flagger Safety**
- **Fork Lift Safety**
- **Hazard Communication**
- **Hearing Protection**
- **Ladder Safety**
- **Lockout/Tagout**
- **Personal Protective Equipment (PPE)**
- **Reducing Workers' Compensation Losses**
- **Respiratory Protection**
- **Save Your Back**
- **Workplace Violence**

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

Video Library Programs

CCMSI offers an additional training resource to our clients. The CCMSI Video Library Program contains an extensive variety of safety training videos, which are useful in presenting training programs for supervisors and employees alike. Our toll-free number provides easy access to the program. This is just another valuable addition which makes CCMSI's Loss Control services the best in the business.

Available Training Video Topics

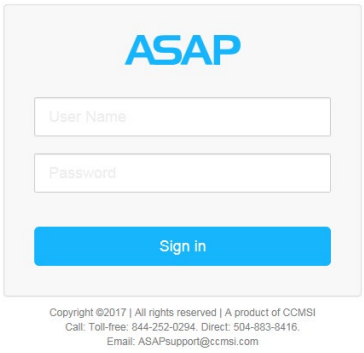
- **Accident Prevention**
- **Biosafety**
- **Chemical Safety**
- **Confined Space**
- **Construction Safety**
- **Contamination**
- **Disaster Preparedness**
- **Driving/Machine Operation**
- **Drugs & Alcohol**
- **Electric Safety**
- **Ergonomics**
- **Equipment**
- **Fall Protection**
- **Fire Safety**
- **Forklift Safety**
- **General Safety Training**
- **Hand Tools**
- **Hazard Communication**
- **Ladders**
- **Lockout/Tagout**
- **Maintenance**
- **Materials Handling**
- **Nursing Homes/Healthcare**
- **Personal Protective Equipment**
- **Truckers**
- **Violence in the Workplace**

For a complete listing of the safety training videos available, contact the Video Program Coordinator, Jean Lichtenberger, at 1-800-252-5059 ext. 1157 and ask for your copy of the CCMSI Video Library Guide.

Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

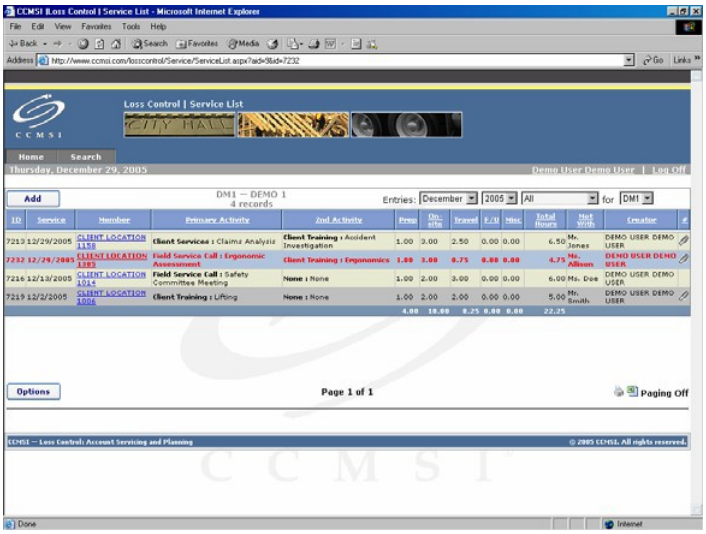
Loss Control ASAP – "Account Servicing And Planning"

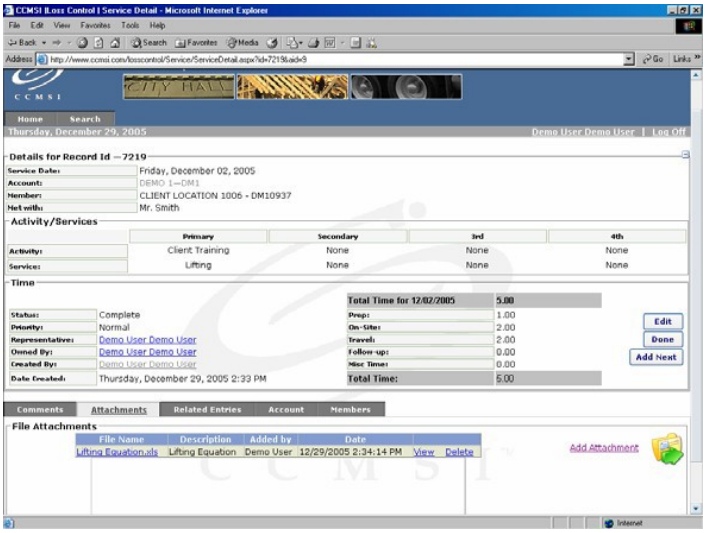
As a CCMSI Client, you have the ability to receive reports regarding your program's loss control activities, through "ASAP" or CCMSI's Loss Control Account Servicing and Planning Program.



The ASAP program was designed to reflect the daily activities of your Loss Control Representative. The Representative can capture four major activities and services for each entry that is made. Three of the major types of activities are: field service calls, client training and client service. Within each of these major activities there are multiple types of services.

ASAP also houses documentation generated through service such as emails, confirmation letters or other attachments that comply with your service parameters or established service commitments.





Attachment: CCMSI's RFP Response to VOP (2023 Claims Administrator)

Consider a Resolution Authorizing the Redemption of Outstanding General Obligation Refunding Bonds, Series 2014A of the Village of Palatine, Illinois

BACKGROUND:
The Village continually reviews its outstanding debt for opportunities to reduce the debt burden and cost of borrowing to its residents.

KEY ISSUES:
- Staff has identified available cash on hand to redeem $1,840,000 outstanding General Obligation Refunding Bonds, Series 2014A on December 1, 2022.
- The redemption of these bonds will:
    1) Reduce outstanding debt six years early in the amount of $1,840,000; and
    2) Provide an interest savings of $182,810.
- The 2014A redemption is taking advantage of cash on hand in the Sewerage Fund.

ALTERNATIVES:
1. Approve the resolution.
2. Do not approve the resolution.

RECOMMENDATION:
Staff recommends that these bonds be redeemed on December 1, 2022.

ACTION REQUIRED:
Motion to adopt a resolution authorizing the redemption of outstanding General Obligation Refunding Bonds, Series 2014A of the Village of Palatine, Illinois.

ATTACHMENTS:

- Redemption Resolution 2014A

RESOLUTION NO. R - ____ - 22

A RESOLUTION AUTHORIZING THE REDEMPTION OF OUTSTANDING GENERAL OBLIGATION REFUNDING BONDS, SERIES 2014A OF THE VILLAGE OF PALATINE, ILLINOIS

WHEREAS, on November 18, 2014, the Village of Palatine adopted ordinance O-154-14 authorizing the issuance of General Obligation Refunding Bonds, Series 2014A, of the Village of Palatine, Illinois; and

WHEREAS, the Village continually reviews its outstanding debt for opportunities to reduce the debt burden and cost of borrowing to its residents; and

WHEREAS, the Series 2014A Bonds ("the Bonds") are redeemable upon giving notice in the manner provided in the ordinances authorizing the issuance of the Bonds; and

WHEREAS, the Village has identified available cash on hand to redeem the outstanding balance of the Bonds to reduce outstanding debt by $1,840,000 and provide interest savings of $182,810;

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Village Council of the Village of Palatine, Cook County, Illinois, as follows:

SECTION 1: The outstanding $1,840,000 General Obligation Bonds, Series 2014A maturing in the years 2023 through 2028, be and the same are hereby redeemed as of December 1, 2022.

SECTION 2: The Finance Director/Village Treasurer is hereby authorized and directed to instruct Wells Fargo Bank, N.A., the paying agent and bond registrar for the Bonds, to give notice of their redemption to the Depository Trust Company and provide a copy of the redemption notice as an event disclosure on the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board.

Attachment: Redemption Resolution 2014A (Redemption Resolution - 2014A)

SECTION 3: The Finance Director/Village Treasurer is hereby authorized and directed to prepare and file Certificates of Reduction with the Cook County Clerk to reduce the property taxes heretofore levied for the payment of the Bonds.

SECTION 4: This resolution shall be operative and effective upon its passage.

ADOPTED by the Village Council of the Village of Palatine, Illinois, this 12th day of September 2022.

AYES: _____ **NAYS:** _____ **ABSENT:** _____ **PASS:** _____

APPROVED by me this 12th day of September 2022.

_____
Mayor of the Village of Palatine

ATTESTED and FILED in the Office of the Village Clerk this 12th day of September 2022.

_____
Village Clerk

Attachment: Redemption Resolution 2014A (Redemption Resolution - 2014A)

Consider an Ordinance Granting a Special Use for a Package Liquor Store at 1565 N. Quentin Road

BACKGROUND:
The Petitioner is proposing to open a new package liquor store, Inverness Wine & Spirits, in the Ellen Plaza shopping center at the northeast corner of Quentin & Dundee Roads. Therefore, the Petitioner is requesting approval of the following:

Special Use to permit a package liquor store.

KEY ISSUES:
- The Subject Tenant space was previously granted a Special Use to operate as a health club greater than 3,000 square feet. However, the health club has since closed and the tenant space has been vacant since 2017.
- In response to concerns raised by the residents, the shopping center owner/business owner submitted a business plan indicating that all deliveries will utilize the rear alley and be limited to 1-3 PM. In addition, all trash and recycling will be stored within the premises and will have nightly service for disposal of all cardboard/recycling materials, within the permitted hours. The proposed hours of operation are Monday - Thursday 11 AM - 9 PM; Friday - Saturday 11 AM - 10 PM; Sunday 12 PM - 8 PM.
- The shopping center owner and President of the Forest Glen HOA are working collectively on a fencing/screening plan to address the concerns raised about headlight glare.

ALTERNATIVES:
1. Approve of the Special Use to permit a package liquor store.
2. Do not approve the Special Use to permit a package liquor store.

RECOMMENDATION:

Public Hearing:	ZBA meeting on July 26, 2022
Residents testifying:	One resident (Quentin Court Townhomes) spoke in opposition at the public hearing. An objection letter was also submitted indicating traffic concerns and business hours. Following the Public Hearing, two existing Palatine liquor stores also submitted letters of objection.
Vote:	The ZBA voted unanimously to approve the Special Use to permit a package liquor store, and Staff concurs with this recommendation.

ACTION REQUIRED:
A motion to approve the ordinance granting a Special Use permit a package liquor store at 1565 N. Quentin Road.

Consider an Ordinance Increasing the Number of Class B (Package Liquor Store) Licenses by One for Inverness Wine & Spirits at 1565 N. Quentin Road

BACKGROUND:
On this evening's agenda is a request for a Special Use for Inverness Wine & Spirits located at 1565 N. Quentin Road. Petitioner, Munir Rafidia, wishes to apply for a Class B (Package Liquor Store) Liquor License. Hours of operation are Sunday- Thursday 11 AM - 10 PM and Friday - Sunday 11 AM - 12 AM (Midnight).

KEY ISSUES:
- Increase Class B (Package Liquor Store) Licenses by one.

ALTERNATIVES:

1. Approve the Ordinance increasing the number of Class B Liquor Licenses by one.
2. Do not approve the Ordinance increasing the number of Class B Liquor Licenses by one.

RECOMMENDATION:
Action is at the discretion of the Committee.

ACTION REQUIRED:
Action is at the discretion of the Committee.

Consider an Ordinance Granting a Special Use Amendment to Permit an Expanded Floor Plan for an Existing Restaurant at 375 W. Northwest Highway

BACKGROUND:
The Petitioner is proposing to expand the floor plan for an existing restaurant, One Taco Dos Tequilas, into an adjoining tenant space. Per the application and business plan, the proposed expansion will be utilized for video gaming, which is an ancillary use and follows a separate Village review process. Therefore, the Petitioner is requesting approval of the following:

> **Special Use Amendment to permit an expanded floor plan for an existing restaurant.**

KEY ISSUES:

- The existing One Taco Dos Tequilas restaurant is proposing to expand their operations into the tenant space directly north of their current location. The proposed expansion will add approximately 368 square feet, bringing the restaurant's total floor area to approximately 2,700 square feet.
- The proposed change to the floor plan is an amendment to the Special Use Ordinance #O-60-19.
- The limited seating added for the proposed ancillary video gaming use will not impact the parking requirement for the Subject Property. There are no changes to the hours of operation. Subsequent to the Public Hearing, the Petitioner submitted other municipal recommendations in locations where he owns other shopping centers and holds liquor licenses.

ALTERNATIVES:

1. Approve the Special Use Amendment to permit an expanded floor plan for an existing restaurant.
2. Do not approve the Special Use Amendment to permit an expanded floor plan for an existing restaurant.

RECOMMENDATION:

Public Hearing:	ZBA meeting on July 26, 2022
Residents testifying:	None.
Vote:	The ZBA voted unanimously to recommend approval of the Special Use Amendment to permit an expanded floor plan, and Staff concurs.

ACTION REQUIRED:
A motion to approve the ordinance granting a Special Use Amendment to permit an expanded floor plan for an existing restaurant at 375 W. Northwest Highway.

Consider an Ordinance Decreasing the Number of Class C (Club) Liquor Licenses and Increasing the Number of Class D (Restaurant) Liquor Licenses by One for Palatine Post #690 American Legion

BACKGROUND:
The American Legion wishes to apply for a Class D (Restaurant) Liquor License to replace their current Class C (Club) License as a requirement to obtain a Video Gaming License. Permitted hours for a Class D Liquor License is Sunday - Wednesday 6AM to 1AM and Thursday- Saturday 6 AM to 2AM.

KEY ISSUES:
1. Decrease Class C (Club) Liquor by one for a total of one.
1. Increase Class D (Restaurant) Liquor by one for a total of 36.

ALTERNATIVES:

1. Approve the Ordinance decreasing Class C Liquor Licenses by one and increasing Class D Liquor Licenses by one.
2. Do not approve the Ordinance decreasing Class C Liquor Licenses by one and increasing Class D Liquor Licenses by one.

RECOMMENDATION:
Action is at the discretion of the Committee.

ACTION REQUIRED:
Action is at the discretion of the Committee.

Consider an Ordinance Increasing Class VG Liquor Licenses by Two for Palatine Post #690 American Legion and One Taco Dos Tequilas

BACKGROUND:
The American Legion, located at 122 W. Palatine Road and One Taco Dos Tequilas, located at 375 W. Northwest Highway have submitted appropriate "VG" (Video Gaming) license applications and have had an initial staff site inspection. Based on the information received and site inspections, staff is comfortable with the creation of two "VG" licenses for issuance for a total of 11.

KEY ISSUES:
The Class "VG" will permit video gaming subject to compliance with all ordinances and regulations. Any issuance will be subject to final site inspection as well as approval of the Illinois Gaming Board.

ALTERNATIVES:

1. Approve an ordinance increasing "VG" Liquor Licenses by two.
2. Do not approve an ordinance increasing "VG" Liquor Licenses by two.

RECOMMENDATION:
Staff recommends approval of the ordinance increasing "VG" Liquor Licenses by two.

ACTION REQUIRED:
A motion to approve an ordinance increasing "VG" Liquor Licenses by two.

Consider an Ordinance Amending Chapter 10, Existing Structures Maintenance and Occupancy, of the Village of Palatine Code of Ordinances

BACKGROUND:
Staff is proposing a text amendment to Chapter 10 - Existing Structures Maintenance and Occupancy, Section 10-16 - Criminal Nuisance Abatement and Crime Free Multi-Housing Program. From time to time we look to update ordinances to reflect the current trends and practices regarding Crime Free Multi-Housing.

KEY ISSUES:

- Due to national trends, case law and statutory changes, the Village ordinance is in need of an update.
- The proposed ordinance allows the Village to identify nuisance properties and work with landlords to remediate problems, up to and including the use of the administrative adjudication process. The adjudication process will provide an independent process for parties to be heard.
- With the proposed ordinance, properties which are not currently certified in Crime Free Multi-Housing can receive intervention. Under the current ordinance, only certified properties are eligible.
- The ordinance further provides that owner occupied properties can be declared a nuisance property and be taken through the same process as rental properties.
- The proposed ordinance seeks to find cooperative solutions to quality-of-life issues within the tenants of the Neighborhood Policing Model.

ALTERNATIVES:

1. Approve the Ordinance.

2. Refer back to Staff with comments.

RECOMMENDATION:
Staff recommends approval of the Ordinance amending Chapter 10, Section 10-16 of the Village Code.

ACTION REQUIRED:
A motion to approve the Ordinance amending Chapter 10, Section 10-16 of the Village Code.

Consider a Motion Granting Approval of a Waiver of the Village's Sound Amplification Ordinance for a Dedication of Bricks Ceremony at the American Legion Post 690, 122 W. Palatine Road, on Saturday, September 24, 2022

BACKGROUND:
The American Legion Post 690, 122 W. Palatine Road, would like to host a dedication ceremony for the engraved bricks under the Howitzer on Saturday, September 24, 2022 from 11 AM to 5 PM. The Petitioner is requesting a waiver of the Village's Sound Amplification Ordinance.

KEY ISSUES:
- The Legion is requesting a waiver of the Village's Amplified Sound Ordinance from 11 AM to 5 PM to accommodate a DJ playing music to celebrate the event.
- Alcohol will be served outside, in the parking lot.
- If the proposed event is approved, Staff recommends the following conditions:
  1) The Petitioner shall submit a plan showing where the dedication ceremony will take place, the area where the DJ will set up and where the alcohol will be served in a manner acceptable to the Village Manager.

ALTERNATIVES:

1. Approve the Dedication Ceremony sound waiver request.
2. Do not approve the Dedication Ceremony sound waiver request.

RECOMMENDATION:
Staff recommends approval of the proposed 2022 American Legion Post 690 Dedication Ceremony, subject to the proposed conditions.

ACTION REQUIRED:
Motion approving the American Post Legion 690 Dedication Ceremony, including the waiver of the Village's amplified noise ordinance, subject to the proposed conditions.

Consider an Ordinance Authorizing the Mayor to Execute a Redevelopment Agreement for Facade Improvements to the Park Place Shopping Center (Generally Located at 1365 N. Rand Road)

BACKGROUND:
The Subject Property, consisting of the Park Place Shopping Center, is generally located at 1365 N. Rand Road. The shopping center owners are proposing significant exterior renovations to portions of the existing building, interior modifications, and potential out lot development. To help facilitate the proposed improvements, the property owners are requesting approval of the following:

> **Ordinance authorizing the Mayor to execute a Redevelopment Agreement for the Park Place Shopping Center (generally located at 1365 N. Rand Road)**

KEY ISSUES:

Developer Obligations:

- The Petitioner shall complete the facade improvements in general compliance with the plan included within the Redevelopment Agreement.
- The proposed improvements must be completed by October 31, 2025.

Village Obligations:

- The Village shall provide a maximum of $2,500,000 of TIF assistance for the reimbursement of TIF eligible expenses related to the proposed facade improvements and potential out lot development within the Park Place shopping center. The TIF assistance will be made through multiple payments based on the Petitioner achieving the development milestones outlined within the redevelopment agreement.
- The payments will be tied to the leasing of sales tax generating users within the center with the final $300,000 of assistance tied to new out-lot construction.

ALTERNATIVES:

1. Approve the ordinance.
2. Do not approve the ordinance.

RECOMMENDATION:
Staff recommends approval of the ordinance authorizing the Mayor to execute a Redevelopment Agreement for the Park Place Shopping Center (generally located at 1365 N. Rand Road).

ACTION REQUIRED:
Motion to approve the ordinance authorizing the Mayor to execute a Redevelopment Agreement.

Consider a Motion Authorizing the Village Manager to Enter Into a Contract with Axon Enterprise, Inc. for Police Department Equipment

BACKGROUND:
The Palatine Police Department's current squad car mobile/audio recording equipment is out of warranty, as is its current TASER (Conductive Energy Weapon) equipment.
This Axon contract will add Body Worn Cameras (BWC) to the package with squad car and TASERs, which is a requirement under the SAFE-T Act.

KEY ISSUES:

- The Safety, Accountability, Fairness and Equity-Today Act, known as the SAFE-T Act, was signed into law by the Governor on January 22, 2021. One component of this law required local Police Departments to outfit officers with body worn cameras by 2025.
- The Palatine Police Department recommends signing a 10-year contract that will net a $1.6 million savings versus a five-year contract. The contract will replace and refresh all equipment mentioned above over the course of the ten years. The total cost for ten years is $3,452,622 with a total savings of $1,627,242.42 over the five year contract.
- The contract/pricing is provided through a cooperative bidding process with Sourcewell meeting all purchasing requirements.
- Funds used to cover the cost of this public safety initiative will be derived from ARPA funding, per staff's recommendation to the Council on August 1, 2022.

ALTERNATIVES:

1. Approve the authorization.
2. Do not approve the authorization.

RECOMMENDATION:
Staff recommends a motion authorizing the Village Manager to execute a new 10-year contract with Axon Enterprise, Inc.

ACTION REQUIRED:
A motion authorizing the Village Manager to execute a new 10-year contract with Axon Enterprise, Inc. for Police Department, squad car mobile/audio recording equipment, TASER equipment, and body worn camera equipment.

Consider a Motion Authorizing the Village Manager to Negotiate an Agreement with the Claims Administrator Selected in the Recent Request for Proposal

BACKGROUND:
The Village employs a third-party administrator to administer loss claims on behalf of the Village. The incumbent vendor was retained in 2008 and has been selected through successive requests for proposal (RFP) awards. The current agreement expires on December 31, 2022. In June, a Request for Proposal was released, and three qualified responses were received. Finalists were interviewed by a committee, including the HR Director, HR Assistant, Deputy Village Manger, HR Intern and Risk Management Consultant.

KEY ISSUES:
- It is important to select a cost-effective claims administrator that understands the challenges of municipal claims, retains knowledgeable staff, is responsive, and has a robust electronic claims reporting system.
- After interviews, Staff recommends selecting the existing vendor, CCMSI. The CCMSI claims model meets the Village's needs. The CCMSI electronic claims tracking system is a reliable and important resource. CCMSI staff members assigned to Village of Palatine are knowledgeable, responsive, and effectively manage cases to resolution. Alternate vendor proposals were not better in quality or cost.
- The agreement contemplates a three-year period with an option to renew. The cost is $38,095 in the first year. Over the three-year term of the agreement, the cost reflects an increase of 6.15% over the existing agreement. The first-year expense is budgeted in the 2023 budget.

ALTERNATIVES:

1. Accept the Village's recommendation to retain CCMSI as claims administrator.
2. Refer back to Staff for further review.

RECOMMENDATION:
Staff recommends approval of a motion authorizing the Village Manager to negotiate an agreement with CCMSI for Risk Management Broker Services.

ACTION REQUIRED:
A motion authorizing the Village Manager to negotiate an agreement with CCMSI for Risk Management Broker Services.

Consider a Resolution Authorizing the Redemption of Outstanding General Obligation Refunding Bonds, Series 2014A of the Village of Palatine, Illinois

BACKGROUND:
The Village continually reviews its outstanding debt for opportunities to reduce the debt burden and cost of borrowing to its residents.

KEY ISSUES:
- Staff has identified available cash on hand to redeem $1,840,000 outstanding General Obligation Refunding Bonds, Series 2014A on December 1, 2022.
- The redemption of these bonds will:
    1) Reduce outstanding debt six years early in the amount of $1,840,000; and
    2) Provide an interest savings of $182,810.
- The 2014A redemption is taking advantage of cash on hand in the Sewerage Fund.

ALTERNATIVES:
1. Approve the resolution.
2. Do not approve the resolution.

RECOMMENDATION:
Staff recommends that these bonds be redeemed on December 1, 2022.

ACTION REQUIRED:
Motion to adopt a resolution authorizing the redemption of outstanding General Obligation Refunding Bonds, Series 2014A of the Village of Palatine, Illinois.

Consider a Motion Approving a Grant Agreement with the State of Illinois to Extend Village Fiber Optics to the Community Resource Center

BACKGROUND:
In 2021, the State of Illinois solicited applications for grant submissions for the Connect Illinois Broadband Grant to achieve greater broadband access and digital literacy. The Village of Palatine applied for the grant, and the State of Illinois chose Palatine as one of the grant award communities. The Village of Palatine's grant application identified the Community Resource Center (CRC) and the low-income population it serves as an area of enhanced broadband opportunity. Together, the CRC's tenants, including Police Social Workers, School District 15, and the Palatine Public Library, will utilize this new fiber to provide enhanced services using high-speed connectivity.

KEY ISSUES:
- As part of the Village's grant application, the Village of Palatine proposes to extend its private fiber network to the Community Resource Center, which provides services and resources to the low-income population in Palatine. This effort will allow enhanced broadband to improve services and service options offered by anchor institutions operating in the Community Resource Center.
- The Connect Illinois Broadband Grant is a fund-matching grant. The State of Illinois awards the Village of Palatine with State funds of up to $101,387. The Village of Palatine identified match sources for this project, which includes up to $50,000 in TIF funds and the in-kind costs of $63,434 from a 2021 budgeted fiber project.

ALTERNATIVES:
1. Authorize the Mayor to execute the grant agreement from the State of Illinois for the 2021 Connect Illinois Broadband Grant.
2. Do not authorize the Mayor to execute the grant agreement from the State of Illinois for the 2021 Connect Illinois Broadband Grant.
3. Refer back to Staff with comments.

RECOMMENDATION:
Staff recommends approving the grant agreement from the State of Illinois for the 2021 Connect Illinois Broadband Grant.

ACTION REQUIRED:
Motion to approve the grant agreement from the State of Illinois for the 2021 Connect Illinois Broadband.

ATTACHMENTS:
- Connect Illinois Broadband Grant Application
- Grant Agreement
- Notice of Grant Award
- Proposed Fiber Map
- State Budget

Attachment: Connect Illinois Broadband Grant Application (Acceptance of Illinois Broadband Grant (CA))

VILLAGE OF PALATINE PROPOSAL

2021 Connect Illinois Broadband Grant

Abstract

The Village of Palatine contains high-density housing with low-income residents. The Community Resource Center, located in this area, provides services and resources to the low-income population in Palatine and other North suburban Cook County areas. The Community Resource Center's non-profit agencies currently struggle with expensive broadband communication options and limited connectivity possibilities to conduct and offer their services. The Village of Palatine proposes to extend its private fiber network to the Community Resource Center. This effort will allow for enhanced broadband to improve services and service options offered through the Community Resource Center. The success of this project can be measured by the population served by the Community Resouce Center.

Rhonda Malcolm
rmalcolm@palatine.il.us

CONNECT ILLINOIS BROADBAND GRANT APPLICATION PACKET
Part 2: Broadband Application

1) Application Overview

General Information	
Proposal Title	Fiber to Community Resource Center in Palatine
Project Category (Choose One)	[__] Broadband Access [___] Broadband Innovation [_X_] Broadband Equity [___] Urban Broadband
Infrastructure Type	[___] Last Mile Infrastructure Only [_X_] Middle Mile Infrastructure Only [___] Both Last and Middle Mile Infrastructure

Applicant Information	
Organization Information	
Organization Legal Name	Village of Palatine
"Doing Business As" Name	
Mailing Address	200 E Wood Street, Palatine, IL 60067
Website	www.palatine.il.us
Primary Contact	
Name	Rhonda Malcolm
Title	IT Manager
Phone Number(s)	847-963-6271
Email Address	rmalcolm@palatine.il.us
Prior Grant Background	
Receipt of Prior Grant (Y/N) from Illinois	N
State of Illinois Vendor Number	
Organization Type	
Applicant Category	[___] Incorporated Business or Partnership [_X_] Political Subdivision** [___] Illinois Non-Profit [___] Illinois Cooperative Association [___] Illinois Limited Liability Corporation (organized to expand broadband) ** A political subdivision includes any county, city, Village, town, special district, or other political subdivision or public corporation.

Attachment: Connect Illinois Broadband Grant Application (Acceptance of Illinois Broadband Grant (CA))

CONNECT ILLINOIS BROADBAND GRANT APPLICATION PACKET
Part 2: Broadband Application

2) Project Dashboard

Applicant Information					
Financial Information					
Grant Requested	$101,387		Grant % of Budget	47%	
Non-state Match	$113,434		Match % of Budget	53%	
Total Project Budget	$214,821				
Applying Federal Funds in Match	Yes/No		Name of Federal Program		
	No		NA		
Communities Served					
Number of Communities	1				
Number of Counties	1				
Premises Passed or Covered					
Segments	Homes	Businesses	Farms	Institutions	Total
Highly Unserved Locations Below 10/1 Mbps		#		#	
Unserved Locations Between 10/1 Mbps and 25/3 Mbps		#		#	
Underserved Locations Above 25/3 Mbps and Below 100/20 Mbps		#		6	6
Technology					
Type (Please check one)	[_X_] Fiber	[___] Cable	[___] Fixed Wireless		
	[___] DSL	[___] Combination	[___] Other (State below) _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _		
Fiber Project: Infrastructure Metrics					
Total Fiber Miles	0.75 mi +/-				
Fiber Miles by Deployment Method (should equal total)	New Fiber	Upgraded Fiber	Leased Fiber		
	0.75 mi +/-				
Fiber Miles by Network Purpose (should equal total)	Last Mile	Middle Mile			
		0.75 mi +/-			

Attachment: Connect Illinois Broadband Grant Application (Acceptance of Illinois Broadband Grant (CA))

CONNECT ILLINOIS BROADBAND GRANT APPLICATION PACKET
Part 2: Broadband Application

Fixed Wireless Project: Infrastructure Metrics		
Number of Towers	New Construction	Leased
	NA	
Number of Base Stations	NA	
Coverage Footprint (Sq. Miles)	NA	
Spectrum Frequency Band(s) Being Applied	NA	
Service Offering		
Commercially Available Speed from Proposed Project	Lowest Speed	Highest Speed
	1 GB	10 GB
Community		
Number of Support Letters	7	
Number of Project Partners	Anchor Institutions	

Attachment: Connect Illinois Broadband Grant Application (Acceptance of Illinois Broadband Grant (CA))

CONNECT ILLINOIS BROADBAND GRANT APPLICATION PACKET
Part 2: Broadband Application

3) Executive Summary

Directions: Please provide a succinct summary for the topics below. Please limit your response to less than 200 words for each section.

A. Project Overview

Please provide a high-level, introductory overview of the project.

The Village of Palatine proposes connecting its private fiber network to the Community Resource Center (CRC/POC), located in Palatine's highest density section of low-income residents. While Palatine is approximately 13 square miles, this low-income area is about 1.3 square miles and contains approximately 15,000 residents, representing about 21% of Palatine's total population.

During COVID, the lack of broadband affordability for this low-income area in Palatine became very evident. As our community increases the demand for online and remote services, the CRC's assistance in this low-income area is deemed even more critical now and in the future. Through 15+ partnering agencies, the CRC/POC provides resources to low-income individuals and families, such as health and wellness, counseling, education, employment assistance, child care, language assistance, youth development, adult leadership, immigration, and basic needs assistance.

Many of the CRC partners are non-profit agencies with limited budget to afford costly high-speed broadband. Different anchor institution branches located at the CRC offer individual fragmented solutions through the CRC due to broadband constraints. Consolidating each entity within the CRC into a cohesive fiber solution would allow entities to take advantage of low-cost, reliable, and scalable high-speed broadband. It would allow for more enhanced customer solution options to service the under-resourced population the CRC/POC helps.

The success of this project cannot be measured by the number of households directly connected with broadband. Instead, it should be measured by the number of low-income individuals the Community Resource Center serves. There are approximately 55,000 client interactions per year through CRC partner institutions.

Attachment: Connect Illinois Broadband Grant Application (Acceptance of Illinois Broadband Grant (CA))

CONNECT ILLINOIS BROADBAND GRANT APPLICATION PACKET
Part 2: Broadband Application

B. Problem Statement

Please describe the broadband-related problems and challenges facing your targeted communities and customers. Please address: a) needs and gaps; b) shortcomings of existing solutions; c) challenges with prior attempts to resolve the problem; d) how this project significantly solves the problem.

The Village of Palatine contains high-density housing with low-income residents. The largest population of low-income residents are near the Community Resource Center (CRC/POC) in Palatine. The CRC/POC, along with 15+ existing partners, currently struggle with expensive broadband communication options and limited connectivity possibilities to conduct and offer their services to low-income individuals and families. Most of the CRC partners are non-profit agencies with limited budget to afford costly high-speed broadband. While the CRC physically exists in Palatine, it also provides services to the broader North suburban Cook County area.

The CRC's current broadband solutions are fragmented, with each entity either providing the minimal connectivity needed to meet their needs or, in some cases, competing for limited shared bandwidth. Consolidating each entity within the CRC into a cohesive solution would allow entities to take advantage of low-cost, reliable, and scalable high-speed broadband. It would also allow for more enhanced customer solution options to service the low-income areas in Palatine and the broader North suburban Cook County area which the CRC focuses on.

C. Description of Solution and Services

Please provide a general overview of your solution, including: a) network technology; b) Internet services (range of speeds offered); c) business strategy to drive adoption.

The Village of Palatine will extend its private fiber network to the Community Resource Center (CRC/POC). The Village of Palatine will work with CRC entities to determine the ideal range of service speeds, up to 10 GB, and work with anchor institutions to provide network services from the CRC to their primary locations.

Broadband adoption for these entities will be driven by support from each of the CRC entities and other Partners for our Community (POC) agencies to provide and enhance their service abilities and options.

Attachment: Connect Illinois Broadband Grant Application (Acceptance of Illinois Broadband Grant (CA))

D. Targeted Communities and Customer Segments

Please discuss the targeted beneficiaries of the project, and specifically address: a) location of the communities; b) market size; c) economic conditions of the service areas (e.g., household income, unemployment data, poverty rates); c) targeted customers (e.g., enterprise, agriculture, healthcare, education, public safety, etc.)

All customers aided by the organizations providing services through the Community Resource Center (CRC) are low-income focused. The majority of Palatine's low-income residents reside near the CRC, located on the northeast side of town, which is the CRC's predominant service area. While Palatine is approximately 13 square miles, this low-income area is about 1.3 square miles and has about 15,000 residents, representing 21% of Palatine's total population.

The CRC is a facility that provides resources such as health and wellness, counseling, education, employment assistance, child care, language assistance, youth development, adult leadership, immigration, and basic needs assistance to low-income individuals and families. While the CRC physically exists in Palatine, it also serves other low-income groups within nearby towns, such as Hoffman Estates, Arlington Heights, Rolling Meadows, Schaumburg, and Hanover Park.

E. Project Benefits

Please discuss the anticipated social and economic benefits that will be realized by the distinct customer segments – e.g., residents, businesses, farms, institutions, public safety, etc. Please cite the key themes from the letters of support.

The expansion of fiber to the Community Resource Center (CRC) and its entities would enhance broadband service, allow for suitable speeds for entities to deliver improved services, and allow additional options to the low-income population it serves. The fiber expansion will allow anchor institution branches at the CRC to provide enhanced services linking back to their central location networks via fiber at a lower cost.

Extending Palatine's fiber network toward the higher-density low-income area where the CRC exists would allow for future broadband growth to service the low-income area.

Attachment: Connect Illinois Broadband Grant Application (Acceptance of Illinois Broadband Grant (CA))

F. Mission and Operating History

Please discuss your organization's mission and operating history.

The Village of Palatine is a local government agency operating to support and provide services to our residents and community. Palatine's mission statement is "To be a financially sound, responsive, and responsible Village government recognized for excellence in municipal services delivered by a workforce of the Palatine community." The Village of Palatine actively fosters relationships with other Palatine anchor institutions to leverage resources to benefit residents, businesses, and visitors in our community.

G. Execution and Sustainability

Please discuss the capabilities, experiences, and track record for your organization and its partners to successfully implement, operate, and sustain this project. Please reference unique resources, market presence, and experience in implementing similar projects.

The Village of Palatine Information Technology Department works to identify Village fiber expansion projects to improve communications and the reliability of public infrastructure connectivity and service offerings on an ongoing basis. We often partner with community counterparts to enhance services for the community, education, and first responder support, to name a few.

4) Location Information

A. General Information

Project Location: Please describe the location of the project's service area (e.g., region, degree of rurality, breadth of communities involved, etc.)

This project would extend the Village of Palatine's private fiber network to the Community Resource Center (CRC) building, located in the Northeast section of Palatine's village boundaries. This location of Palatine has the highest density of low-income population. While the CRC is located in Palatine and serves the low-income population in town, it also provides its services to low-income residents in the greater North suburband Cook County.

Attachment: Connect Illinois Broadband Grant Application (Acceptance of Illinois Broadband Grant (CA))

List of Counties Served: Please list all counties served. Also indicate whether coverage is full or partial coverage.

Name of County	Fully or Partially Served
Cook	Partially

List of Communities Served: Please list all cities and towns served. Also indicate whether coverage is full or partial coverage.

Name of Community (Town, City)	Fully or Partially Served
Palatine	Partially

B. Service Area Map

Project Map: Please include a service map of the proposed project area. Please include PDF version and an electronic version in .shp, .kmz, or .kml format. Please ensure that your maps include the following:

- Last-Mile Project: Includes the service area boundaries and also include place names, boundaries, buildings, road/street names or other features that clearly identify the project coverage area.
- Middle-Mile Project: Indicate the location of the middle mile facilities that will be placed.

Please include map as a separate attachment in the Appendix and label as **"Attachment 4-B".**

Confirmation

Check this box to confirm that the Map is included in both PDF and electronic versions. ☒

Attachment: Connect Illinois Broadband Grant Application (Acceptance of Illinois Broadband Grant (CA))

CONNECT ILLINOIS BROADBAND GRANT APPLICATION PACKET
Part 2: Broadband Application

5) Project Impact

A. Broadband Impact

Serviceable User Segments: Please state the number of premises passed or covered by the broadband infrastructure for the speed tiers identified below.

Premises in Service Area by User Segment

Speed Now (Mbps)		≤10/1	≤10/1	≤10/1	≤25/3	≤25/3	<100/20
Minimum Available Speed After Build (Mbps)		**50/10**	**100/20**	**1G/1G**	**100/20**	**1G/1G**	**1G/1G**
Premises	Homes						
	Businesses						
	Farms						
	Institutions						6
Total							6

B. List of Served Premises

***Table for Served Premises*:** Please list the premises that will benefit from the broadband infrastructure, for these categories: businesses, farms, and community institutions (e.g., public safety, education, healthcare, government offices, etc.) These include all connected, passed or covered premises. Please include these in the Appendix and label as **"Attachment 5-B".**

Name	Maximum Available Speed Today (Mbps down/up)	Provide Support Letter (Y/N)
Businesses		
• Fill	• Fill	• Fill
Farms		
• Fill	• Fill	• Fill
Institutions		
• Palatine Police Department • Harper Community College • Palatine School District 15 • Palatine School District 211 • Palatine Public Library • Northwest Community Hospital • Palatine Park District • Palatine Opportunity Center	• 300 MB shared amongst all entities	• Yes • Yes • Yes • No • Yes • No • Yes • Yes

Attachment: Connect Illinois Broadband Grant Application (Acceptance of Illinois Broadband Grant (CA))

CONNECT ILLINOIS BROADBAND GRANT APPLICATION PACKET
Part 2: Broadband Application

C. List of Interconnection Points

Interconnection Points (Middle Mile Projects): Please list all points of interconnection. These can include peering points, carrier hotels, colocation facilities, and other examples of where you interconnect with another telecom operator. Please include these in the Appendix and label as **"Attachment 5-C".**

Middle Mile (Peering Points, Carrier Hotel, Colocation Facility, etc.)		
Name	Type (e.g., peering point)	Address
• Village of Palatine • Harper College • District 15 • Palatine Public Library • Palatine Fire and Police • Park District	• Transit and Peering point • Transit and Peering point • Transit and Peering point • Transit and Peering point • Transit and Peering point • Transit and peering point	200 E. Wood Street, Palatine 1200 W. Algonquin Road, Palatine 580 N. 1st Bank Drive, Palatine 700 N. North Court, Palatine 200 E. Wood Street, Palatine 200 E. Wood Street, Palatine

D. Benefits to Targeted Customer Segments

Narrative on Benefits to Targeted Customers: Please provide a DETAILED narrative regarding examples of the specific social and economic benefits of connecting the following user segments. Please see Exhibit A (below) for several general factors to consider during your outreach and communication efforts with community stakeholders. The narrative should be relevant to the specific circumstances of your project. Generalized examples will receive limited consideration.

Residents	The individuals and families benefiting from the Community Resource Center (CRC/POC) services are low-income, based on state and federal poverty levels. The majority of the low-income residents reside near the CRC, located on Palatine's northeast side, the CRC's predominant service area. While Palatine is approximately 13 square miles, the lowest income area is about 1.3 square miles and has 15,010 residents, representing 21% of Palatine's total population. The CRC is a facility that provides resources such as health and wellness, counseling, education, employment assistance, child care, language assistance, youth development, adult leadership, immigration, and basic needs assistance to low-income individuals and families. The CRC's 15+ partnering organizations and volunteers provide these services. While the CRC physically exists in Palatine, it serves other low-income groups within nearby towns, such as Hoffman Estates, Arlington Heights, Rolling Meadows, Schaumburg, and Hanover Park.
Businesses	
Community Institutions	The Village of Palatine currently supplies existing fiber connectivities for several community anchor institution headquarters. This project would complete anchor institution fiber connections from the CRC to their private networks.

Attachment: Connect Illinois Broadband Grant Application (Acceptance of Illinois Broadband Grant (CA))

Community Institutions, cont'd	Community anchor institutions that provide services in the CRC building would benefit from this proposal. Palatine Police Department Harper Community College Palatine School District 15 Palatine School District 211 Palatine Public Library Palatine Park District Other institutions that provide services in the CRC building could benefit from this proposal. To name a few: Northwest Community Hospital Partners for Our Community (POC) Learning Lab Hebrew Immigrant Aid Society (HIAS) of Chicago Palatine Township Senior Citizens Council Palatine Assisting Through Hope (PATH) referral-based clothing, household, and financial assistance Women In Need Growing Stronger (WINGS) Early Childhood Development Enrichment Center (ECDEC) Family Involvement Nurturing Development (FIND) I-Compete after school activities
Other ISPs (if middle mile)	This project would extend the reach of the CRC anchor institutions to Illinois Century Network through the Village of Palatine's fiber network.

Exhibit A:

Consideration Factors for Question 5E: Please include in your narrative specific examples from your communication with beneficiaries that will be served by this project. We offer these categories to prompt your thinking regarding several types of social and economic benefits.
✓ Residents: Ability to telework, remote learning engagement, new housing starts, etc. ✓ Businesses: Degree of competitiveness, market expansion, workforce development, job creation, attracting new business establishments, etc. ✓ Farmers and Agricultural Use Customers: Farming efficiency and productivity, new applications for precision agriculture, etc. ✓ Community Institutions: Enhancement to capabilities to execute mission in more effective and efficient manner (across schools, libraries, hospitals, clinics, social service centers, community gathering centers, etc.) ✓ Other: Public safety improvements; other complementary infrastructure improvements; etc. ✓ Letters of support describing project impact – specific to the target customers' circumstances

Attachment: Connect Illinois Broadband Grant Application (Acceptance of Illinois Broadband Grant (CA))

E. Level of Economic Distress

Level of Economic Distress in Targeted Service Area: Please address whether the project is providing broadband improvements to an economically distressed area. The level of economic distress can be measured by the degree to which unemployment rates, poverty rates, or population loss levels are significantly higher than the statewide average. The Applicant may also utilize references to median household income, or percent of students eligible for free or reduced cost school lunches.

This fiber project's targeted location is the Community Resource Center (CRC), located in Palatine's northeast section of town. This building is fundamental to providing critical resources and services to the low-income population residing in Palatine's same area where the CRC exists. This low-income section of Palatine is 21% of Palatine's population. The households in the CRC service area are statistically 30% more concentrated than the rest of Palatine households. In 2020 this area generated 31% of all calls for service to the Palatine Police Department (8,668 out of 27,606). According to Partners for Our Community (POC), the overseeing agency of CRC partners and services, they see approximately 55,000 client interactions per year.

When considering the following table data, please consider that it accounts for Palatine statistics as a whole. The table data doesn't capture the statistics of the high-density, low-income area of northeast Palatine, which the CRC serves. Several maps are attached labeled "Other Attachments" that reflect the Northeast section of Palatine's high-density, low-income population.

Key Economic Indicators in Service Area: Please provide the following indicators for your community and State. Please see Exhibit B for links to find the key indicators for your service area.

Indicator	Service Area	State Average (included below)*	Percentage Difference (Unfavorable/ Favorable)
Unemployment Rates	Palatine	9.8%	6.6 (3.2%)
Average Poverty Rate	Palatine	11.5%	9.8 (1.7%)
Children Qualifying for School Lunch Program	Palatine	51.53%	48.3 (3.23%)
Median Income	Palatine	$65,886	80,526 (26.7%)

*As of December 1, 2020

Exhibit B:

Information Sources for Key Indicators: Please consult these resources to find the relevant indicator for your communities.

Unemployment Rates

- https://www2.illinois.gov/ides/lmi/Pages/Current_Monthly_Unemployment_Rates.aspx

Attachment: Connect Illinois Broadband Grant Application (Acceptance of Illinois Broadband Grant (CA))

Median income (reported by US Census 2018)

- https://www.census.gov/quickfacts/fact/table/IL/BZA210218

Children Qualifying for School Lunch Program (reported by IL Sec of State for the NSLP)

- https://www.cyberdriveillinois.com/departments/library/libraries/pdfs/il-nslp-eligibility.pdf

Average Poverty Rate (reported by US Census)

- https://www.census.gov/quickfacts/fact/table/IL/BZA210218

6) Non-state Match and Demonstration of Financial Need

A. Non-state Match			
Nonstate Match Amount	$113,434	Nonstate Percentage of Project Budget	53%
Match Source: Please discuss source of the match.	The match sources for this project include both in-kind and non-state cash. An in-kind project of $63,434 (Phase I) will bring Village-owned private fiber towards the CRC building, stopping at a critical water system communication point for Palatine. The Village of Palatine will use $50,000 in TIF funds as non-state cash towards Phase II of the proposed Community Resource fiber project.		
Evidence: Please describe the type of proof being submitted (e.g., letter of credit for loan, funds on balance sheet, signed contract for 3rd party investment, etc.)	The Village of Palatine will utilize a budgeted fiber project as in-kind funds towards this grant. Council meeting minutes approving the in-kind fiber project and costs are attached. TIF funds will source non-state cash towards this grant. A year-end TIF fund balance sheet is an attachment.		
Evidence of Match Attachment (Please include separate attachment and label as **"Attachment 6-A".**	**Confirmation** Check this box to confirm that evidence for non-state match from ALL contributors is included in the Appendix. ☒		
Specific Contributors of Non-state Match	Nonstate Match Contributor	Contact Info. (Email and Phone)	Amount ($)
	Village of Palatine, Larry Schroth	lschroth@palatine.il.us, 847-963-6271	

Attachment: Connect Illinois Broadband Grant Application (Acceptance of Illinois Broadband Grant (CA))

CONNECT ILLINOIS BROADBAND GRANT APPLICATION PACKET
Part 2: Broadband Application

B. Need for State Grant Support

***Narrative on Need for State Support*:** Please describe why this project cannot move forward absent a state grant. Discuss the status of the business case without and with subsidy. Address prior attempts to make this investment and the key barriers to financing the project.

As non-profits, the entities and partners that provide services at Community Resource Center (CRC/POC) to serve low-income individuals and families have limited budgets. The ability to provide high-speed internet access and services from community anchor institutions enables them to enhance their services at the CRC. High-speed Internet access would allow institutions to offer additional service options, such as free public Internet and others.

Rationale for Level of Non-state Match: Please describe the justification for the specific amount of non-state match contribution being invested, and not a higher amount.

An in-kind Village of Palatine private fiber project will bring private fiber towards the Community Resource Center, with a 2021 project budget of $63,434. The proposed Community Resouce Center fiber project will utilize $50,000 in Village of Palatine TIF funds.

***Financial Assessment:** Section C is required of applicants seeking to use federal funding for a portion of the Connect Illinois non-state match – and is encouraged, but optional, for other applicants.

C. Financial Assessment of Grant Requirement

(Please see Exhibit C: "Calculation of Metrics")	Without Grant	With Grant
Payback Period Please calculate the payback period with and without the grant. (Years and Months)	Without this grant, the Village of Palatine won't have cost justification for phase II of this project.	NA
Project NPV Please state the net present value of the project with and without the grant.	NA	NA

Narrative on Financial Metrics Supporting State Grant: Please provide a narrative regarding how the results of the payback period and NPV analysis with and without the subsidy support the specific grant amount requested.

NA – Village-owned fiber

Attachment: Connect Illinois Broadband Grant Application (Acceptance of Illinois Broadband Grant (CA))

CONNECT ILLINOIS BROADBAND GRANT APPLICATION PACKET
Part 2: Broadband Application

Supporting Analysis	Confirmation
Include the supporting analysis in spreadsheet form (copy/paste from Excel). If attached separately, please label as **"Attachment 6-C"**	Check this box to confirm that supporting analysis is provided to show the Payback Period and NPV – with and without the grant. ☐

Exhibit C:

Calculation of Metrics
Payback Period
The payback period involves the time it takes to recover the initial capital investment based on future operating cash flows from the project. Please provide the payback period for your project for two scenarios: 1) without the grant; 2) with the grant. For the second scenario (with grant), simply discount the capital investment level by the percentage that the grant represents of the total project budget. Please follow these guidelines: • Consider only those operating cash flows involving revenue and operating expenses for the project. This means do not consider depreciation. • Do not consider any financing expenses (e.g., payment of interest/principal, dividends, etc.) • The first month of the analysis should start when you first start to incur capital expenses. For example, if you first start to incur expenses on 6/15/2021, then the period should start with June 2021. • Express the payback period in years and months. • Please be sure to include the detailed spreadsheet in the Appendix; this should show all sources of capital investment and operating cash flows. The capital investment should match the project budget.
Net Present Value
The Net Present Value (NPV) involves the present value of net cash flows taking into account all revenues, expenses, and investments. A negative NPV implies the project fails to earn its cost of capital, thereby thwarting any private investment. The grant from Connect Illinois should be commensurate with the negative NPV. Please compute the NPV with and without grant support. Please follow these guidelines: • The cash flows should include operating cash flows and investments. • Operating Cash Flows (OCF) involve all net cash flows generated from the annual operation of the project. Annual OCF equals after-tax operating income plus depreciation. • The investments include all upfront and recurring capital expenditures. • Please apply a discount rate that reflects your weighted average cost of capital (WACC). The WACC reflects the cost of debt (net of taxes) and equity. If you are unsure of what WACC to apply, please use 15% which reflects a common benchmark. • Please include a terminal value (TV) for the project in year 10. The TV reflects what the project could be sold for in the 10th year. Thus, for your analysis, please multiply the net OCF in Year 10 by a factor of "8" – i.e., eight times the net OCF in year 10. Please apply this assumption for the TV multiplier. • Please be sure to include the detailed spreadsheet of the NPV analysis.

Attachment: Connect Illinois Broadband Grant Application (Acceptance of Illinois Broadband Grant (CA))

D. Project Budget

Budget Narrative: Please provide a narrative for your budget. Identify all major expenditure categories and the total sums for those categories.

Budget Category	State	NON-State	Total
1. Design/Engineering	$ 2,500.00	$ 7,500.00	$ 10,000.00
2. Building/Land Purchase	$ 15,000.00	$ -	$ 15,000.00
3. Wiring/Electrical	$ -	$ -	$ -
4. Equipment/Materials/Labor	$ 41,477.00	$ 68,504.00	$ 109,981.00
6. Construction Management/Oversight	$ 3,998.00	$ 22,500.00	$ 26,498.00
9. Other Construction Expenses	$ 8,700.00	$ 11,030.00	$ 19,730.00
10. Contingency	$ 25,512.00	$ -	$ 25,512.00
11. Construction	$ 4,200.00	$ 3,900.00	$ 8,100.00
State Request	$ 101,387.00		
Non-State Amount		$ 113,434.00	
TOTAL PROJECT COSTS			$ 214,821.00

Budget Efficiency: Please describe the steps that will be taken to achieve efficiencies in expenditures. These can include: a) leveraging existing assets; b) engaging in competitive procurement through request for proposals (RFPs) for major purchases; c) other, etc.

The Village of Palatine will utilize existing assets and an upcoming in-kind fiber run project to bring Village-owned fiber closer to the Community Resouce Center. The cost of the budgeted in-kind fiber run project is $63,434. We'll also be utilizing existing Village-owned switching equipment and fiber optics that exist today.

The Village of Palatine will utilize the public RFP process and existing governmental purchasing cooperatives for competitive pricing. The Village of Palatine will use existing right-of-ways and Village employee expertise for cost efficiencies.

Detailed Budget Schedule: Please provide a budget schedule in the Appendix, and label as **"Attachment 6-D"** and include in Appendix. The budget should show all required units of material and labor, cost per unit, and total cost for each line item. Please refer to the Budget Template on the program website.

Confirmation

Check this box to confirm that the Budget Schedule is included in the Appendix: ☒

Non-Eligible Cost: Please address if there are additional costs being incurred for this project that are ineligible, in order to deploy broadband to this area. If yes, identify and list all ineligible costs associated with the proposed project.

Attachment: Connect Illinois Broadband Grant Application (Acceptance of Illinois Broadband Grant (CA))

NA

E. Cost Metrics and Key Indicators

Please complete the following metrics. The costs include all expenditures related to network elements, plant, and placement costs.

Fiber Project

Cost per Fiber Mile Deployed (Last or Middle Mile Project): Please calculate the cost per fiber mile that reflects all planning and constructions costs. The cost elements should include: engineering design; permitting; pre-construction costs (e.g., make ready); outside plant materials (e.g., fiber, poles, hardware, conduit, splitters, etc.); labor; and construction management. Please do not include the costs for network equipment, fiber drops, equipment external to premise (e.g., ONT), customer premise equipment.

The proposed fiber project is approximately 3,948 ft. or 0.75 miles in length. The total cost of this fiber project is $214,821.

Total fiber run = 3948 FT +/-

Construction Cost per Home Passed: Please calculate the cost per home passed. The cost elements should include the total costs applied in the prior question and then divided by each home passed. Please do not include the costs for the fiber drops or equipment to the particular premise.

NA

Cost per Premise Connected: Please calculate the incremental cost for each premise connected. This includes the fiber drop, external electronics, and any customer premise equipment not charged to the customer.

NA

Cost per IRU Fiber-Strand Mile: Please calculate the cost for fiber-strand mile purchased.

NA – Village-owned fiber

Attachment: Connect Illinois Broadband Grant Application (Acceptance of Illinois Broadband Grant (CA))

Fixed Wireless Project

Cost per Premise Covered: Please calculate the cost for each premise covered by the wireless network. The cost elements should include: engineering design; permitting; pre-construction cost; spectrum; tower site acquisition and construction; fiber backhaul construction; labor; construction management; base station equipment. Please do not include the costs for customer equipment – including external equipment (e.g., receivers) and customer premise equipment.

NA

7) Community Support

A. Evidence of Community Support

Degree of Community Support: Please provide a narrative regarding the breadth and depth of community support.

The Village of Palatine has support from the Community Resource Center (CRC/POC) entities and partners. Currently, each non-profit entity relies on a shared and limited broadband connection in the building or is on its own to provide network/Internet connectivity. Each entity supports the opportunity to have Village of Palatine private fiber brought to the CRC/POC, to enhance services and options to the low-income population that they serve.

Overview of Letters of Support: Please provide an overview of the letters of support, and specifically address: a) number of letters; b) sources; c) degree to which letters are personalized and reflect the unique support of the particular stakeholder; d) specific level of need of the supporter; e) process (and any challenges) to solicit the letters.

The Village of Palatine obtained letters of support from School District 15, Harper College, Palatine Park District, Palatine Public Library, Palatine Police Department, Partners for Our Community (POC) Board, and the Center/ECDEC & FIND PI. Partners for our Communities (POC) is the organization that oversees the agencies that provide services at the CRC. Each of these organizations is a vital entity operating at the Community Resource Center (CRC). Their letters identify the respective agencies' support for the Village of Palatine's Connect Illinois Broadband Grant application and proposal to bring Village-owned fiber to the CRC. Each letter reaffirms the benefit of low-cost fiber at the CRC and its opportunities to enhance services to their low-income customer base.

Appendix for Letters of Support: Please include all Letters of Support in the Appendix. Please label as **"Attachment 7-A"**

Confirmation

Check this box to confirm that Letters of Support are included in the Appendix: ☒

Attachment: Connect Illinois Broadband Grant Application (Acceptance of Illinois Broadband Grant (CA))

Community Strategic Plan: Please discuss whether, and if so, how this project fits into an existing community strategic plan.

The Palatine community strives for the equity of residents. Evidence of this support is the many non-profit organizations and committees that aspire to assist low-income individuals and families. Most of these non-profit organizations provide services through the Community Resource Center.

The Village of Palatine and its anchor institutions are currently participating on the Palatine Steering Committee for the Illinois Connected Communities grant, sought by Palatine School District 15. This committee has identified a broadband affordability gap in Palatine's Northeast section, where the Community Resource Center exists.

Community Survey and Feedback: Please discuss whether you conducted any type of a survey to evaluate the needs, gaps, and overall project support. If so, summarize the results of the survey. Also, if you collected any other feedback from members of your community (e.g., community forum, etc.), please describe that process and summarize the results.

The Palatine Steering Committee for the Illinois Connected Communities grant utilized data from school district surveys obtained during COVID, identifying general locations of students who didn't have affordable broadband connectivity for e-learning. This data reflects the vast majority of these students live in the Northeast section of Palatine. Electronic access to the school district survey data isn't accessible to share due to student privacy.

The Palatine Steering Committee for the Illinois Connected Communities grant also conducted a survey to utilize assistance from PCs for People, an organization that provides technology and services to recipients proven to be below the 200% poverty level or those who are enrolled in an income-based government assistance program. The survey results show most respondents don't have Internet or use their cell phone as their only source of Internet, and approximately 44% of respondents indicate they visit the Library to use a computer or access the Internet. This case further supports the benefits of fiber broadband access for anchor institutions operating at the Community Resouce Center, closest to this survey's respondents.

Survey Results: Please attach the results of the survey in the Appendix and label as "**Attachment 7-A2"**.

Confirmation

Check this box to confirm that Survey Data, if available, is included in the Appendix: ☒

B. Financial Commitment from Community Stakeholders

Financial Contribution by Community Stakeholders: Please discuss any financial investment made by community members and organizations. Address the following: a) degree of financial contribution from community-based members and institutions; b) in-kind resource commitments from community-based members and institutions; c) evidence to support verification of pledge. Please include any evidence in the Appendix, and label as: "**Attachment 7-B"**.

Confirmation

Attachment: Connect Illinois Broadband Grant Application (Acceptance of Illinois Broadband Grant (CA))

Check this box to confirm that evidence, if available, is included in the Appendix regarding any financial commitment from community stakeholders. ☐

8) Project Readiness

A. Detailed, Reasonable Project Schedule

Project Schedule Narrative: Please provide a detailed narrative regarding your project schedule. Please address a) project start and end dates; b) key dependencies; c) key risk factors and mitigation strategies.

The project schedule is dependent on the grant funding approval. After grant approval, staff will begin the RFP process and qualification-based selection of consultants and contractors.

The project schedule would run roughly from September 2021 – December 2022.

It will be necessary to apply for State right-of-way permits for approval to have the fiber cross Rand Road as early in the project as possible. Contractor and request for proposals have been deemed successful over the past three Village of Palatine fiber projects.

Government Approvals and Permits: Please address whether all required government approvals and permits for this project to begin construction have been identified and included in the project schedule. This include permissions required from various government authorities (e.g., municipal, city, township, county, state) regardin such areas as planning, zoning, rights of way, roadwork, railroad crossings, etc.

Please itemize the approvals that will be required prior to project construction with the corresponding entity tha will provide approval, and a brief description of the process required to obtain approval.

Include the permitting process as a step on the Project Schedule.

Fiber Optic Link Hicks/Dundee to Community Resource Center (CRC/POC)

Task	Time required	Approval entity	Approval Process
Grant Funding Approval	TBD		
Consultant QBS process	60 Days	Village Staff	Staff Review
Consultant interviews and selection	14 Days	Village Staff	Staff Review
Consultant Contract proposal and approval	45 Days	Village Council Vote	Staff recommendation
Design phase	180 Days	Village Staff	Staff Review
Permitting	90 Days	IDOT	IDOT
Easement acquisition	365 Days +/-	Village Council Vote	Staff recommendation
Construction Contract letting and award	60 Days	Village Council Vote	Staff recommendation
Construction	90 Days	Village Staff	
Contract closeout	30 Days	Village Staff	

Some process can run concurrently

Attachment: Connect Illinois Broadband Grant Application (Acceptance of Illinois Broadband Grant (CA))

Detailed Project Schedule: Please include a detailed project schedule in the Appendix and label as **"Attachment 8 A"**.

Confirmation

Check this box to confirm that the Project Schedule is included in the Appendix: ☒

***** Other Special Reviews:*** Please note that construction projects may require other reviews – e.g., Environmental, Historical Architecture and Resources, etc. Please ensure that your project plan reflects the time to apply and obtain these authorizations.

B. Detailed Engineering Design and Network Map

Narrative of Geographic Coverage: Please provide a narrative that describes the geographic coverage of the proposed project.

The proposed fiber project consists of two phases:

Phase I will extend the Village of Palatine's private fiber network, currently terminated at the location labeled "Hicks/Dundee." The extension will run approximately 0.5 miles towards the Community Resource Center, stopping at the "North Supply" location. This location contains ground storage water tanks, a critical communication point for the Village of Palatine's water system/SCADA system. Phase I of the project is presented as an in-kind project for this grant and is currently budgeted for CY2021.

Phase II of this project will extend the Phase I fiber run from the "North Supply" location to the Community Resource Center building's demarcation point, approximately 0.3 miles from North Supply.

Network Map: Please include a detailed network map in the Appendix and label as **"Attachment 8-B"**. Maps should be included in both PDF version, and a spatial data version (e.g., .shp, .kmz, or .kml) as an electronic attachment or USB, if necessary. Please see infrastructure type specific instructions below.

Last Mile Fiber Project or Combination (Last-Mile and Middle-Mile): Please include a route map that shows: a) service area with boundaries; b) lateral miles and middle-mile (separate colors); c) all premises served by the network (residents, businesses, farms, institutions); d) all peering points with middle-mile and colocation facilities; e) names of places, boundaries, buildings, road/street names or other features that clearly identify the project coverage area; f) location of any existing and leased facilities (separately color coded).

Middle-Mile Project: Please include a route map that shows: a) service area with boundaries; b) middle-mile; c) meet-me points with last-mile networks; d) connections to points of interconnection with Internet backbone (e.g., carrier hotel); e) names of places, boundaries, buildings, road/street names or other features that clearly identify the project coverage area; f) location of any existing and leased facilities (separately color coded).

Attachment: Connect Illinois Broadband Grant Application (Acceptance of Illinois Broadband Grant (CA))

Wireless Project: The coverage map should show: a) coverage area; b) location of all towers and base stations; c) backhaul to the base stations (e.g., fiber or microwave); d) backhaul interconnection points to the Internet backbone; e) location of any existing and leased facilities (separately color coded).

Confirmation

Check this box to confirm that a detailed Network Map is included in the Appendix: ☒

Technology and Engineering System: Please provide details regarding the network technology, including: a) architecture; b) standards; c) equipment; d) vendors (if already chosen); e) design parameters used in the system (e.g., oversubscription ratio calculations, bandwidth consumption per user, link loss, data rates per link, redundancy requirements, and technical specifications). For wireless projects, please also include propagation assumptions and underlying evidence.

The network technology for this project is fiber. The 24-strand of single-mode fiber optics will be run underground.

Professional Engineering Certification: Applicants MUST PROVIDE a certification from a Professional Engineer. Please include a signed copy of the Certification in Appendix and label as **"Attachment 8-B2"**.

Confirmation

Check this box to ensure that you have included a signed Professional Engineering Certification. Absent this document, your Application will be deemed "Incomplete": ☒

C. Leveraging Existing Resources and Operating Assets

Please identify all network assets being leveraged – e.g., middle-mile, data centers, colocation facilities, towers, etc. This includes all publicly and privately funded assets.

This fiber project will minimize installation costs by utilizing existing resources, infrastructure, and utility right-of-ways.

Palatine anchor institutions operating in the Community Resource Center would have the opportunity to route through Village of Palatine's existing fiber network back to their local headquarters. Each of the institutions would have future growth of connecting to ICN through Harper College.

Attachment: Connect Illinois Broadband Grant Application (Acceptance of Illinois Broadband Grant (CA))

Please clearly identify all non-network resources and assets being contributed (e.g. personnel, premises, offices, etc.)

The Village of Palatine will utilize existing personnel to reduce project costs, such as Village Engineer for design, specs, and project management; Village Attorneys for contracts; and other Village personnel for any unforeseen project events.

9) Project Viability and Sustainability

A. Network Capacity and Scalability

Network Capacity: Please address: a) total network capacity today; b) how this capacity effectively supports the service speeds being offered in the near-term.

The current CRC max broadband connection is between 10MB and 300 MB shared, depending on the resource connected. Most of the entities at the Community Resource Center currently share this Comcast connection. This proposed fiber project would bring their broadband connection to the anchor institutions of 1 GB each way.

Scalability to 100/100 Mbps download/upload: Please provide evidence that the installed broadband infrastructure is scalable to speeds of at least 100 Mbps download and 100 Mbps upload. This can include, for example, documentation from the equipment manufacturer, or certification from the registered Professional Engineer.

The current Village of Palatine private fiber back-bone network is running at 10 GB.

Future Proofing Today's Investment: Please discuss the scalability of the proposed network and technology solution, by addressing: a) the maximum speeds that can be marketed in 10 years; b) process and required investment for upgrading capacity in the future; c) the useful life of the assets.

The Village of Palatine will work with CRC entities to determine the ideal range of service speeds, up to 10 GB, and work with them to provide services to their locations.

Support from each of the Community Resource Center entities and Partners for our Community (POC) partner agencies will enhance service abilities and options.

Attachment: Connect Illinois Broadband Grant Application (Acceptance of Illinois Broadband Grant (CA))

B. Financial Sustainability

***Narrative on Financial Sustainability*:** Please provide a detailed narrative regarding the key drivers to financial sustainability of this project. Please address: the following: a) minimum take rate (i.e., percentage of passed or covered premises that become customers) required to achieve positive operating cash flow; b) managing growth of operating expenditures to be in line with revenue growth; c) duration (years and months) to achieve positive operating cash flow.

This project's success cannot be measured by the number of households directly connected but by the Community Resource Center's low-income individuals served. This fiber project is designed to provide key institutions fiber speed connectivity to the Internet and to provide low-income households services through these institutions.

***Financial Sustainability Risks*:** Please discuss key risks to financial sustainability and mitigation plans, including: a) competition risks that could impede targeted customer penetration rates; b) adoption risks by customers; c) liquidity risk (if the project is taking on debt).

This section does not apply to this project.

Pro Forma Financial Statements: Please provide detailed financial forecasts for the next 10 years, including: a) income statement; b) cash flow statement; c) balance sheet. These financial statements should be for this project only. The numbers should be consistent with other financial information provided in the application – e.g., Project Budget, Match Amount, Payback/NPV analysis, etc. Please include these pro forma statements in Appendix and label as **"Attachment 9-B"**.

Confirmation

Please check box to confirm that you have provided a financial forecast spanning 10 years in the Appendix: ☐ **NA – connecting anchor institutions**

Audited Financial Statements: Please provide two years of audited financial statements. Include a copy in the Appendix and label as **"Attachment 9-B2"**. If not, please explain why you cannot include audited statements.

Confirmation

Please check this box to confirm that two years of audited statements are included in the Appendix: ☒

Attachment: Connect Illinois Broadband Grant Application (Acceptance of Illinois Broadband Grant (CA))

C. Organization Capability and Track Record

Experience: Please provide details regarding your organization's experience and results in having deployed similar networks.

The Village of Palatine has implemented several fiber projects within Palatine. This proposed grant work would be an extension of the Village of Palatine's private fiber network. The Village of Palatine often works with Palatine anchor institutions to piggy-back on Village fiber projects.

Personnel: Please provide a summary of key personnel that will manage this project – e.g., planning, infrastructure deployment, service roll-out, and growth.

Village of Palatine Engineer, George Ruppert, will oversee and manage the entire fiber project.

Personnel: Please include resumes of these personnel in the Appendix and label as **"Attachment 9-C".**

Confirmation

Please check this box to confirm that resumes and included in the Appendix: ☒

Key Project Partners: Please list all key partners and their roles. These partners can include: local government; community advocates; project investors; anchor institutions; marketing firms; construction contractors; broadband retail service providers; etc. Please cite any letters of support from project partners.

The Village of Palatine has support for this project from anchor institutions and other Community Resource Center entities as evidence from support letters and past Village of Palatine fiber projects that included anchor institutions, such as the Palatine Public Library and School District 15.

The Village of Palatine will work with Community Resource Center partners for fiber broadband service options.

Attachment: Connect Illinois Broadband Grant Application (Acceptance of Illinois Broadband Grant (CA))

10) Affordability and Adoption Assistance

A. Low Price Service Tier

Please address your pricing strategy and programs that may involve: a) special programs and partnerships that provide discounts to economically disadvantaged customers or institutions with limited budgets (e.g., community institutions); b) entry-level service tier(s) that provides minimum level of broadband for an affordable rate. Please also discuss if and how you plan to leverage the FCC's Lifeline Program to serve qualifying low-income households.

The Village of Palatine's proposed fiber to the Community Resource Center will be a cooperative to purchase Internet bandwidth once it's in place. Sharing the fiber bandwidth will reduce the total cost of ownership for all parties yet allow for expanding service speed and options based on each entity's choice of use.

B. Programs to Foster Adoption

Please provide: a) detailed description of broadband adoption activities planned for project – e.g., training, technical support, community networks, etc.; b) technology strategies to enable adoption to general public (e.g., community networks that provide free public Wi-Fi, others).

Please check the Illinois Broadband Office's website for best practices and innovative programs to foster adoption: https://www2.illinois.gov/dceo/ConnectIllinois

The Village of Palatine will work with each Community Resource Center (CRC) entity to foster adoption. Sharing the fiber bandwidth at the CRC will reduce the total cost of ownership for all parties yet allow for expanding service speed and options based on each entity's choice of use.

11) Open Access, Shared Use & Business Strategy

A. Service Packages

Please include the following: a) list of service packages (download/upload) for all your targeted customer segments; b) price points for each package and other recurring fees (e.g., Wi-Fi router rental); c) ability to purchase unbundled Internet (i.e., broadband service without having to purchase other services); d) specific contractual terms required to purchase service; e) non-recurring charges (e.g., equipment, installation, and any other non-recurring fees); f) restrictions.

NA – The Village of Palatine will provide broadband connectivity to anchor institutions and Community Resource Center partners.

Attachment: Connect Illinois Broadband Grant Application (Acceptance of Illinois Broadband Grant (CA))

B. Price Points Comparable to Rates in Competitive, Urban Markets

Narrative on Competitive Pricing: Please explain whether prices are commensurate with prices in urban, competitive markets. In addition, please review the FCC's Urban Rate Survey at the following link, and provide a narrative on how your rates compare to the most competitive rates listed for your service tiers. https://www.fcc.gov/economics-analytics/industry-analysis-division/urban-rate-survey-data-resources.

NA – Only connecting Community Resource Center anchor institutions and entities.

Five Year Service Commitment: Please confirm your commitment to offer these service packages at the stated price points for next five years. The absence of this commitment will deem your application as "incomplete".

With the extension and installation of fiber to the Community Resource Center, The Village of Palatine will maintain fiber service to the Community Resource Center for 10+ years.

C. Customer Acquisition

Customer Acquisition Plan and Strategy: Please provide a detailed narrative regarding: a) plan to acquire and retain customers; b) strategy for marketing, customer segmentation, targeting and positioning; c) details regarding overall sales strategy to support customer journey – e.g., awareness, evaluation, purchase, service initiation, customer care/billing, retention; d) details regarding sales organization and relevant partners

NA – The Village of Palatine will work with each Community Resource Center entity to learn fiber bandwidth service needs based on their broadband uses.

Attachment: Connect Illinois Broadband Grant Application (Acceptance of Illinois Broadband Grant (CA))

D. Open Access Plan

Open Access Policies and Programs: Please address the following: a) policies to enable 3rd party ISPs to purchase wholesale services and serve retail customers; b) wholesale services and rates; c) details regarding the identification of retail ISP partners and status of contract negotiations (e.g., MoU, signed commitment).

The Village of Palatine would foster a consortium with all Community Resource Center participants to maximize fiber broadband bandwidth availability to each entity.

12) Appendix – Required Attachments

Please include the following documents as attachments. The lack of any of these documents may deem the application incomplete. Also, feel free to include other attachments that convey other relevant information regarding your service area, network, business model, and organization.

Required Attachments	
Attachment Number	Purpose
Attachment 4-B	• Service Area Map (PDF File) and please add electronic version
Attachment 5-B	• List of Premises in Service Areas (businesses, farms, and institutions)
Attachment 5-C	• List of Interconnection Points
Attachment 6-A	• Evidence of Nonstate Match
Attachment 6-C	• Financial Analysis of Payback Period and NPV
Attachment 6-D	• Budget Schedule
Attachment 7-A	• Letters of Support
Attachment 7-A2	• Community Survey
Attachment 7-B	• Financial Investment by Community Stakeholders
Attachment 8-A	• Project Schedule
Attachment 8-B	• Detailed Network Map (passing's and coverage)
Attachment 8-B2	• Certification from Professional Engineer
Attachment 9-B	• Pro Forma Financials
Attachment 9-B2	• Audited Financial Statements
Attachment 9-C	• Resumes of Key Personnel
Attachment 11-C	• Service Offerings and Pricing from Existing Service Providers
Other Attachments	• Please add other items as needed to support your application

Attachment: Connect Illinois Broadband Grant Application (Acceptance of Illinois Broadband Grant (CA))

[End of Application Packet]

Attachment: Connect Illinois Broadband Grant Application (Acceptance of Illinois Broadband Grant (CA))

INTER-GOVERNMENTAL GRANT AGREEMENT

BETWEEN
THE STATE OF ILLINOIS, DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY
AND
Village of Palatine

The Illinois Department of Commerce and Economic Opportunity (Grantor) with its principal office at **500 E Monroe St, Springfield, IL 62701**, and **Village of Palatine** (Grantee), with its principal office at **200 E WOOD ST, Palatine, IL 60067-5332**, and payment address (if different than principal office) at **N/A**, hereby enter into this Inter-governmental Grant Agreement (Agreement), pursuant to the Intergovernmental Cooperation Act, 5 ILCS 220/1 et seq. Grantor and Grantee are collectively referred to herein as "Parties" or individually as a "Party."

PART ONE – THE UNIFORM TERMS
RECITALS

WHEREAS, it is the intent of the Parties to perform consistent with all Exhibits and attachments hereto and pursuant to the duties and responsibilities imposed by Grantor under the laws of the state of Illinois and in accordance with the terms, conditions and provisions hereof.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements contained herein, and for other good and valuable consideration, the value, receipt and sufficiency of which are acknowledged, the Parties hereto agree as follows:

ARTICLE I
AWARD AND GRANTEE-SPECIFIC INFORMATION AND CERTIFICATION

1.1. DUNS Number; SAM Registration; Nature of Entity. Under penalties of perjury, Grantee certifies that **072363799** is Grantee's correct DUNS Number, that **P2GCGR5DPL66** is Grantee's correct UEI, if applicable, that **366006038** is Grantee's correct FEIN or Social Security Number, and that Grantee has an active State registration and SAM registration. Grantee is doing business as a (check one):

_____	Individual	_____	Pharmacy-Non Corporate
_____	Sole Proprietorship	_____	Pharmacy/Funeral Home/Cemetery Corp.
_____	Partnership	_____	Tax Exempt
_____	Corporation (includes Not For Profit)	_____	Limited Liability Company (select applicable tax classification)
_____	Medical Corporation		
X	Governmental Unit	_____	P = partnership
_____	Estate or Trust	_____	C = corporation

If Grantee has not received a payment from the state of Illinois in the last two years, Grantee must submit a W-9 tax form with this Agreement.

1.2. Amount of Agreement. Grant Funds shall not exceed **$101,387.00** of which **$0.00** are federal funds. Grantee agrees to accept Grantor's payment as specified in the Exhibits and attachments incorporated herein as part of this Agreement.

1.3. Identification Numbers. If applicable, the Federal Award Identification Number (FAIN) is **N/A**, the federal awarding agency is **N/A**, and the Federal Award date is **N/A**. If applicable, the Assistance Listing Program

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Title is **N/A** and Assistance Listing Number is **N/A**. The Catalog of State Financial Assistance (CSFA) Number is 420-35-2366. The State Award Identification Number is 2366-30045.

1.4. Term. This Agreement shall be effective on **07/01/2021** and shall expire on **06/30/2023**, unless terminated pursuant to this Agreement.

1.5. Certification. Grantee certifies under oath that (1) all representations made in this Agreement are true and correct and (2) all Grant Funds awarded pursuant to this Agreement shall be used only for the purpose(s) described herein. Grantee acknowledges that the Award is made solely upon this certification and that any false statements, misrepresentations, or material omissions shall be the basis for immediate termination of this Agreement and repayment of all Grant Funds.

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1.6. Signatures. In witness whereof, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives.

ILLINOIS DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

By: _____
Signature of Sylvia I. Garcia, Director

By: _____
Signature of Designee

Date: _____

Printed Name: _____

Printed Title: _____
Designee

By: _____
Signature of First Other Approver, if Applicable

Date: _____

Printed Name: _____

Printed Title: _____
Other Approver

By: _____
Signature of Second Other Approver, if Applicable

Date: _____

Printed Name: _____

Printed Title: _____
Second Other Approver

_____

VILLAGE OF PALATINE

By: _____
Signature of Authorized Representative

Date: _____

Printed Name: Jim Schwantz

Printed Title: Mayor

Email: _____

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ARTICLE II
REQUIRED REPRESENTATIONS

2.1. Standing and Authority. Grantee warrants that:

(a) Grantee is validly existing and in good standing, if applicable, under the laws of the state in which it was incorporated, organized or created.

(b) Grantee has the requisite power and authority to execute and deliver this Agreement and all documents to be executed by it in connection with this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby.

(c) If Grantee is an agency under the laws of a jurisdiction other than Illinois, Grantee warrants that it is also duly qualified to do business in Illinois and is in good standing with the Illinois Secretary of State.

(d) The execution and delivery of this Agreement, and the other documents to be executed by Grantee in connection with this Agreement, and the performance by Grantee of its obligations hereunder have been duly authorized by all necessary entity action.

(e) This Agreement and all other documents related to this Agreement, including the Uniform Grant Application, the Exhibits and attachments to which Grantee is a party constitute the legal, valid and binding obligations of Grantee enforceable against Grantee in accordance with their respective terms.

2.2. Compliance with Internal Revenue Code. Grantee certifies that it does and will comply with all provisions of the federal Internal Revenue Code (26 USC 1), the Illinois Income Tax Act (35 ILCS 5), and all rules promulgated thereunder, including withholding provisions and timely deposits of employee taxes and unemployment insurance taxes.

2.3. Compliance with Federal Funding Accountability and Transparency Act of 2006. Grantee certifies that it does and will comply with the reporting requirements of the Federal Funding Accountability and Transparency Act of 2006 (P.L. 109-282) (FFATA) with respect to Federal Awards greater than or equal to $30,000. A FFATA sub-award report must be filed by the end of the month following the month in which the award was made.

2.4. Compliance with Uniform Grant Rules (2 CFR Part 200). Grantee certifies that it shall adhere to the applicable Uniform Administrative Requirements, Cost Principles, and Audit Requirements, which are published in Title 2, Part 200 of the Code of Federal Regulations, and are incorporated herein by reference. *See* 44 Ill. Admin. Code 7000.40(c)(1)(A).

2.5. Compliance with Registration Requirements. Grantee certifies that it: (i) is registered with the federal SAM; (ii) is in good standing with the Illinois Secretary of State, if applicable; (iii) have a valid DUNS Number; (iv) have a valid UEI, if applicable; and (v) have successfully completed the annual registration and prequalification through the Grantee Portal. It is Grantee's responsibility to remain current with these registrations and requirements. If Grantee's status with regard to any of these requirements change, or the certifications made in and information provided in the Uniform Grant Application changes, Grantee must notify the Grantor in accordance with ARTICLE XVIII.

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ARTICLE III
DEFINITIONS

3.1. Definitions. Capitalized words and phrases used in this Agreement have the following meanings:

"2 CFR Part 200" means the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards published in Title 2, Part 200 of the Code of Federal Regulations.

"Agreement" or "Grant Agreement" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Allocable Costs" means costs allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received or other equitable relationship. Costs allocable to a specific Program may not be shifted to other Programs in order to meet deficiencies caused by overruns or other fund considerations, to avoid restrictions imposed by law or by the terms of this Agreement, or for other reasons of convenience.

"Allowable Costs" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Assistance Listings" has the same meaning as in 2 CFR 200.1.

"Assistance Listing Number" has the same meaning as in 2 CFR 200.1.

"Assistance Listing Program Title" has the same meaning as in 2 CFR 200.1.

"Award" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Budget" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Budget Period" has the same meaning as in 2 CFR 200.1.

"Catalog of State Financial Assistance" or "CSFA" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Close-out Report" means a report from the Grantee allowing the Grantor to determine whether all applicable administrative actions and required work have been completed, and therefore closeout actions can commence.

"Conflict of Interest" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Consolidated Year-End Financial Report" or "CYEFR" means a financial information presentation in which the assets, equity, liabilities, and operating accounts of an entity and its subsidiaries are combined (after eliminating all inter-entity transactions) and shown as belonging to a single reporting entity.

"Cost Allocation Plan" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Direct Costs" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Disallowed Costs" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"DUNS Number" means a unique nine-digit identification number provided by Dun & Bradstreet for each physical location of Grantee's organization.

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"FAIN" means the Federal Award Identification Number.

"FFATA" or "Federal Funding Accountability and Transparency Act" has the same meaning as in 31 USC 6101; P.L. 110-252.

"Financial Assistance" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Fixed-Rate" has the same meaning as in 44 Ill. Admin. Code 7000.30. "Fixed-Rate" is in contrast to fee-for-service, 44 Ill. Admin. Code 7000.30.

"GATU" means the Grant Accountability and Transparency Unit of GOMB.

"Generally Accepted Accounting Principles" or "GAAP" has the same meaning as in 2 CFR 200.1.

"GOMB" means the Illinois Governor's Office of Management and Budget.

"Grant Funds" means the Financial Assistance made available to Grantee through this Agreement.

"Grantee Portal" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Improper Payment" has the same meaning as in 2 CFR 200.1.

"Indirect Costs" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Indirect Cost Rate" means a device for determining in a reasonable manner the proportion of indirect costs each Program should bear. It is a ratio (expressed as a percentage) of the Indirect Costs to a Direct Cost base. If reimbursement of Indirect Costs is allowable under an Award, Grantor will not reimburse those Indirect Costs unless Grantee has established an Indirect Cost Rate covering the applicable activities and period of time, unless Indirect Costs are reimbursed at a fixed rate.

"Indirect Cost Rate Proposal" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Net Revenue" means an entity's total revenue less its operating expenses, interest paid, depreciation, and taxes. "Net Revenue" is synonymous with "Profit."

"Nonprofit Organization" has the same meaning as in 2 CFR 200.1.

"Notice of Award" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"OMB" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Obligations" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Period of Performance" has the same meaning as in 2 CFR 200.1.

"Prior Approval" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Profit" means an entity's total revenue less its operating expenses, interest paid, depreciation, and taxes. "Profit" is synonymous with "Net Revenue."

"Program" means the services to be provided pursuant to this Agreement.

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"Program Costs" means all Allowable Costs incurred by Grantee and the value of the contributions made by third parties in accomplishing the objectives of the Award during the Term of this Agreement.

"Related Parties" has the meaning set forth in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 850-10-20.

"SAM" means the federal System for Award Management (SAM); which is the federal repository into which an entity must provide information required for the conduct of business as a recipient. 2 CFR 25 Appendix A (1)(C)(1).

"State" means the State of Illinois.

"Term" has the meaning set forth in Paragraph 1.4.

"Unallowable Costs" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Unique Entity Identifier" or "UEI" means the unique identifier assigned to the Grantee or to subrecipients by SAM.

ARTICLE IV
PAYMENT

4.1. Availability of Appropriation; Sufficiency of Funds. This Agreement is contingent upon and subject to the availability of sufficient funds. Grantor may terminate or suspend this Agreement, in whole or in part, without penalty or further payment being required, if (i) sufficient funds for this Agreement have not been appropriated or otherwise made available to the Grantor by the State or the federal funding source, (ii) the Governor or Grantor reserves funds, or (iii) the Governor or Grantor determines that funds will not or may not be available for payment. Grantor shall provide notice, in writing, to Grantee of any such funding failure and its election to terminate or suspend this Agreement as soon as practicable. Any suspension or termination pursuant to this Section will be effective upon the date of the written notice unless otherwise indicated.

4.2. Pre-Award Costs. Pre-award costs are not permitted unless specifically authorized by the Grantor in **Exhibit A**, **PART TWO** or **PART THREE** of this Agreement. If they are authorized, pre-award costs must be charged to the initial Budget Period of the Award, unless otherwise specified by the Grantor. 2 CFR 200.458.

4.3. Return of Grant Funds. Any Grant Funds remaining that are not expended or legally obligated by Grantee, including those funds obligated pursuant to ARTICLE XVII, at the end of the Agreement period, or in the case of capital improvement Awards at the end of the time period Grant Funds are available for expenditure or obligation, shall be returned to Grantor within forty-five (45) days. A Grantee who is required to reimburse Grant Funds and who enters into a deferred payment plan for the purpose of satisfying a past due debt, shall be required to pay interest on such debt as required by Section 10.2 of the Illinois State Collection Act of 1986. 30 ILCS 210; 44 Ill. Admin. Code 7000.450(c). In addition, as required by 44 Ill. Admin. Code 7000.440(b)(2), unless granted a written extension, Grantee must liquidate all obligations incurred under the Award at the end of the period of performance.

4.4. Cash Management Improvement Act of 1990. Unless notified otherwise in **PART TWO** or **PART THREE**, federal funds received under this Agreement shall be managed in accordance with the Cash Management Improvement Act of 1990 (31 USC 6501 *et seq.*) and any other applicable federal laws or regulations. *See* 2 CFR 200.305; 44 Ill. Admin. Code 7000.120.

4.5. Payments to Third Parties. Grantee agrees that Grantor shall have no liability to Grantee when Grantor acts in good faith to redirect all or a portion of any Grantee payment to a third party. Grantor will be

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deemed to have acted in good faith when it is in possession of information that indicates Grantee authorized Grantor to intercept or redirect payments to a third party or when so ordered by a court of competent jurisdiction.

4.6. Modifications to Estimated Amount. If the Agreement amount is established on an estimated basis, then it may be increased by mutual agreement at any time during the Term. Grantor may decrease the estimated amount of this Agreement at any time during the Term if (i) Grantor believes Grantee will not use the funds during the Term, (ii) Grantor believes Grantee has used funds in a manner that was not authorized by this Agreement, (iii) sufficient funds for this Agreement have not been appropriated or otherwise made available to the Grantor by the State or the federal funding source, (iv) the Governor or Grantor reserves funds, or (v) the Governor or Grantor determines that funds will or may not be available for payment. Grantee will be notified, in writing, of any adjustment of the estimated amount of this Agreement. In the event of such reduction, services provided by Grantee under **Exhibit A** may be reduced accordingly. Grantee shall be paid for work satisfactorily performed prior to the date of the notice regarding adjustment. 2 CFR 200.308.

4.7. Interest.

(a) All interest earned on Grant Funds held by a Grantee shall be treated in accordance with 2 CFR 200.305(b)(9), unless otherwise provided in **PART TWO** or **PART THREE**. Any amount due shall be remitted annually in accordance with 2 CFR 200.305(b)(9) or to the Grantor, as applicable.

(b) Grant Funds shall be placed in an insured account, whenever possible, that bears interest, unless exempted under 2 CFR 200.305(b)(8).

4.8. Timely Billing Required. Grantee must submit any payment request to Grantor within fifteen (15) days of the end of the quarter, unless another billing schedule is specified in **PART TWO**, **PART THREE** or **Exhibit C**. Failure to submit such payment request timely will render the amounts billed an unallowable cost which Grantor cannot reimburse. In the event that Grantee is unable, for good cause, to submit its payment request timely, Grantee shall timely notify Grantor and may request an extension of time to submit the payment request. Grantor's approval of Grantee's request for an extension shall not be unreasonably withheld.

4.9. Certification. Pursuant to 2 CFR 200.415, each invoice and report submitted by Grantee (or sub-grantee) must contain the following certification by an official authorized to legally bind the Grantee (or sub-grantee):

> By signing this report [or payment request or both], I certify to the best of my knowledge and belief that the report [or payment request] is true, complete, and accurate; that the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the State or federal pass-through award; and that supporting documentation has been submitted as required by the grant agreement. I acknowledge that approval for any other expenditure described herein shall be considered conditional subject to further review and verification in accordance with the monitoring and records retention provisions of the grant agreement. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812; 30 ILCS 708/120).

ARTICLE V
SCOPE OF GRANT ACTIVITIES/PURPOSE OF GRANT

5.1. Scope of Grant Activities/Purpose of Grant. Grantee will conduct the Grant Activities or provide

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the services as described in the Exhibits and attachments, including **Exhibit A** (Project Description) and **Exhibit B** (Deliverables), incorporated herein and in accordance with all terms and conditions set forth herein and all applicable administrative rules. In addition, the State's Notice of Award is incorporated herein by reference. All Grantor-specific provisions and programmatic reporting required under this Agreement are described in **PART TWO** (The Grantor-Specific Terms). All Project-specific provisions and reporting required under this Agreement are described in **PART THREE**.

5.2. Scope Revisions. Grantee shall obtain Prior Approval from Grantor whenever a Scope revision is necessary for one or more of the reasons enumerated in 2 CFR 200.308. All requests for Scope revisions that require Grantor approval shall be signed by Grantee's authorized representative and submitted to Grantor for approval. Expenditure of funds under a requested revision is prohibited and will not be reimbursed if expended before Grantor gives written approval. *See* 2 CFR 200.308.

5.3. Specific Conditions. If applicable, specific conditions required after a risk assessment will be included in **Exhibit G**. Grantee shall adhere to the specific conditions listed therein.

ARTICLE VI
BUDGET

6.1. Budget. The Budget is a schedule of anticipated grant expenditures that is approved by Grantor for carrying out the purposes of the Award. When Grantee or third parties support a portion of expenses associated with the Award, the Budget includes the non-federal as well as the federal share (and State share if applicable) of grant expenses. The Budget submitted by Grantee at application, or a revised Budget subsequently submitted and approved by Grantor, is considered final and is incorporated herein by reference.

6.2. Budget Revisions. Grantee shall obtain Prior Approval from Grantor whenever a Budget revision is necessary for one or more of the reasons enumerated in 2 CFR 200.308 or 44 Ill. Admin. Code 7000.370(b). All requests for Budget revisions that require Grantor approval shall be signed by Grantee's authorized representative and submitted to Grantor for approval. Expenditure of funds under a requested revision is prohibited and will not be reimbursed if expended before Grantor gives written approval.

6.3. Discretionary and Non-discretionary Line Item Transfers. Discretionary and non-discretionary line item transfers may only be made in accordance with 2 CFR 200.308 and 44 Ill. Admin. Code 7000.370. Neither discretionary nor non-discretionary line item transfers may result in an increase to the total amount of Grant Funds in the Budget unless Prior Approval is obtained from Grantor.

6.4. Notification. Within thirty (30) calendar days from the date of receipt of the request for Budget revisions, Grantor will review the request and notify Grantee whether the Budget revision has been approved, denied, or the date upon which a decision will be reached.

ARTICLE VII
ALLOWABLE COSTS

7.1. Allowability of Costs; Cost Allocation Methods. The allowability of costs and cost allocation methods for work performed under this Agreement shall be determined in accordance with 2 CFR 200 Subpart E and Appendices III, IV, and V.

7.2. Indirect Cost Rate Submission.

(a) All Grantees must make an Indirect Cost Rate election in the Grantee Portal, even grantees that do not charge or expect to charge Indirect Costs. 44 Ill. Admin. Code 7000.420(d).

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(i) Waived and de minimis Indirect Cost Rate elections will remain in effect until the Grantee elects a different option.

(b) A Grantee must submit an Indirect Cost Rate Proposal in accordance with federal regulations, in a format prescribed by Grantor. For Grantees who have never negotiated an Indirect Cost Rate before, the Indirect Cost Rate Proposal must be submitted for approval no later than three months after the effective date of the Award. For Grantees who have previously negotiated an Indirect Cost Rate, the Indirect Cost Rate Proposal must be submitted for approval within 180 days of the Grantee's fiscal year end, as dictated in the applicable appendices, such as:

(i) Appendix V and VII to 2 CFR Part 200 governs Indirect Cost Rate Proposals for state and local governments,

(ii) Appendix III to 2 CFR Part 200 governs Indirect Cost Rate Proposals for public and private institutions of higher education,

(iii) Appendix IV to 2 CFR Part 200 governs Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations, and

(iv) Appendix V to 2 CFR Part 200 governs state/Local Governmentwide Central Service Cost Allocation Plans.

(c) A Grantee who has a current, applicable rate negotiated by a cognizant federal agency shall provide to Grantor a copy of its Indirect Cost Rate acceptance letter from the federal government and a copy of all documentation regarding the allocation methodology for costs used to negotiate that rate, e.g., without limitation, the cost policy statement or disclosure narrative statement. Grantor will accept that Indirect Cost Rate, up to any statutory, rule-based or programmatic limit.

(d) A Grantee who does not have a current negotiated rate, may elect to charge a de minimis rate of 10% of modified total direct costs which may be used indefinitely. No documentation is required to justify the 10% de minimis Indirect Cost Rate. 2 CFR 200.414(f).

7.3. Transfer of Costs. Cost transfers between Grants, whether as a means to compensate for cost overruns or for other reasons, are unallowable. *See* 2 CFR 200.451.

7.4. Higher Education Cost Principles. The federal cost principles that apply to public and private institutions of higher education are set forth in 2 CFR Part 200 Subpart E and Appendix III.

7.5. Government Cost Principles. The federal cost principles that apply to state, local and federally-recognized Indian tribal governments are set forth in 2 CFR Part 200 Subpart E, Appendix V, and Appendix VII.

7.6. Financial Management Standards. The financial management systems of Grantee must meet the following standards:

(a) **Accounting System**. Grantee organizations must have an accounting system that provides accurate, current, and complete disclosure of all financial transactions related to each state- and federally-funded Program. Accounting records must contain information pertaining to state and federal pass-through awards, authorizations, obligations, unobligated balances, assets, outlays, and income. These records must be maintained on a current basis and balanced at least quarterly. Cash contributions to the Program from third parties must be accounted for in the general ledger with other Grant Funds. Third party in-kind (non-cash) contributions are not required to be recorded in the general ledger, but must be under accounting control, possibly through the use of a memorandum ledger. To comply with 2 CFR 200.305(b)(7)(i) and 30 ILCS 708/520, Grantee shall use reasonable efforts to ensure that funding streams are delineated within Grantee's accounting system. *See* 2 CFR 200.302.

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(b) **Source Documentation.** Accounting records must be supported by such source documentation as canceled checks, bank statements, invoices, paid bills, donor letters, time and attendance records, activity reports, travel reports, contractual and consultant agreements, and subaward documentation. All supporting documentation should be clearly identified with the Award and general ledger accounts which are to be charged or credited.

(i) The documentation standards for salary charges to grants are prescribed by 2 CFR 200.430, and in the cost principles applicable to the entity's organization (Paragraphs 7.4 through 7.5).

(ii) If records do not meet the standards in 2 CFR 200.430, then Grantor may notify Grantee in **PART TWO**, **PART THREE** or **Exhibit G** of the requirement to submit Personnel activity reports. *See* 2 CFR 200.430(i)(8). Personnel activity reports shall account on an after-the-fact basis for one hundred percent (100%) of the employee's actual time, separately indicating the time spent on the grant, other grants or projects, vacation or sick leave, and administrative time, if applicable. The reports must be signed by the employee, approved by the appropriate official, and coincide with a pay period. These time records should be used to record the distribution of salary costs to the appropriate accounts no less frequently than quarterly.

(iii) Formal agreements with independent contractors, such as consultants, must include a description of the services to be performed, the period of performance, the fee and method of payment, an itemization of travel and other costs which are chargeable to the agreement, and the signatures of both the contractor and an appropriate official of Grantee.

(iv) If third party in-kind (non-cash) contributions are used for Grant purposes, the valuation of these contributions must be supported with adequate documentation.

(c) **Internal Control.** Effective control and accountability must be maintained for all cash, real and personal property, and other assets. Grantee must adequately safeguard all such property and must provide assurance that it is used solely for authorized purposes. Grantee must also have systems in place that provide reasonable assurance that the information is accurate, allowable, and compliant with the terms and conditions of this Agreement. 2 CFR 200.303.

(d) **Budget Control.** Records of expenditures must be maintained for each Award by the cost categories of the approved Budget (including indirect costs that are charged to the Award), and actual expenditures are to be compared with Budgeted amounts at least quarterly.

(e) **Cash Management.** Requests for advance payment shall be limited to Grantee's immediate cash needs. Grantee must have written procedures to minimize the time elapsing between the receipt and the disbursement of Grant Funds to avoid having excess funds on hand. 2 CFR 200.305.

7.7. Federal Requirements. All Awards, whether funded in whole or in part with either federal or State funds, are subject to federal requirements and regulations, including but not limited to 2 CFR Part 200, 44 Ill. Admin. Code 7000.30(b) and the Financial Management Standards in Paragraph 7.6.

7.8. Profits. It is not permitted for any person or entity to earn a Profit from an Award. *See, e.g.*, 2 CFR 200.400(g); *see also* 30 ILCS 708/60(a)(7).

7.9. Management of Program Income. Grantee is encouraged to earn income to defray program costs where appropriate, subject to 2 CFR 200.307.

ARTICLE VIII
REQUIRED CERTIFICATIONS

8.1. Certifications. Grantee shall be responsible for compliance with the enumerated certifications to the extent that the certifications apply to Grantee.

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(a) **Bribery.** Grantee certifies that it has not been convicted of bribery or attempting to bribe an officer or employee of the state of Illinois, nor made an admission of guilt of such conduct which is a matter of record (30 ILCS 500/50-5).

(b) **Bid Rigging.** Grantee certifies that it has not been barred from contracting with a unit of state or local government as a result of a violation of Paragraph 33E-3 or 33E-4 of the Criminal Code of 1961 (720 ILCS 5/33E-3 or 720 ILCS 5/33E-4, respectively).

(c) **Debt to State.** Grantee certifies that neither it, nor its affiliate(s), is/are barred from receiving an Award because Grantee, or its affiliate(s), is/are delinquent in the payment of any debt to the State, unless Grantee, or its affiliate(s), has/have entered into a deferred payment plan to pay off the debt, and Grantee acknowledges Grantor may declare the Agreement void if the certification is false (30 ILCS 500/50-11).

(d) **Educational Loan.** Grantee certifies that it is not barred from receiving State agreements as a result of default on an educational loan (5 ILCS 385/1 *et seq.*).

(e) **International Boycott.** Grantee certifies that neither it nor any substantially owned affiliated company is participating or shall participate in an international boycott in violation of the provision of the U.S. Export Administration Act of 1979 (50 USC Appendix 2401 *et seq.*) or the regulations of the U.S. Department of Commerce promulgated under that Act (15 CFR Parts 730 through 774).

(f) **Dues and Fees.** Grantee certifies that it is not prohibited from receiving an Award because it pays dues or fees on behalf of its employees or agents, or subsidizes or otherwise reimburses them for payment of their dues or fees to any club which unlawfully discriminates (775 ILCS 25/1 *et seq.*).

(g) **Pro-Children Act.** Grantee certifies that it is in compliance with the Pro-Children Act of 2001 in that it prohibits smoking in any portion of its facility used for the provision of health, day care, early childhood development services, education or library services to children under the age of eighteen (18), which services are supported by federal or state government assistance (except such portions of the facilities which are used for inpatient substance abuse treatment) (20 USC 7181-7184).

(h) **Drug-Free Work Place.** If Grantee is not an individual, Grantee certifies it will provide a drug free workplace pursuant to the Drug Free Workplace Act. 30 ILCS 580/3. If Grantee is an individual and this Agreement is valued at more than $5,000, Grantee certifies it shall not engage in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance during the performance of the Agreement. 30 ILCS 580/4. Grantee further certifies that it is in compliance with the government-wide requirements for a drug-free workplace as set forth in 41 USC 8102.

(i) **Motor Voter Law.** Grantee certifies that it is in full compliance with the terms and provisions of the National Voter Registration Act of 1993 (52 USC 20501 *et seq.*).

(j) **Clean Air Act and Clean Water Act.** Grantee certifies that it is in compliance with all applicable standards, order or regulations issued pursuant to the Clean Air Act (42 USC §7401 *et seq.*) and the Federal Water Pollution Control Act, as amended (33 USC 1251 *et seq.*).

(k) **Debarment.** Grantee certifies that it is not debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this Agreement by any federal department or agency 2 CFR 200.205(a), or by the State (*See* 30 ILCS 708/25(6)(G)).

(l) **Non-procurement Debarment and Suspension.** Grantee certifies that it is in compliance with Subpart C of 2 CFR Part 180 as supplemented by 2 CFR Part 376, Subpart C.

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(m) **Grant for the Construction of Fixed Works.** Grantee certifies that all Programs for the construction of fixed works which are financed in whole or in part with funds provided by this Agreement shall be subject to the Prevailing Wage Act (820 ILCS 130/0.01 *et seq.*) unless the provisions of that Act exempt its application. In the construction of the Program, Grantee shall comply with the requirements of the Prevailing Wage Act including, but not limited to, inserting into all contracts for such construction a stipulation to the effect that not less than the prevailing rate of wages as applicable to the Program shall be paid to all laborers, workers, and mechanics performing work under the Award and requiring all bonds of contractors to include a provision as will guarantee the faithful performance of such prevailing wage clause as provided by contract.

(n) **Health Insurance Portability and Accountability Act.** Grantee certifies that it is in compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law No. 104-191, 45 CFR Parts 160, 162 and 164, and the Social Security Act, 42 USC 1320d-2 through 1320d-7, in that it may not use or disclose protected health information other than as permitted or required by law and agrees to use appropriate safeguards to prevent use or disclosure of the protected health information. Grantee shall maintain, for a minimum of six (6) years, all protected health information.

(o) **Criminal Convictions.** Grantee certifies that neither it nor any managerial agent of Grantee has been convicted of a felony under the Sarbanes-Oxley Act of 2002, nor a Class 3 or Class 2 felony under Illinois Securities Law of 1953, or that at least five (5) years have passed since the date of the conviction. Grantee further certifies that it is not barred from receiving an Award under 30 ILCS 500/50-10.5, and acknowledges that Grantor shall declare the Agreement void if this certification is false (30 ILCS 500/50-10.5).

(p) **Forced Labor Act.** Grantee certifies that it complies with the State Prohibition of Goods from Forced Labor Act, and certifies that no foreign-made equipment, materials, or supplies furnished to the State under this Agreement have been or will be produced in whole or in part by forced labor, convict labor, or indentured labor under penal sanction (30 ILCS 583).

(q) **Illinois Use Tax.** Grantee certifies in accordance with 30 ILCS 500/50-12 that it is not barred from receiving an Award under this Paragraph. Grantee acknowledges that this Agreement may be declared void if this certification is false.

(r) **Environmental Protection Act Violations.** Grantee certifies in accordance with 30 ILCS 500/50-14 that it is not barred from receiving an Award under this Paragraph. Grantee acknowledges that this Agreement may be declared void if this certification is false.

(s) **Goods from Child Labor Act.** Grantee certifies that no foreign-made equipment, materials, or supplies furnished to the State under this Agreement have been produced in whole or in part by the labor of any child under the age of twelve (12) (30 ILCS 584).

(t) **Federal Funding Accountability and Transparency Act of 2006.** Grantee certifies that it is in compliance with the terms and requirements of 31 USC 6101.

(u) **Illinois Works Review Panel.** For Awards made for public works projects, as defined in the Illinois Works Jobs Program Act, Grantee certifies that it and any contractor(s) or sub-contractor(s) that performs work using funds from this Award, shall, upon reasonable notice, appear before and respond to requests for information from the Illinois Works Review Panel. 30 ILCS 559/20-25(d).

ARTICLE IX

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CRIMINAL DISCLOSURE

9.1. Mandatory Criminal Disclosures. Grantee shall continue to disclose to Grantor all violations of criminal law involving fraud, bribery or gratuity violations potentially affecting this Award. *See* 30 ILCS 708/40. Additionally, if Grantee receives over $10 million in total Financial Assistance, funded by either State or federal funds, during the period of this Award, Grantee must maintain the currency of information reported to SAM regarding civil, criminal or administrative proceedings as required by 2 CFR 200.113 and Appendix XII of 2 CFR Part 200, and 30 ILCS 708/40.

ARTICLE X
UNLAWFUL DISCRIMINATION

10.1. Compliance with Nondiscrimination Laws. Both Parties, their employees and subcontractors under subcontract made pursuant to this Agreement, remain compliant with all applicable provisions of state and federal laws and regulations pertaining to nondiscrimination, sexual harassment and equal employment opportunity including, but not limited to, the following laws and regulations and all subsequent amendments thereto:

(a) The Illinois Human Rights Act (775 ILCS 5/1-101 *et seq.*), including, without limitation, 44 Ill. Admin. Code Part 750, which is incorporated herein;

(b) The Public Works Employment Discrimination Act (775 ILCS 10/1 *et seq.*);

(c) The United States Civil Rights Act of 1964 (as amended) (42 USC 2000a- and 2000h-6). (*See also* guidelines to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons [Federal Register: February 18, 2002 (Volume 67, Number 13, Pages 2671-2685)]);

(d) Section 504 of the Rehabilitation Act of 1973 (29 USC 794);

(e) The Americans with Disabilities Act of 1990 (as amended) (42 USC 12101 *et seq.*); and

(f) The Age Discrimination Act (42 USC 6101 *et seq.*).

ARTICLE XI
LOBBYING

11.1. Improper Influence. Grantee certifies that no Grant Funds have been paid or will be paid by or on behalf of Grantee to any person for influencing or attempting to influence an officer or employee of any government agency, a member of Congress or Illinois General Assembly, an officer or employee of Congress or Illinois General Assembly, or an employee of a member of Congress or Illinois General Assembly in connection with the awarding of any agreement, the making of any grant, the making of any loan, the entering into of any cooperative agreement, or the extension, continuation, renewal, amendment or modification of any agreement, grant, loan or cooperative agreement. 31 USC 1352. Additionally, Grantee certifies that it has filed the required certification under the Byrd Anti-Lobbying Amendment (31 USC 1352), if applicable.

11.2. Federal Form LLL. If any funds, other than federally-appropriated funds, were paid or will be paid to any person for influencing or attempting to influence any of the above persons in connection with this Agreement, the undersigned must also complete and submit Federal Form LLL, Disclosure of Lobbying Activities Form, in accordance with its instructions.

11.3. Lobbying Costs. Grantee certifies that it is in compliance with the restrictions on lobbying set

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forth in 2 CFR 200.450. For any Indirect Costs associated with this Agreement, total lobbying costs shall be separately identified in the Program Budget, and thereafter treated as other Unallowable Costs.

11.4. Procurement Lobbying. Grantee warrants and certifies that it and, to the best of its knowledge, its sub-grantees have complied and will comply with Executive Order No. 1 (2007) (EO 1-2007). EO 1-2007 generally prohibits Grantees and subcontractors from hiring the then-serving Governor's family members to lobby procurement activities of the State, or any other unit of government in Illinois including local governments, if that procurement may result in a contract valued at over $25,000. This prohibition also applies to hiring for that same purpose any former State employee who had procurement authority at any time during the one-year period preceding the procurement lobbying activity.

11.5. Subawards. Grantee must include the language of this ARTICLE XI in the award documents for any subawards made pursuant to this Award at all tiers. All sub-awardees are also subject to certification and disclosure. Pursuant to Appendix II(I) to 2 CFR Part 200, Grantee shall forward all disclosures by contractors regarding this certification to Grantor.

11.6. Certification. This certification is a material representation of fact upon which reliance was placed to enter into this transaction and is a prerequisite for this transaction, pursuant to 31 USC 1352. Any person who fails to file the required certifications shall be subject to a civil penalty of not less than $10,000, and not more than $100,000, for each such failure.

ARTICLE XII
MAINTENANCE AND ACCESSIBILITY OF RECORDS; MONITORING

12.1. Records Retention. Grantee shall maintain for three (3) years from the date of submission of the final expenditure report, adequate books, all financial records and, supporting documents, statistical records, and all other records pertinent to this Award, adequate to comply with 2 CFR 200.334, unless a different retention period is specified in 2 CFR 200.334 or 44 Ill. Admin. Code 7000.430(a) and (b). If any litigation, claim or audit is started before the expiration of the retention period, the records must be retained until all litigation, claims or audit exceptions involving the records have been resolved and final action taken.

12.2. Accessibility of Records. Grantee, in compliance with 2 CFR 200.337 and 44 Ill. Admin. Code 7000.430(e), shall make books, records, related papers, supporting documentation and personnel relevant to this Agreement available to authorized Grantor representatives, the Illinois Auditor General, Illinois Attorney General, any Executive Inspector General, the Grantor's Inspector General, federal authorities, any person identified in 2 CFR 200.337, and any other person as may be authorized by Grantor (including auditors), by the state of Illinois or by federal statute. Grantee shall cooperate fully in any such audit or inquiry.

12.3. Failure to Maintain Books and Records. Failure to maintain books, records and supporting documentation, as described in this ARTICLE XII, shall establish a presumption in favor of the State for the recovery of any funds paid by the State under this Agreement for which adequate books, records and supporting documentation are not available to support disbursement.

12.4. Monitoring and Access to Information. Grantee must monitor its activities to assure compliance with applicable state and federal requirements and to assure its performance expectations are being achieved. Grantor shall monitor the activities of Grantee to assure compliance with all requirements and performance expectations of the award. Grantee shall timely submit all financial and performance reports, and shall supply, upon Grantor's request, documents and information relevant to the Award. Grantor may make site visits as warranted by program needs. *See* 2 CFR 200.329 and 200.332. Additional monitoring requirements may be in **PART TWO** or **PART THREE**.

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ARTICLE XIII
FINANCIAL REPORTING REQUIREMENTS

13.1. Required Periodic Financial Reports. Grantee agrees to submit financial reports as requested and in the format required by Grantor. Grantee shall file quarterly reports with Grantor describing the expenditure(s) of the funds related thereto, unless more frequent reporting is required by the Grantee pursuant to specific award conditions. 2 CFR 200.208. Unless so specified, the first of such reports shall cover the first three months after the Award begins, and reports must be submitted no later than the due date(s) specified in **PART TWO** or **PART THREE**, unless additional information regarding required financial reports is set forth in **Exhibit G**. Failure to submit the required financial reports may cause a delay or suspension of funding. 30 ILCS 705/1 et seq.; 2 CFR 208(b)(3) and 200.328. Any report required by 30 ILCS 708/125 may be detailed in **PART TWO** or **PART THREE**.

13.2. Close-out Reports.

(a) Grantee shall submit a Close-out Report no later than the due date specified in **PART TWO** or **PART THREE** following the end of the period of performance for this Agreement or Agreement termination. The format of this Close-out Report shall follow a format prescribed by Grantor. 2 CFR 200.344; 44 Ill. Admin. Code 7000.440(b).

(b) If an audit or review of Grantee occurs and results in adjustments after Grantee submits a Close-out Report, Grantee will submit a new Close-out Report based on audit adjustments, and immediately submit a refund to Grantor, if applicable. 2 CFR 200.345.

13.3. Effect of Failure to Comply. Failure to comply with reporting requirements shall result in the withholding of funds, the return of Improper Payments or Unallowable Costs, will be considered a material breach of this Agreement and may be the basis to recover Grant Funds. Grantee's failure to comply with this ARTICLE XIII, ARTICLE XIV, or ARTICLE XV shall be considered prima facie evidence of a breach and may be admitted as such, without further proof, into evidence in an administrative proceeding before Grantor, or in any other legal proceeding. Grantee should refer to the State of Illinois Grantee Compliance Enforcement System for policy and consequences for failure to comply. 44 Ill. Admin. Code 7000.80.

ARTICLE XIV
PERFORMANCE REPORTING REQUIREMENTS

14.1. Required Periodic Performance Reports. Grantee agrees to submit Performance Reports as requested and in the format required by Grantor. Performance Measures listed in **Exhibit E** must be reported quarterly, unless otherwise specified in **PART TWO**, **PART THREE** or **Exhibit G**. Unless so specified, the first of such reports shall cover the first three months after the Award begins. If Grantee is not required to report performance quarterly, then Grantee must submit a Performance Report at least annually. Pursuant to 2 CFR 200.208, specific conditions may be imposed requiring Grantee to report more frequently based on the risk assessment or the merit-based review of the application. In such cases, Grantor shall notify Grantee of same in **Exhibit G**. Pursuant to 2 CFR 200.329 and 44 Ill. Admin. Code 7000.410(b)(2), periodic Performance Reports shall be submitted no later than the due date(s) specified in **PART TWO** or **PART THREE**. For certain construction-related Awards, such reports may be exempted as identified in **PART TWO** or **PART THREE**. 2 CFR 200.329. Failure to submit such required Performance Reports may cause a delay or suspension of funding. 30 ILCS 705/1 *et seq.*

14.2. Close-out Performance Reports. Grantee agrees to submit a Close-out Performance Report, in the format required by Grantor, no later than the due date specified in **PART TWO** or **PART THREE** following the end of the period of performance or Agreement termination. *See* 2 CFR 200.344; 44 Ill. Admin. Code 7000.440(b)(1).

14.3. Content of Performance Reports. Pursuant to 2 CFR 200.329(b) and (c), all Performance Reports

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must relate the financial data and accomplishments to the performance goals and objectives of this Award and also include the following: a comparison of actual accomplishments to the objectives of the award established for the period; where the accomplishments can be quantified, a computation of the cost; and demonstration of cost effective practices (e.g., through unit cost data); performance trend data and analysis if required; and reasons why established goals were not met, if appropriate. Appendices may be used to include additional supportive documentation. Additional content and format guidelines for the Performance Reports will be determined by Grantor contingent on the Award's statutory, regulatory and administrative requirements, and are included in **PART TWO** or **PART THREE** of this Agreement.

14.4. Performance Standards. Grantee shall perform in accordance with the Performance Standards set forth in **Exhibit F**. *See* 2 CFR 200.301 and 200.210.

ARTICLE XV
AUDIT REQUIREMENTS

15.1. Audits. Grantee shall be subject to the audit requirements contained in the Single Audit Act Amendments of 1996 (31 USC 7501-7507) and Subpart F of 2 CFR Part 200, and the audit rules and policies set forth by the Governor's Office of Management and Budget. See 30 ILCS 708/65(c); 44 Ill. Admin. Code 7000.90.

15.2. Consolidated Year-End Financial Reports (CYEFR). All grantees are required to complete and submit a CYEFR through the Grantee Portal. The CYEFR is a required schedule in the Grantee's audit report if the Grantee is required to complete and submit an audit report as set forth herein.

(a) This Paragraph 15.2 applies to all Grantees, unless exempted pursuant to a federal or state statute or regulation, which is identified in **PART TWO** or **PART THREE**.

(b) The CYEFR must cover the same period as the Audited Financial Statements, if required, and must be submitted in accordance with the audit schedule at 44 Ill. Admin. Code 7000.90. If Audited Financial Statements are not required, however, then the CYEFR must cover the Grantee's fiscal year and must be submitted within 6 months of the Grantee's fiscal year-end.

(c) CYEFRs must include an in relation to opinion from the auditor of the financial statements included in the CYEFR.

(d) CYEFRs shall follow a format prescribed by Grantor.

15.3. Audit Requirements.

(a) Single and Program-Specific Audits. If, during its fiscal year, Grantee expends $750,000 or more in Federal Awards (direct federal and federal pass-through awards combined), Grantee must have a single audit or program-specific audit conducted for that year as required by 2 CFR 200.501 and other applicable sections of Subpart F of 2 CFR Part 200. The audit report packet must be completed as described in 2 CFR 200.512 (single audit) or 2 CFR 200.507 (program-specific audit), 44 Ill. Admin. Code 7000.90(h)(1) and the current GATA audit manual and submitted to the Federal Audit Clearinghouse, as required by 2 CFR 200.512. The results of peer and external quality control reviews, management letters, AU-C 265 communications and the Consolidated Year-End Financial Report(s) must be submitted to the Grantee Portal. The due date of all required submissions set forth in this Paragraph is the earlier of (i) 30 calendar days after receipt of the auditor's report(s) or (ii) nine (9) months after the end of the Grantee's audit period.

(b) Financial Statement Audit. If, during its fiscal year, Grantee expends less than $750,000 in Federal Awards, Grantee is subject to the following audit requirements:

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(i) If, during its fiscal year, Grantee expends $500,000 or more in Federal and state Awards, singularly or in any combination, from all sources, Grantee must have a financial statement audit conducted in accordance with the Generally Accepted Government Auditing Standards (GAGAS). Grantee may be subject to additional requirements in **PART TWO**, **PART THREE** or **Exhibit G** based on the Grantee's risk profile.

(ii) If, during its fiscal year, Grantee expends less than $500,000 in Federal and state Awards, singularly or in any combination, from all sources, but expends $300,000 or more in Federal and state Awards, singularly or in any combination, from all sources, Grantee must have a financial statement audit conducted in accordance with the Generally Accepted Auditing Standards (GAAS).

(iii) If Grantee is a Local Education Agency (as defined in 34 CFR 77.1), Grantee shall have a financial statement audit conducted in accordance with GAGAS, as required by 23 Ill. Admin. Code 100.110, regardless of the dollar amount of expenditures of Federal and state Awards.

(iv) If Grantee does not meet the requirements in subsections 15.3(a) and 15.3(b)(i-iii) but is required to have a financial statement audit conducted based on other regulatory requirements, Grantee must submit those audits for review.

(v) Grantee must submit its financial statement audit report packet, as set forth in 44 Ill. Admin. Code 7000.90(h)(2) and the current GATA audit manual, to the Grantee Portal within the earlier of (i) 30 calendar days after receipt of the auditor's report(s) or (ii) 6 months after the end of the Grantee's audit period.

15.4. Performance of Audits. For those organizations required to submit an independent audit report, the audit is to be conducted by the Illinois Auditor General, or a Certified Public Accountant or Certified Public Accounting Firm licensed in the state of Illinois or in accordance with Section 5.2 of the Illinois Public Accounting Act (225 ILCS 450/5.2). For all audits required to be performed subject to Generally Accepted Government Auditing standards or Generally Accepted Auditing standards, Grantee shall request and maintain on file a copy of the auditor's most recent peer review report and acceptance letter. Grantee shall follow procedures prescribed by Grantor for the preparation and submission of audit reports and any related documents.

15.5. Delinquent Reports. Notwithstanding anything herein to the contrary, when such reports or statements required under this section are prepared by the Illinois Auditor General, if they are not available by the above-specified due date, they will be provided to Grantor within thirty (30) days of becoming available. Otherwise, Grantee should refer to the State of Illinois Grantee Compliance Enforcement System for the policy and consequences for late reporting. 44 Ill. Admin. Code 7000.80.

ARTICLE XVI
TERMINATION; SUSPENSION; NON-COMPLIANCE

16.1. Termination.

(a) This Agreement may be terminated, in whole or in part, by either Party for any or no reason upon thirty (30) calendar days' prior written notice to the other Party. If terminated by the Grantee, Grantee must include the reasons for such termination, the effective date, and, in the case of a partial termination, the portion to be terminated. If Grantor determines in the case of a partial termination that the reduced or modified portion of the Award will not accomplish the purposes for which the Award was made, Grantor may terminate the Agreement in its entirety. 2 CFR 200.340(a)(4).

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(b) This Agreement may be terminated, in whole or in part, by Grantor without advance notice:

(i) Pursuant to a funding failure under Paragraph 4.1;

(ii) If Grantee fails to comply with the terms and conditions of this or any Award, application or proposal, including any applicable rules or regulations, or has made a false representation in connection with the receipt of this or any Grant;

(iii) If the Award no longer effectuates the program goals or agency priorities as set forth in Exhibit A, PART TWO or PART THREE; or

(iv) If Grantee breaches this Agreement and either (1) fails to cure such breach within 15 calendar days' written notice thereof, or (2) if such cure would require longer than 15 calendar days and the Grantee has failed to commence such cure within 15 calendar days' written notice thereof. In the event that Grantor terminates this Agreement as a result of the breach of the Agreement by Grantee, Grantee shall be paid for work satisfactorily performed prior to the date of termination.

16.2. Suspension. Grantor may suspend this Agreement, in whole or in part, pursuant to a funding failure under Paragraph 4.1 or if the Grantee fails to comply with terms and conditions of this or any Award. If suspension is due to Grantee's failure to comply, Grantor may withhold further payment and prohibit Grantee from incurring additional obligations pending corrective action by Grantee or a decision to terminate this Agreement by Grantor. Grantor may determine to allow necessary and proper costs that Grantee could not reasonably avoid during the period of suspension.

16.3. Non-compliance. If Grantee fails to comply with the U.S. Constitution, applicable statutes, regulations or the terms and conditions of this or any Award, Grantor may impose additional conditions on Grantee, as described in 2 CFR 200.208. If Grantor determines that non-compliance cannot be remedied by imposing additional conditions, Grantor may take one or more of the actions described in 2 CFR 200.339. The Parties shall follow all Grantor policies and procedures regarding non-compliance, including, but not limited to, the procedures set forth in the State of Illinois Grantee Compliance Enforcement System. 44 Ill. Admin. Code 7000.80 and 7000.260.

16.4. Objection. If Grantor suspends or terminates this Agreement, in whole or in part, for cause, or takes any other action in response to Grantee's non-compliance, Grantee may avail itself of any opportunities to object and challenge such suspension, termination or other action by Grantor in accordance with any applicable processes and procedures, including, but not limited to, the procedures set forth in the State of Illinois Grantee Compliance Enforcement System. 2 CFR 200.342; 44 Ill. Admin. Code 7000.80 and 7000.260.

16.5. Effects of Suspension and Termination.

(a) Grantor may credit Grantee for expenditures incurred in the performance of authorized services under this Agreement prior to the effective date of a suspension or termination.

(b) Grantee shall not incur any costs or obligations that require the use of these Grant Funds after the effective date of a suspension or termination, and shall cancel as many outstanding obligations as possible.

(c) Costs to Grantee resulting from obligations incurred by Grantee during a suspension or after termination of the Agreement are not allowable unless:

(i) Grantor expressly authorizes them in the notice of suspension or termination;

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and

(ii) The costs result from obligations properly incurred before the effective date of suspension or termination, are not in anticipation of the suspension or termination, and the costs would be allowable if the Agreement was not suspended or terminated. 2 CFR 200.343.

16.6. Close-out of Terminated Agreements. If this Agreement is terminated, in whole or in part, the Parties shall comply with all close-out and post-termination requirements of this Agreement. 2 CFR 200.340(d).

ARTICLE XVII
SUBCONTRACTS/SUB-GRANTS

17.1. Sub-recipients/Delegation. Grantee may not subcontract nor sub-grant any portion of this Agreement nor delegate any duties hereunder without Prior Approval of Grantor. The requirement for Prior Approval is satisfied if the subcontractor or sub-grantee has been identified in the Uniform Grant Application, such as, without limitation, a Project Description, and Grantor has approved. Grantee must notify any potential sub-recipient that the sub-recipient shall obtain and provide to the Grantee a Unique Entity Identifier prior to receiving a subaward. 2 CFR 25.300.

17.2. Application of Terms. Grantee shall advise any sub-grantee of funds awarded through this Agreement of the requirements imposed on them by federal and state laws and regulations, and the provisions of this Agreement. The terms of this Agreement shall apply to all subawards authorized in accordance with Paragraph 17.1. 2 CFR 200.101(b)(2).

17.3. Liability as Guaranty. Grantee shall be liable as guarantor for any Grant Funds it obligates to a sub-grantee or sub-contractor pursuant to Paragraph 17.1 in the event the Grantor determines the funds were either misspent or are being improperly held and the sub-grantee or sub-contractor is insolvent or otherwise fails to return the funds. 2 CFR 200.345; 30 ILCS 705/6; 44 Ill. Admin. Code 7000.450(a).

ARTICLE XVIII
NOTICE OF CHANGE

18.1. Notice of Change. Grantee shall notify the Grantor if there is a change in Grantee's legal status, federal employer identification number (FEIN), DUNS Number, UEI, SAM registration status, Related Parties, or address. *See* 30 ILCS 708/60(a). If the change is anticipated, Grantee shall give thirty (30) days' prior written notice to Grantor. If the change is unanticipated, Grantee shall give notice as soon as practicable thereafter. Grantor reserves the right to take any and all appropriate action as a result of such change(s).

18.2. Failure to Provide Notification. To the extent permitted by Illinois law, Grantee shall hold harmless Grantor for any acts or omissions of Grantor resulting from Grantee's failure to notify Grantor of these changes.

18.3. Notice of Impact. Grantee shall immediately notify Grantor of any event that may have a material impact on Grantee's ability to perform this Agreement.

18.4. Circumstances Affecting Performance; Notice. In the event Grantee becomes a party to any litigation, investigation or transaction that may reasonably be considered to have a material impact on Grantee's ability to perform under this Agreement, Grantee shall notify Grantor, in writing, within five (5) calendar days of determining such litigation or transaction may reasonably be considered to have a material impact on the

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Grantee's ability to perform under this Agreement.

18.5. Effect of Failure to Provide Notice. Failure to provide the notice described in Paragraph 18.4 shall be grounds for immediate termination of this Agreement and any costs incurred after notice should have been given shall be disallowed.

ARTICLE XIX
STRUCTURAL REORGANIZATION

19.1. Effect of Reorganization. Grantee acknowledges that this Agreement is made by and between Grantor and Grantee, as Grantee is currently organized and constituted. No promise or undertaking made hereunder is an assurance that Grantor agrees to continue this Agreement, or any license related thereto, should Grantee significantly reorganize or otherwise substantially change the character of its corporate structure, business structure or governance structure. Grantee agrees that it will give Grantor prior notice of any such action or changes significantly affecting its overall structure, and will provide any and all reasonable documentation necessary for Grantor to review the proposed transaction including financial records and corporate and shareholder minutes of any corporation which may be involved. This ARTICLE XIX does not require Grantee to report on minor changes in the makeup of its governance structure. Nevertheless, **PART TWO** or **PART THREE** may impose further restrictions. Failure to comply with this ARTICLE XIX shall constitute a material breach of this Agreement.

ARTICLE XX
AGREEMENTS WITH OTHER STATE AGENCIES

20.1. Copies upon Request. Grantee shall, upon request by Grantor, provide Grantor with copies of contracts or other agreements to which Grantee is a party with any other State agency.

ARTICLE XXI
CONFLICT OF INTEREST

21.1. Required Disclosures. Grantee must immediately disclose in writing any potential or actual Conflict of Interest to the Grantor. 2 CFR 200.113 and 30 ILCS 708/35.

21.2. Prohibited Payments. Grantee agrees that payments made by Grantor under this Agreement will not be used to compensate, directly or indirectly, any person currently holding an elective office in this State including, but not limited to, a seat in the General Assembly. In addition, where the Grantee is not an instrumentality of the State of Illinois, as described in this Paragraph, Grantee agrees that payments made by Grantor under this Agreement will not be used to compensate, directly or indirectly, any person employed by an office or agency of the state of Illinois whose annual compensation is in excess of sixty percent (60%) of the Governor's annual salary, or $106,447.20 (30 ILCS 500/50-13). An instrumentality of the State of Illinois includes, without limitation, State departments, agencies, boards, and State universities. An instrumentality of the State of Illinois does not include, without limitation, municipalities and units of local government and related entities. 2 CFR 200.64.

21.3. Request for Exemption. Grantee may request written approval from Grantor for an exemption from Paragraph 21.2. Grantee acknowledges that Grantor is under no obligation to provide such exemption and that Grantor may, if an exemption is granted, grant such exemption subject to such additional terms and conditions as Grantor may require.

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ARTICLE XXII
EQUIPMENT OR PROPERTY

22.1. Transfer of Equipment. Grantor shall have the right to require that Grantee transfer to Grantor any equipment, including title thereto, purchased in whole or in part with Grantor funds, if Grantor determines that Grantee has not met the conditions of 2 CFR 200.439. Grantor shall notify Grantee in writing should Grantor require the transfer of such equipment. Upon such notification by Grantor, and upon receipt or delivery of such equipment by Grantor, Grantee will be deemed to have transferred the equipment to Grantor as if Grantee had executed a bill of sale therefor.

22.2. Prohibition against Disposition/Encumbrance. The Grantee is prohibited from, and may not sell, transfer, encumber (other than original financing) or otherwise dispose of said equipment, material, or real property during the Grant Term without Prior Approval of Grantor. Any real property acquired using Grant Funds must comply with the requirements of 2 CFR 200.311.

22.3. Equipment and Procurement. Grantee must comply with the uniform standards set forth in 2 CFR 200.310–200.316 governing the management and disposition of property which cost was supported by Grant Funds. Any waiver from such compliance must be granted by either the President's Office of Management and Budget, the Governor's Office of Management and Budget, or both, depending on the source of the Grant Funds used. Additionally, Grantee must comply with the standards set forth in 2 CFR 200.317-200.326 for use in establishing procedures for the procurement of supplies and other expendable property, equipment, real property and other services with Grant Funds. These standards are furnished to ensure that such materials and services are obtained in an effective manner and in compliance with the provisions of applicable federal and state statutes and executive orders.

22.4. Equipment Instructions. Grantee must obtain disposition instructions from Grantor when equipment, purchased in whole or in part with Grant Funds, are no longer needed for their original purpose. Notwithstanding anything to the contrary contained within this Agreement, Grantor may require transfer of any equipment to Grantor or a third party for any reason, including, without limitation, if Grantor terminates the Award or Grantee no longer conducts Award activities. The Grantee shall properly maintain, track, use, store and insure the equipment according to applicable best practices, manufacturer's guidelines, federal and state laws or rules, and Grantor requirements stated herein.

22.5. Domestic Preferences for Procurements. In accordance with 2 CFR 200.322, as appropriate and to the extent consistent with law, the Grantee should, to the greatest extent practicable under this Award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this paragraph must be included in all subawards and in all contracts and purchase orders for work or products under this Award.

ARTICLE XXIII
PROMOTIONAL MATERIALS; PRIOR NOTIFICATION

23.1. Publications, Announcements, etc. Use of Grant Funds for promotions is subject to the prohibitions for advertising or public relations costs in 2 CFR 200.421(e). In the event that Grantor funds are used in whole or in part to produce any written publications, announcements, reports, flyers, brochures or other written materials, Grantee shall obtain Prior Approval for the use of those funds (2 CFR 200.467) and agrees to include in these publications, announcements, reports, flyers, brochures and all other such material, the phrase "Funding provided in whole or in part by the [Grantor]." Exceptions to this requirement must be requested, in writing, from Grantor and will be considered authorized only upon written notice thereof to Grantee.

Attachment: Grant Agreement [Revision 1] (Acceptance of Illinois Broadband Grant (CA))

23.2. Prior Notification/Release of Information. Grantee agrees to notify Grantor ten (10) days prior to issuing public announcements or press releases concerning work performed pursuant to this Agreement, or funded in whole or in part by this Agreement, and to cooperate with Grantor in joint or coordinated releases of information.

ARTICLE XXIV
INSURANCE

24.1. Maintenance of Insurance. Grantee shall maintain in full force and effect during the Term of this Agreement casualty and bodily injury insurance, as well as insurance sufficient to cover the replacement cost of any and all real or personal property, or both, purchased or, otherwise acquired, or improved in whole or in part, with funds disbursed pursuant to this Agreement. 2 CFR 200.310. Additional insurance requirements may be detailed in **PART TWO** or **PART THREE**.

24.2. Claims. If a claim is submitted for real or personal property, or both, purchased in whole with funds from this Agreement and such claim results in the recovery of money, such money recovered shall be surrendered to Grantor.

ARTICLE XXV
LAWSUITS

25.1. Independent Contractor. Neither Grantee nor any employee or agent of Grantee acquires any employment rights with Grantor by virtue of this Agreement. Grantee will provide the agreed services and achieve the specified results free from the direction or control of Grantor as to the means and methods of performance. Grantee will be required to provide its own equipment and supplies necessary to conduct its business; provided, however, that in the event, for its convenience or otherwise, Grantor makes any such equipment or supplies available to Grantee, Grantee's use of such equipment or supplies provided by Grantor pursuant to this Agreement shall be strictly limited to official Grantor or state of Illinois business and not for any other purpose, including any personal benefit or gain.

25.2. Liability. Neither Party shall be liable for actions chargeable to the other Party under this Agreement including, but not limited to, the negligent acts and omissions of Party's agents, employees or subcontractors in the performance of their duties as described under this Agreement, unless such liability is imposed by law. This Agreement shall not be construed as seeking to enlarge or diminish any obligation or duty owed by one Party against the other or against a third party.

ARTICLE XXVI
MISCELLANEOUS

26.1. Gift Ban. Grantee is prohibited from giving gifts to State employees pursuant to the State Officials and Employees Ethics Act (5 ILCS 430/10-10) and Executive Order 15-09.

26.2. Access to Internet. Grantee must have Internet access. Internet access may be either dial-up or high-speed. Grantee must maintain, at a minimum, one business e-mail address that will be the primary receiving point for all e-mail correspondence from Grantor. Grantee may list additional e-mail addresses at any time during the Term of this Agreement. The additional addresses may be for a specific department or division of Grantee or for specific employees of Grantee. Grantee must notify Grantor of any e-mail address changes within five (5) business days from the effective date of the change.

Attachment: Grant Agreement [Revision 1] (Acceptance of Illinois Broadband Grant (CA))

26.3. Exhibits and Attachments. **Exhibits A** through **G**, **PART TWO**, **PART THREE**, if applicable, and all other exhibits and attachments hereto are incorporated herein in their entirety.

26.4. Assignment Prohibited. Grantee acknowledges that this Agreement may not be sold, assigned, or transferred in any manner by Grantee, to include an assignment of Grantee's rights to receive payment hereunder, and that any actual or attempted sale, assignment, or transfer by Grantee without the Prior Approval of Grantor in writing shall render this Agreement null, void and of no further effect.

26.5. Amendments. This Agreement may be modified or amended at any time during its Term by mutual consent of the Parties, expressed in writing and signed by the Parties.

26.6. Severability. If any provision of this Agreement is declared invalid, its other provisions shall not be affected thereby.

26.7. No Waiver. No failure of either Party to assert any right or remedy hereunder will act as a waiver of either Party's right to assert such right or remedy at a later time or constitute a course of business upon which either Party may rely for the purpose of denial of such a right or remedy.

26.8. Applicable Law; Claims. This Agreement and all subsequent amendments thereto, if any, shall be governed and construed in accordance with the laws of the state of Illinois. Any claim against Grantor arising out of this Agreement must be filed exclusively with the Illinois Court of Claims. 705 ILCS 505/1 *et seq.* Grantor does not waive sovereign immunity by entering into this Agreement.

26.9. Compliance with Law. This Agreement and Grantee's obligations and services hereunder are hereby made and must be performed in compliance with all applicable federal and State laws, including, without limitation, federal regulations, State administrative rules, including 44 Ill. Admin. Code 7000, and any and all license requirements or professional certification provisions.

26.10. Compliance with Confidentiality Laws. If applicable, Grantee shall comply with applicable state and federal statutes, federal regulations and Grantor administrative rules regarding confidential records or other information obtained by Grantee concerning persons served under this Agreement. The records and information shall be protected by Grantee from unauthorized disclosure.

26.11. Compliance with Freedom of Information Act. Upon request, Grantee shall make available to Grantor all documents in its possession that Grantor deems necessary to comply with requests made under the Freedom of Information Act. (5 ILCS 140/7(2)).

26.12. Precedence.

(a) Except as set forth in subparagraph (b), below, the following rules of precedence are controlling for this Agreement: In the event there is a conflict between this Agreement and any of the exhibits or attachments hereto, this Agreement shall control. In the event there is a conflict between **PART ONE** and **PART TWO** or **PART THREE** of this Agreement, **PART ONE** shall control. In the event there is a conflict between **PART TWO** and **PART THREE** of this Agreement, **PART TWO** shall control. In the event there is a conflict between this Agreement and relevant statute(s) or rule(s), the relevant statute(s) or rule(s) shall control.

(b) Notwithstanding the provisions in subparagraph (a), above, if a relevant federal or state statute(s) or rule(s) requires an exception to this Agreement's provisions, or an exception to a requirement in this Agreement is granted by GATU, such exceptions must be noted in **PART TWO** or **PART THREE**, and in such cases, those requirements control.

Attachment: Grant Agreement [Revision 1] (Acceptance of Illinois Broadband Grant (CA))

26.13. Illinois Grant Funds Recovery Act. In the event of a conflict between the Illinois Grant Funds Recovery Act and the Grant Accountability and Transparency Act, the provisions of the Grant Accountability and Transparency Act shall control. 30 ILCS 708/80.

26.14. Headings. Article and other headings contained in this Agreement are for reference purposes only and are not intended to define or limit the scope, extent or intent of this Agreement or any provision hereof.

26.15. Entire Agreement. Grantee and Grantor acknowledge that this Agreement constitutes the entire agreement between them and that no promises, terms, or conditions not recited, incorporated or referenced herein, including prior agreements or oral discussions, shall be binding upon either Grantee or Grantor.

26.16. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be considered to be one and the same agreement, binding on all Parties hereto, notwithstanding that all Parties are not signatories to the same counterpart. Duplicated signatures, signatures transmitted via facsimile, or signatures contained in a Portable Document Format (PDF) document shall be deemed original for all purposes.

26.17. Attorney Fees and Costs. Unless prohibited by law, if Grantor prevails in any proceeding to enforce the terms of this Agreement, including any administrative hearing pursuant to the Grant Funds Recovery Act or the Grant Accountability and Transparency Act, the Grantor has the right to recover reasonable attorneys' fees, costs and expenses associated with such proceedings.

26.18. Continuing Responsibilities. The termination or expiration of this Agreement does not affect: (a) the right of the Grantor to disallow costs and recover funds based on a later audit or other review; (b) the obligation of the Grantee to return any funds due as a result of later refunds, corrections or other transactions, including, without limitation, final Indirect Cost Rate adjustments and those funds obligated pursuant to ARTICLE XVII; (c) the Consolidated Year-End Financial Report; (d) audit requirements established in ARTICLE XV; (e) property management and disposition requirements established in 2 CFR 200.310 through 2 CFR 200.316 and ARTICLE XXII; or (f) records related requirements pursuant to ARTICLE XII. 44 Ill. Admin. Code 7000.450.

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Attachment: Grant Agreement [Revision 1] (Acceptance of Illinois Broadband Grant (CA))

EXHIBIT A

PROJECT DESCRIPTION

Grantee must complete the Award Activities described on this Exhibit A, the Deliverables and Milestones listed on Exhibit B and the Performance Measures listed on Exhibit E within the term of this Agreement, as provided in paragraph 1.4, herein.

AUTHORITY: The Grantor is authorized to make this Award pursuant to 20 ILCS 605/605-55 and/or 20 ILCS 605/605-30.

The purpose of this authority is as follows:

To make and enter into contracts, including grants, as authorized pursuant to appropriations by the General Assembly. and/or to use the State and federal programs, grants, and subsidies that are available to assist in the discharge of the provisions of the Civil Administrative Code of Illinois.

PROJECT DESCRIPTION:

The Grantee is a local government entity located at 200 East Wood Street in Palatine. Operating to support and provide services to the residents and community. The mission is to be a financially sound, responsive, and responsible Village government recognized for excellence in municipal services delivered by a workforce of the community.

This Grant-funded project will include a portion of the costs associated with extending the Grantee's private fiber network to the north end of the city. Connecting the Community Resource Center (CRC) to the fiber network will enable anchor institutions to provide network services from the CRC to the primary locations. The project will provide anchor institutions with 1 GB symmetrical speeds. The fiber line will be extended through two phases. First the network will extend from the current termination location of Hicks/Dundee approximately 0.5 miles to the North Supply location. The second phase continues from the North Supply location approximately 0.3 miles to the CRC. The project architecture will use 24-strand single-mode fiber optic cable buried underground. The project will provide state-of-the-art broadband service to approximately six (6) institutions within the CRC. Grant funds will include Equipment/Material/Labor costs of items needed to extend the network. Grant funds will also cover costs of items such as: Design & Engineering costs of engineering services; Building/Land Purchase costs for right of ways; Construction Management/Oversight costs of project supervision; Other Construction Expenses costs for excavation and restoration activities; Contingency costs for unexpected expenses; and Construction costs to build the network.

Specifically, Grant funds will include costs associated with the project as follows:

"Design & Engineering"- costs associated with design of network mapping and determination of equipment needs for the project.

"Building/Land Purchase"- costs associated with the purchase of land rights to cross Rand Road.

"Equipment/Materials/Labor"- costs associated with the purchase and installation of bondable items such as: approximately 1757 ft 1.5" HDPE Conduit, 1920 ft 12 F single mode gel free single armor single jacket fiber optic cable, 1890 ft #12 trace wire, 6 hand holes; and fiber splicing.

"Construction Management/Oversight"- costs associated with management and oversight of contractors and construction activities.

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"Other Construction Expenses"- costs associated with the excavation, restoration, and installation/testing of broadband service.

"Contingency"- costs associated with potential cost overruns.

"Construction"- costs associated with building out the core network infrastructure to the last mile infrastructure.

This project will benefit the public by providing broadband internet service to multiple institutions serving low-income residents. The enhanced broadband service will allow for suitable speeds for entities to deliver improved services and allow additional options to the population served. The fiber expansion will allow anchor institution branches to provide enhanced services.

Attachment: Grant Agreement [Revision 1] (Acceptance of Illinois Broadband Grant (CA))

EXHIBIT B

DELIVERABLES OR MILESTONES

Within thirty (30) days of the execution of the Agreement, the Grantee will provide a detailed timeline of projected deliverables, which must be approved by Grantor. The timeline and any subsequent revisions shall be incorporated by reference into this Agreement. The timeline will be submitted in conjunction with the initial Periodic Performance Report (PPR). The timeline will be used to measure performance throughout the life of the Award and will be updated and reported on each PPR reporting due date.

1. **Administer the project.** Grantee will match the State's Connect Illinois investment at an equal or greater dollar amount of the overall eligible expenditures for the project.

2. **Acquire, construct, install broadband infrastructure and provide access to broadband service** to all passings in the location as outlined in Grantee's Connect Illinois broadband grant application at service levels stated in the application (Exhibit A), and with capability to scale to speeds of at least 100 megabits per second download and 100 megabits per second upload (100/100 Mbps). In addition, these passings will be:

   a. served under the conditions and subject to pricing stated in the grant application
   b. not denied last-mile network connectivity and/or service
   c. served within a reasonable time period (typically, within 10 business days of request)

3. **Reporting & reimbursement:** Grantee will file required reports using form(s) provided by Illinois Office of Broadband. As part of this reporting, Grantee will send any requested mapping data updates to the state broadband mapping contractor, copying the Illinois Office of Broadband on the submission.

   Schedule for reports is included in Section 40.3.

   Project summary: Submit a project summary to the Illinois Office of Broadband detailing the work completed, with the final payment request for the period.

   Final close-out report: Due 30 days after conclusion of grant contract period or conclusion of the project, whichever comes first. The final report will include sending an as-built map of the completed project area to the Illinois Office of Broadband mapping contractor, and a timeline for the implementation of a post-project survey of customers who are using the services provided via the grant project. The Illinois Office of Broadband will provide the final close-out report form to the Grantee to complete prior to the close-out visit/call, and will supply the post-project survey instrument.

4. **Keep financial records,** including properly executed contracts, invoices, receipts, vouchers, and other documents sufficient to evidence in proper detail the nature and propriety of the expenditures made pursuant to this Grant Agreement. Accounting methods must be in accordance with generally accepted accounting principles.

5. **Complete the project** in accordance with the approved budget within the time frame specified in this Grant Agreement.

6. **Promptly notify the Illinois Office of Broadband of any proposed material change** to the scope of the project, budget or completion date, which must be approved by the Illinois Office of Broadband, prior to implementation. A material change is defined as work not indicated in the budget and may result in the need for a contract amendment.

Attachment: Grant Agreement [Revision 1] (Acceptance of Illinois Broadband Grant (CA))

7. **Have on file the necessary documentation,** including payroll records, to show that all project funds have been used for the items stated in the application.

8. **Adhere to all other requirements in this Grant Agreement.**

Attachment: Grant Agreement [Revision 1] (Acceptance of Illinois Broadband Grant (CA))

EXHIBIT C

PAYMENT

Grantee shall receive $101,387.00 under this Agreement.

Enter specific terms of payment here:

The Award amount listed above is not a guarantee of payment, and Grantee's receipt of Grant Funds is contingent upon all terms and conditions of this Agreement.

Variable Advance/Remainder based on cash needs/reimbursement (Not to Exceed 25% Advance)
The Grantor shall authorize an initial disbursement in an amount sufficient to address the Grantee's immediate cash needs according to their reported and Grantor approved obligations. Thereafter, the payments may be made for the dual purpose of reimbursing for expenditures incurred as well as documented cash needs of the Grantee as approved by the Grantor.

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EXHIBIT D

CONTACT INFORMATION

CONTACT FOR NOTIFICATION:

Unless specified elsewhere, all notices required or desired to be sent by either Party shall be sent to the persons listed below.

The Grantee acknowledges and agrees that its address set forth below is its current address and shall be considered its last known address for purposes of receiving any and all notice(s) required under this Agreement. The Grantee further acknowledges and agrees that the Grantor is justified in relying upon the address information furnished to it by the Grantee in absence of notice to the contrary. The Grantee also acknowledges and agrees that it has the burden of notifying the Grantor of its current/last known address. In the event that the Grantee changes its current address, it shall contact its Grant Manager and notify him or her of said change of address.

GRANTOR CONTACT

Name:	Tim Laffey
Title:	Grant Manager
Address:	500 E Monroe St Springfield, IL 62701
Phone:	217-782-5968
TTY#:	(800) 785-6055
Fax#:	N/A
Email Address:	tim.laffey@illinois.gov

GRANTEE CONTACT

Name:	Rhonda Malcolm
Title:	IT Manager
Address:	200 E WOOD ST Palatine, IL 60067-5332
Phone:	847-963-6271
TTY#:	N/A
Fax#:	
Email Address:	rmalcolm@palatine.il.us
Additional Information:	

The following are designated as Authorized Designee(s) for the Grantee (See Part Two, Article XXVII):

Authorized Designee: George S. Ruppert P.E.
Authorized Designee Title: Village Engineer
Authorized Designee Phone: 847 202 2963
Authorized Designee Email: gruppert@palatine.il.us

Authorized Designee Signature: _____

Authorized Signatory Approval: _____

Authorized Designee: Susan Conn
Authorized Designee Title: Assistant Finance Director
Authorized Designee Phone: 847 359-9074
Authorized Designee Email: sconn@palatine.il.us

Authorized Designee Signature: _____

Authorized Signatory Approval: _____

Attachment: Grant Agreement [Revision 1] (Acceptance of Illinois Broadband Grant (CA))

GRANTOR CONTACT FOR AUDIT OR CONSOLIDATED YEAR-END FINANCIAL REPORTS QUESTIONS—AUDIT UNIT

Email: externalauditunit@illinois.gov

GRANTOR CONTACT FOR FINANCIAL CLOSEOUT QUESTIONS—PROGRAM ACCOUNTANT

Name: Michael Bland
Email: michael.bland@illinois.gov
Phone: 217-782-9991
Fax#: N/A

Address: 500 E Monroe St
Springfield, IL 62701

Attachment: Grant Agreement [Revision 1] (Acceptance of Illinois Broadband Grant (CA))

EXHIBIT E

PERFORMANCE MEASURES

Within thirty (30) days of the execution of the Agreement, the Grantee will incorporate project specific performance measures within the corresponding section of the Periodic Performance Report (PPR). The project specific performance measures will encompass the following standardized performance measures listed below.

- Did the deliverables listed in the timeline submitted pursuant to Exhibit B lead to the completion of the project described in Exhibit A?
- Given the total amount of Grant Funds available, does the percent currently drawn and expended directly correlate to the percent of the completion of the project to date?
- At the time of the Award closeout, has the Grantee fulfilled the public purpose of the project stated in Exhibit A?

Attachment: Grant Agreement [Revision 1] (Acceptance of Illinois Broadband Grant (CA))

EXHIBIT F

PERFORMANCE STANDARDS

All Connect Illinois grant-funded network construction must be scalable to service at or above 100/100 Mbps.

Connect Illinois grant funds are not intended for providing last-mile access to those locations with service of 100/20 Mbps or better upon posting of the grant round Notice of Funding Opportunity.

The Grantee is expected to promote customer awareness of and participation in the Federal Communications Commission's Affordable Connectivity Program, Lifeline program, or other low-cost plans, where applicable. Service to participating households shall meet or exceed 25/3 Mbps.

Initial pricing is for a three-year period commencing upon initial service availability at a given location.

Within the initial project-specific deployment, separate installation fees for service provided within the project area cannot exceed the monthly price for the level of service purchased.

Pricing with data caps or otherwise limiting data usage is not permitted for service provided through Connect Illinois grant funds.

Project costs will be reimbursed only for construction that occurs in portions of the project area design approved by a certified professional engineer.

Other performance standards and commitments as articulated in the Grantee application.

The Grantor reserves the right to deny any voucher request(s) at its discretion, based on lack of progress toward meeting completion goals. If the Grantee fails to meet any of the performance measures/goals, and if deemed appropriate at the discretion of the Grantor, the Grant Funds may be decreased by an amount proportionate to the size of the shortfall, and/or the Grantee may be responsible for the return of the Grant Funds in the amount specified by the Grantor. Grantor may initiate a grant modification(s) to de-obligate Grant Funds based on non-performance. The Grantee will submit grant modification requests as necessary in a timely manner, including a request to de-obligate Grant Funds in an amount that the Grantee determines will be unspent by the end of the Grant Agreement Term.

Attachment: Grant Agreement [Revision 1] (Acceptance of Illinois Broadband Grant (CA))

EXHIBIT G

SPECIFIC CONDITIONS

Grantor may remove (or reduce) a Specific Condition included in this **Exhibit G** by providing written notice to the Grantee, in accordance with established procedures for removing a Specific Condition.

Specific Conditions:

The result of the Grantee's Internal Control Questionnaire indicated that the Grantee must complete the following specific conditions pursuant to 2 C.F.R. Section 200.302:

ICQ Section:	03-Financial and Regulatory Reporting (2 CFR 200.327)
Conditions:	Requires more detailed reporting; Develop performance measures tied to financial data for this project;
Timeframe:	One year.

There were no conditions resulting from the Programmatic Risk Assessment.

Attachment: Grant Agreement [Revision 1] (Acceptance of Illinois Broadband Grant (CA))

PART TWO – THE GRANTOR-SPECIFIC TERMS

In addition to the uniform requirements in **PART ONE**, the Grantor has the following additional requirements for its Grantee:

ARTICLE XXVII
AUTHORIZED SIGNATORY

27.1. Authorized Signatory. In processing this Award and related documentation, Grantor will only accept materials signed by the Authorized Signatory or Designee of this Agreement, as designated or prescribed herein in paragraph 1.6 or **Exhibit D**. If the Authorized Signatory chooses to assign a designee to sign or submit materials required by this Agreement to Grantor, the Authorized Signatory must either send written notice to Grantor indicating the name of the designee, or provide notice as set forth in **Exhibit D**. Without such notice, Grantor will reject any materials signed or submitted on the Grantee's behalf by anyone other than the Authorized Signatory. The Authorized Signatory must approve each Authorized Designee separately by signing as indicated on **Exhibit D**. If an Authorized Designee(s) appears on **Exhibit D**, please verify the information and indicate any changes as necessary. Signatures of both the Authorized Signatory and the Authorized Designee are required in order for the Authorized Designee to have signature authority under this Agreement.

ARTICLE XXVIII
ADDITIONAL AUDIT PROVISIONS

28.1. Discretionary Audit. The Grantor may, at any time and in its sole discretion, require a program-specific audit, or other audit, SAS 115/AU-C265 letters (Auditor's Communication of Internal Control Related Matters) and SAS 114/AU-C260 letters (Auditor's Communication With Those Charged With Governance).

ARTICLE XXIX
ADDITIONAL MONTORING PROVISIONS

29.1. Access to Documentation. The Award will be monitored for compliance in accordance with the terms and conditions of this Agreement, together with appropriate programmatic rules, regulations, and/or guidelines that the Grantor promulgates or implements. The Grantee must permit any agent authorized by the Grantor, upon presentation of credentials, in accordance with all methods available by law, full access to and the right to examine any document, papers and records either in hard copy or electronic format, of the Grantee involving transactions relating to this Award.

29.2. Cooperation with Audits and Inquiries, Confidentiality. Pursuant to ARTICLE XII, above, the Grantee is obligated to cooperate with the Grantor and other legal authorities in any audit or inquiry related to the Award. The Grantor or any other governmental authority conducting an audit or inquiry may require the Grantee to keep confidential any audit or inquiry and to limit internal disclosure of the audit or inquiry to those Grantee personnel who are necessary to support the Grantee's response to the audit or inquiry. This confidentiality requirement shall not limit Grantee's right to discuss an audit or inquiry with its legal counsel. If a third party seeks to require the Grantee, pursuant to any law, regulation, or legal process, to disclose an audit or inquiry that has been deemed confidential by the Grantor or other governmental authority, the Grantee shall promptly notify the entity that is conducting the audit or inquiry of such effort so that the entity that is conducting the audit or inquiry may seek a protective order, take other appropriate action, or waive compliance by the Grantee with the confidentiality requirement.

ARTICLE XXX
ADDITIONAL INTEREST PROVISIONS

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30.1. Penalty for Non-Interest Bearing Account. If Grantee is required to keep Grant Funds paid in advance of the actual expenditure of funds in an interest-bearing account pursuant to paragraph 4.7 of this Agreement, Grantee will be responsible for the payment of interest to Grantor at a rate equal to twelve percent (12%) per annum on any Grant Funds kept in a non-interest bearing account, unless Grantee receives prior written approval from Grantor. Grant Funds paid in reimbursement of previously paid costs may be kept in a non-interest bearing account at the Grantee's discretion. Exceptions to this paragraph are not permissible without prior written approval by Grantor.

30.2. Interest Earned on Grant Funds. Interest earned on Grant Funds in an amount up to $500 per year may be retained by the Grantee for administrative expenses unless otherwise provided in **PART THREE**. Any additional interest earned on Grant Funds above $500 per year must be returned to the Grantor pursuant to paragraphs 4.3 and 33.2 herein, or as otherwise instructed by the Grant Manager or as set forth in **PART THREE**. All interest earned must be expended prior to Grant Funds. Any unspent Grant Funds or earned interest unspent must be returned as Grant Funds to the Grantor as described in paragraphs 4.3 and 33.2 herein. All interest earned on Grant Funds must be accounted for and reported to the Grantor as provided in ARTICLE XIII herein. If applicable, the Grantor will remit interest earned and returned by Grantee to the U.S. Department of Health and Human Services Payment Management System through the process set forth at 2 CFR 200.305(b)(9), or as otherwise directed by the federal awarding agency. The provisions of this paragraph 30.2 are inapplicable to the extent any statute or rule provides for different treatment of interest income. Any provision that deviates from this paragraph is set forth in **PART THREE**.

ARTICLE XXXI
ADDITIONAL BUDGET PROVISIONS

31.1. Restrictions on Discretionary Line Item Transfers. Unless set forth otherwise in **PART THREE** herein, Budget line item transfers within the guidelines set forth in paragraph 6.3 herein, which would not ordinarily require approval from Grantor, but vary more than ten percent (10%) of the current approved Budget line item amount, are considered changes in the project scope and require Prior Approval from Grantor pursuant to 2 CFR 200.308.

ARTICLE XXXII
ADDITIONAL REPRESENTATIONS AND WARRANTIES

32.1. Grantee Representations and Warranties. In connection with the execution and delivery of this Agreement, the Grantee makes the following representations and warranties to Grantor:

(a) That it has no public or private interest, direct or indirect, and shall not acquire, directly or indirectly any such interest which does or may conflict in any manner with the performance of the Grantee's services and obligations under this Agreement;

(b) That no member of any governing body or any officer, agent or employee of the State, has a personal financial or economic interest directly in this Agreement, or any compensation to be paid hereunder except as may be permitted by applicable statute, regulation or ordinance;

(c) That there is no action, suit or proceeding at law or in equity pending, nor to the best of Grantee's knowledge, threatened, against or affecting the Grantee, before any court or before any governmental or administrative agency, which will have a material adverse effect on the performance required by this Agreement;

(d) That to the best of the Grantee's knowledge and belief, the Grantee, its principals and key project personnel:

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(i) Are not presently declared ineligible or voluntarily excluded from contracting with any federal or State department or agency;

(ii) Have not, within a three (3)-year period preceding this Agreement, been convicted of any felony; been convicted of a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; had a civil judgment rendered against them for commission of fraud; been found in violation of federal or state antitrust statutes; or been convicted of embezzlement, theft, larceny, forgery, bribery, falsification or destruction of records, making a false statement, or receiving stolen property;

(iii) Are not presently indicted for, or otherwise criminally or civilly charged, by a government entity (federal, state or local) with commission of any of the offenses enumerated in sub-paragraph (ii) of this certification; and

(iv) Have not had, within a three (3)-year period preceding this Agreement, any judgment rendered in an administrative, civil or criminal matter against the Grantee, or any entity associated with its principals or key personnel, related to a grant issued by any federal or state agency or a local government.

Any request for an exception to the provisions of this paragraph 32.1(d) must be made in writing, listing the name of the individual, home address, type of conviction and date of conviction; and

(e) Grantee certifies that it is not currently operating under, or subject to, any cease and desist order, or subject to any informal or formal regulatory action, and, to the best of Grantee's knowledge, that it is not currently the subject of any investigation by any state or federal regulatory, law enforcement or legal authority. Should it become the subject of an investigation by any state or federal regulatory, law enforcement or legal authority, Grantee shall promptly notify Grantor of any such investigation. Grantee acknowledges that should it later be subject to a cease and desist order, Memorandum of Understanding, or found in violation pursuant to any regulatory action or any court action or proceeding before any administrative agency, that Grantor is authorized to declare Grantee out of compliance with this Agreement and suspend or terminate the Agreement pursuant to ARTICLE XVI herein and any applicable rules.

ARTICLE XXXIII
ADDITIONAL TERMINATION, SUSPENSION, BILLING SCHEDULE AND NON-COMPLIANCE PROVISIONS

33.1. Remedies for Non-Compliance. If Grantor suspends or terminates this Agreement pursuant to ARTICLE XVI herein, Grantor may also elect any additional remedy allowed by law, including, but not limited to, one or more of the following remedies:

(a) Direct the Grantee to refund some or all of the Grant Funds disbursed to it under this Agreement;

(b) Direct the Grantee to remit an amount equivalent to the "Net Salvage Value" of all equipment or materials purchased with Grant Funds provided under this Agreement. For purposes of this Agreement, "Net Salvage Value" is defined as the amount realized, or that the Parties agree is likely to be realized from, the sale of equipment or materials purchased with Grant Funds provided under this Agreement at its current fair market value, less selling expenses; and

(c) Direct the Grantee to transfer ownership of equipment or materials purchased with Grant Funds provided under this Agreement to the Grantor or its designee.

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33.2. Grant Refunds. In accordance with the Illinois Grant Funds Recovery Act, 30 ILCS 705/1 *et seq.*, the Grantee must, within forty-five (45) days of the effective date of a termination of this Agreement, refund to Grantor, any balance of Grant Funds not spent or not obligated as of said date.

33.3. Grant Funds Recovery Procedures. In the event that Grantor seeks to recover from Grantee Funds received pursuant to this Award that: (i) Grantee cannot demonstrate were properly spent, or (ii) have not been expended or legally obligated by the time of expiration or termination of this Award, the Parties agree to follow the procedures set forth in the Illinois Grant Funds Recovery Act, 30 ILCS 705/1 *et seq.* (GFRA), for the recovery of Grant Funds, including the informal and formal hearing requirements. All remedies available in Section 6 of the GFRA shall apply to these proceedings. The Parties agree that Grantor's Administrative Hearing Rules (56 Ill. Admin. Code Part 2605) and/or any other applicable hearing rules shall govern these proceedings.

33.4. Grantee Responsibility. Grantee shall be held responsible for the expenditure of all Grant Funds received through this Award, whether expended by Grantee or a subrecipient or contractor of Grantee. Grantor may seek any remedies against Grantee permitted pursuant to this Agreement and 2 CFR 200.339 for the action of a subrecipient or contractor of Grantee that is not in compliance with the applicable statutes, regulations or the terms and conditions of this Award.

33.5. Billing Schedule. In accordance with paragraph 4.8, herein Grantee must submit all payment requests to Grantor within thirty (30) days of the end of the quarter, unless another billing schedule is specified in **PART THREE** or **Exhibit C**. Failure to submit such payment request timely will render the amounts billed an unallowable cost which Grantor cannot reimburse. In the event that Grantee is unable, for good cause, to submit its payment request timely, Grantee shall timely notify Grantor and may request an extension of time to submit the payment request. Grantor's approval of Grantee's request for an extension shall not be unreasonably withheld. The payment requirements of this paragraph 33.5 supersede those set forth in paragraph 4.8.

ARTICLE XXXIV
ADDITIONAL MODIFICATION PROVISIONS

34.1. Modifications by Operation of Law. This Agreement is subject to such modifications as the Grantor determines, in its sole discretion, may be required by changes in federal or State law or regulations applicable to this Agreement. Grantor shall initiate such modifications, and Grantee shall be required to agree to the modification in writing as a condition of continuing the Grant. Any such required modification shall be incorporated into and become part of this Agreement as if fully set forth herein. The Grantor shall timely notify the Grantee of any pending implementation of or proposed amendment to such regulations of which it has notice.

34.2. Discretionary Modifications. If either the Grantor or the Grantee wishes to modify the terms of this Agreement other than as set forth in Articles V and VI and paragraphs 34.1 and 34.3, written notice of the proposed modification must be given to the other party. Modifications will only take effect when agreed to in writing by both the Grantor and the Grantee. However, if the Grantor notifies the Grantee in writing of a proposed modification, and the Grantee fails to respond to that notification, in writing, within thirty (30) days, the proposed modification will be deemed to have been approved by the Grantee. In making an objection to the proposed modification, the Grantee shall specify the reasons for the objection and the Grantor shall consider those objections when evaluating whether to follow through with the proposed modification. The Grantor's notice to the Grantee shall contain the Grantee name, Grant number, modification number and purpose of the revision. If the Grantee seeks any modification to the Agreement, the Grantee shall submit a detailed narrative explaining why the Project cannot be completed in accordance with the terms of the Agreement and how the requested modification will ensure completion of the Grant Activities, Deliverables, Milestones and/or Performance Measures (**Exhibits A**, **B** and **E**).

34.3. Unilateral Modifications. The Parties agree that Grantor may, in its sole discretion, unilaterally modify this Agreement without prior approval of the Grantee when the modification is initiated by Grantor for the

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sole purpose of increasing the Grantee's funding allocation as additional funds become available for the Award during the program year covered by the Term of this Agreement.

34.4. Management Waiver. The Parties agree that the Grantor may issue a waiver of specific requirements of this Agreement after the term of the Agreement has expired. These waivers are limited to non-material changes to specific grant terms that the Grantor determines are necessary to place the Grantee in administrative compliance with the terms of this Agreement. A management waiver issued after the term of the Agreement has expired will supersede the original requirements of this Agreement that would normally require a modification of this Agreement to be executed. The Grantor will make no modifications of this Agreement not agreed to prior to the expiration of the Agreement beyond what is specifically set forth in this section.

34.5. Term Extensions. The Grantee acknowledges that all Grant Funds must be expended or legally obligated, and all Grant Activities, Deliverables, Milestones and Performance Measures (**Exhibits A**, **B** and **E**) must be completed during the Grant Term set forth in paragraph 1.4 herein. Extensions of the Award Term will be granted only for good cause, subject to the Grantor's discretion. Pursuant to the Grant Funds Recovery Act (30 ILCS 705/1 *et seq.*), no Award may be extended in total beyond a two (2)-year period unless the Grant Funds are expended or legally obligated during that initial two-year period, or unless Grant Funds are disbursed for reimbursement of costs previously incurred by the Grantee. If Grantee requires an extension of the Award Term, Grantee should submit a written request to the Grant Manager at least sixty (60) days prior to the end of the Grant Award or extended Award Term, as applicable, stating the reason for the extension. If Grantee provides reasonable extenuating circumstances, Grantee may request an extension of the Award Term with less than sixty (60) days remaining.

ARTICLE XXXV
ADDITIONAL CONFLICT OF INTEREST PROVISIONS

35.1. Bonus or Commission Prohibited. The Grantee shall not pay any bonus or commission for the purpose of obtaining the Grant Funds awarded under this Agreement.

35.2. Hiring State Employees Prohibited. No State officer or employee may be hired to perform services under this Agreement on behalf of Grantee, or be paid with Grant Funds derived directly or indirectly through this Award without the written approval of the Grantor.

ARTICLE XXXVI
ADDITIONAL EQUIPMENT OR PROPERTY PROVISIONS

36.1. Equipment Management. The Grantee is responsible for replacing or repairing equipment and materials purchased with Grant Funds that are lost, stolen, damaged, or destroyed. Any loss, damage or theft of equipment and materials shall be investigated and fully documented, and immediately reported to the Grantor and, where appropriate, the appropriate authorities.

36.2. Purchase of Real Property. If permitted by the Award Budget and scope of activities provided in this Agreement, a Grantee may use the Grant Funds during the Award Term for the costs associated with the purchase of real property (as defined by 2 CFR 200.1) either through the use of reimbursement or advanced funds as permitted in Exhibit C of this Agreement for the following purposes and consistent with the Grantor's bondability guidelines and 2 CFR 200:

(a) Cash payment of the entirety or a portion of the real property acquisition;

(b) Cash Payment of a down payment for the acquisition;

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(c) Standard and commercially reasonable costs required to be paid at the acquisition closing (i.e., closing costs); or

(d) Payments to reduce the debt incurred by Grantee to purchase the real property.

ARTICLE XXXVII
APPLICABLE STATUTES

To the extent applicable, Grantor and Grantee shall comply with the following:

37.1. Grantee Responsibility. All applicable federal, State and local laws, rules and regulations governing the performance required by Grantee shall apply to this Agreement and will be deemed to be included in this Agreement the same as though written herein in full. Grantee is responsible for ensuring compliance with all applicable laws, rules and regulations, including, but not limited to those specifically referenced herein. Except where expressly required by applicable laws and regulations, the Grantor shall not be responsible for monitoring Grantee's compliance.

37.2. Land Trust/Beneficial Interest Disclosure Act (765 ILCS 405/2.1). No Grant Funds shall be paid to any trustee of a land trust, or any beneficiary or beneficiaries of a land trust, for any purpose relating to the land, which is the subject of such trust, any interest in such land, improvements to such land or use of such land unless an affidavit is first filed with the Grantor identifying each beneficiary of the land trust by name and address and defining such interest therein.

37.3. Historic Preservation Act (20 ILCS 3420/1 *et seq.*). The Grantee will not expend Grant Funds under this Agreement which result in the destruction, alteration, renovation, transfer or sale, or utilization of a historic property, structure or structures, or in the introduction of visual, audible or atmospheric elements to a historic property, structure or structures, which will result in the change in the character or use of any historic property, except as approved by the Illinois Department of Natural Resources, Historic Preservation Division. The Grantee shall not expend Grant Funds under this Agreement for any project, activity, or program that can result in changes in the character or use of historic property, if any historic property is located in the area of potential effects without the approval of the Illinois Department of Natural Resources, Historic Preservation Division. 20 ILCS 3420/3(f).

37.4. Victims' Economic Security and Safety Act (820 ILCS 180 *et seq.*). If the Grantee has 50 or more employees, it may not discharge or discriminate against an employee who is a victim of domestic or sexual violence, or who has a family or household member who is a victim of domestic or sexual violence, for taking up to a total of twelve (12) work weeks of leave from work during any twelve (12) month period to address the domestic violence, pursuant to the Victims' Economic Security and Safety Act. The Grantee is not required to provide paid leave under the Victims' Economic Security and Safety Act, but may not suspend group health plan benefits during the leave period. Any failure on behalf of the Grantee to comply with all applicable provisions of the Victims' Economic Security and Safety Act, or applicable rules and regulations promulgated thereunder, may result in a determination that the Grantee is ineligible for future contracts or subcontracts with the State of Illinois or any of its political subdivisions or municipal corporations, and this Agreement may be cancelled or voided in whole or in part, and such other sanctions or penalties may be imposed or remedies invoked, as provided by Statute or regulation.

37.5. Equal Pay Act of 2003 (820 ILCS 112 *et seq.*). If the Grantee has four (4) or more employees, it is prohibited by the Equal Pay Act of 2003 from paying unequal wages to men and women for doing the same or substantially similar work. Further, the Grantee is prohibited by the Equal Pay Act of 2003 from remedying violations of the Act by reducing the wages of other employees or discriminating against any employee exercising his/her rights under this Act. Any failure on behalf of the Grantee to comply with all applicable provisions of the Equal Pay Act of 2003, or applicable rules and regulations promulgated thereunder, may result in a determination that the Grantee is ineligible for future contracts or subcontracts with the State of Illinois or any of its political

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subdivisions or municipal corporations, and this Agreement may be cancelled or voided in whole or in part, and such other sanctions or penalties may be imposed or remedies invoked, as provided by Statute or regulation.

37.6. Steel Products Procurement Act (30 ILCS 565 *et seq.*). The Grantee, if applicable, hereby certifies that any steel products used or supplied in accordance with this Award for a public works project shall be manufactured or produced in the United States per the requirements of the Steel Products Procurement Act (30 ILCS 565 *et seq.*).

37.7. Minorities, Women, and Persons with Disabilities Act and Illinois Human Rights Act (30 ILCS 575/0.01; 775 ILCS 5/2-105). The Grantee acknowledges and hereby certifies compliance with the provisions of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act, and the equal employment practices of Section 2-105 of the Illinois Human Rights Act for the provision of services which are directly related to the Award Activities to be performed under this Agreement.

37.8. Identity Protection Act (5 ILCS/179 *et seq.*) and Personal Information Protection Act (815 ILCS 530 *et seq.*). The Grantor is committed to protecting the privacy of its vendors, grantees and beneficiaries of programs and services. At times, the Grantor will request social security numbers or other personal identifying information. Federal and state laws, rules and regulations require the collection of this information for certain purposes relating to employment and/or payments for goods and services, including, but not limited to, Awards. The Grantor also collects confidential information for oversight and monitoring purposes.

Furnishing personal identity information, such as a social security number, is voluntary; however, failure to provide required personal identity information may prevent an individual or organization from using the services/benefits provided by the Grantor as a result of state or federal laws, rules and regulations.

To the extent the Grantee collects or maintains protected personal information as part of carrying out the Award Activities, the Grantee shall maintain the confidentiality of the protected personal information in accordance with applicable law and as set forth below.

(a) Personal Information Defined. As used herein, "Personal Information" shall have the definition set forth in the Personal Information Protection Act, 815 ILCS 530/5 ("PIPA").

(b) Protection of Personal Information. The Grantee shall use at least reasonable care to protect the confidentiality of Personal Information that is collected or maintained as part of the Award Activities and (i) not use any Personal Information for any purpose outside the scope of the Award Activities and (ii) except as otherwise authorized by the Grantor in writing, limit access to Personal Information to those of its employees, contractors, and agents who need such access for purposes consistent with the Award Activities. If Grantee provides any contractor or agent with access to Personal Information, it shall require the contractor or agent to comply with the provisions of this paragraph 37.8.

(c) Security Assurances. Grantee represents and warrants that it has established and will maintain safeguards against the loss and unauthorized access, acquisition, destruction, use, modification, or disclosure of Personal Information and shall otherwise maintain the integrity of Personal Information in its possession in accordance with any federal or state law privacy requirements, including PIPA. Such safeguards shall be reasonably designed to (i) ensure the security and confidentiality of the Personal Information, (ii) protect against any anticipated threats or hazards to the security or integrity of Personal Information, and (iii) protect against unauthorized access to or use of Personal Information. Additionally, Grantee will have in place policies, which provide for the secure disposal of documents and information which contain Personal Information, including but not limited to shredding documents and establishing internal controls over the authorized access to such information. 815 ILCS 530/40.

(d) Breach Response. In the event of any unauthorized access to, unauthorized disclosure of, loss of, damage to or inability to account for any Personal Information (a "Breach"), Grantee agrees

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that it shall promptly, at its own expense (i) report such Breach to the Grantor by telephone with immediate written confirmation sent by e-mail and by mail, describing in detail any accessed materials and identifying any individual(s) who may have been involved in such Breach; (ii) take all actions necessary or reasonably requested by the Grantor to stop, limit or minimize the Breach; (iii) restore and/or retrieve, as applicable, and return all Personal Information that was lost, damaged, accessed, copied or removed; (iv) cooperate in all reasonable respects to minimize the damage resulting from such Breach; (v) provide any notice to Illinois residents as required by 815 ILCS 530/10 or applicable federal law, in consultation with the Grantor; and (vi) cooperate in the preparation of any report related to the Breach that the Grantor may need to present to any governmental body.

(e) Injunctive Relief. Grantee acknowledges that, in the event of a breach of this paragraph 37.8, Grantor will likely suffer irreparable damage that cannot be fully remedied by monetary damages. Accordingly, in addition to any remedy which the Grantor may possess pursuant to applicable law, the Grantor retains the right to seek and obtain injunctive relief against any such breach in any Illinois court of competent jurisdiction.

(f) Compelled Access or Disclosure. The Grantee may disclose Personal Information if it is compelled by law, regulation, or legal process to do so, provided the Grantee gives the Grantor at least ten (10) days' prior notice of such compelled access or disclosure (to the extent legally permitted) and reasonable assistance if the Grantor wishes to contest the access or disclosure.

ARTICLE XXXVIII
ADDITIONAL MISCELLANEOUS PROVISIONS

38.1. Workers' Compensation Insurance, Social Security, Retirement and Health Insurance Benefits, and Taxes. The Grantee shall provide Workers' Compensation insurance where the same is required and shall accept full responsibility for the payment of unemployment insurance, premiums for Workers' Compensation, Social Security and retirement and health insurance benefits, as well as all income tax deduction and any other taxes or payroll deductions required by law for its employees who are performing services specified by this Agreement.

38.2. Required Notice. Grantee agrees to give prompt notice to the Grantor of any event that may materially affect the performance required under this Agreement. Any notice or final decision by Grantor relating to (i) a Termination or Suspension (ARTICLE XVI), (b) Modifications, Management Waivers or Term Extensions (ARTICLE XXXIV) or (c) Assignments (paragraph 26.4) must be executed by the Director of the Grantor or her or his authorized designee.

ARTICLE XXXIX
ADDITIONAL REQUIRED CERTIFICATIONS

The Grantee makes the following certifications as a condition of this Agreement. These certifications are required by State statute and are in addition to any certifications required by any Federal funding source as set forth in this Agreement. Grantee's execution of this Agreement shall serve as its attestation that the certifications made herein are true and correct.

39.1. Compliance With Applicable Law. The Grantee certifies that it shall comply with all applicable provisions of federal, state and local law in the performance of its obligations pursuant to this Agreement.

39.2. Sexual Harassment. The Grantee certifies that it has written sexual harassment policies that shall include, at a minimum, the following information: (i) the illegality of sexual harassment; (ii) the definition of sexual harassment under State law; (iii) a description of sexual harassment, utilizing examples; (iv) the Grantee's internal

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complaint process including penalties; (v) the legal recourse, investigative and complaint process available through the Department of Human Rights and the Human Rights Commission; (vi) directions on how to contact the Department of Human Rights and the Human Rights Commission; and (vii) protection against retaliation as provided by Section 6-101 of the Illinois Human Rights Act (775 ILCS 5/2-105(A)(4)). A copy of the policies shall be provided to the Grantor upon request.

39.3. Federal, State and Local Laws; Tax Liabilities; State Agency Delinquencies. The Grantee is required to comply with all federal, state and local laws, including but not limited to the filing of any and all applicable tax returns. In the event that a Grantee is delinquent in filing and/or paying any federal, state and/or local taxes, the Grantor shall disburse Grant Funds only if the Grantee enters into an installment payment agreement with said tax authority and remains in good standing therewith. Grantee is required to tender a copy of any such installment payment agreement to the Grantor. In no event may Grantee utilize Grant Funds to discharge outstanding tax liabilities or other debts owed to any governmental unit. **The execution of this Agreement by the Grantee is its certification that (i) it is current as to the filing and payment of any federal, state and/or local taxes applicable to Grantee; and (ii) it is not delinquent in its payment of moneys owed to any federal, state, or local unit of government.**

39.4. Lien Waivers. If applicable, the Grantee shall monitor construction to assure that necessary contractor's affidavits and waivers of mechanics liens are obtained prior to release of Grant Funds to contractors and subcontractors.

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PART THREE – THE PROJECT-SPECIFIC TERMS

In addition to the uniform requirements in **PART ONE** and the Grantor-Specific Terms in **PART TWO**, the Grantor has the following additional requirements for this Project:

ARTICLE XL
REPORT DELIVERABLE SCHEDULE

40.1. External Audit Reports. External Audit Reports may be required. Refer to ARTICLE XV of this Agreement to determine whether you are required to submit an External Audit Report and the applicable due date.

40.2. Annual Financial Reports. Annual Financial Reports may be required. Refer to paragraph 15.2 of this Agreement to determine whether you are required to submit Annual Financial Reports.

40.3. Required Periodic Reports. Below is the required periodic reporting schedule for this Award.

August 2022

- Quarterly Periodic Financial Report (08/01/2022) - Covering Period of 07/01/2021 - 06/30/2022; Send To: Grant Manager
- Quarterly Periodic Performance Report (08/01/2022) - Covering Period of 07/01/2021 - 06/30/2022; Send To: Grant Manager

October 2022

- Quarterly Periodic Financial Report (10/31/2022) - Covering Period of 07/01/2022 - 09/30/2022; Send To: Grant Manager
- Quarterly Periodic Performance Report (10/31/2022) - Covering Period of 07/01/2022 - 09/30/2022; Send To: Grant Manager

January 2023

- Quarterly Periodic Financial Report (01/30/2023) - Covering Period of 10/01/2022 - 12/31/2022; Send To: Grant Manager
- Quarterly Periodic Performance Report (01/30/2023) - Covering Period of 10/01/2022 - 12/31/2022; Send To: Grant Manager

May 2023

- Quarterly Periodic Financial Report (05/01/2023) - Covering Period of 01/01/2023 - 03/31/2023; Send To: Grant Manager
- Quarterly Periodic Performance Report (05/01/2023) - Covering Period of 01/01/2023 - 03/31/2023; Send To: Grant Manager

July 2023

- Quarterly Periodic Financial Report (07/31/2023) - Covering Period of 04/01/2023 - 06/30/2023; Send To: Grant Manager

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• Quarterly Periodic Performance Report (07/31/2023) - Covering Period of 04/01/2023 - 06/30/2023; Send To: Grant Manager

October 2023

• Quarterly Periodic Financial Report (10/30/2023) - Covering Period of 07/01/2023 - 09/30/2023; Send To: Grant Manager
• Quarterly Periodic Performance Report (10/30/2023) - Covering Period of 07/01/2023 - 09/30/2023; Send To: Grant Manager

January 2024

• Quarterly Periodic Financial Report (01/30/2024) - Covering Period of 10/01/2023 - 12/31/2023; Send To: Grant Manager
• Quarterly Periodic Performance Report (01/30/2024) - Covering Period of 10/01/2023 - 12/31/2023; Send To: Grant Manager

April 2024

• Quarterly Periodic Financial Report (04/30/2024) - Covering Period of 01/01/2024 - 03/31/2024; Send To: Grant Manager
• Quarterly Periodic Performance Report (04/30/2024) - Covering Period of 01/01/2024 - 03/31/2024; Send To: Grant Manager

July 2024

• Quarterly Periodic Financial Report (07/30/2024) - Covering Period of 04/01/2024 - 06/30/2024; Send To: Grant Manager
• Quarterly Periodic Performance Report (07/30/2024) - Covering Period of 04/01/2024 - 06/30/2024; Send To: Grant Manager

August 2024

• End of grant Closeout (08/29/2024) - Covering Period of 07/01/2021 - 06/30/2024; Send To: Grant Manager

40.4. Changes to Reporting Schedule. Changes to the schedules for periodic reporting, the external audit reports and the annual financial reports do not require a formal modification to this Agreement pursuant to paragraph 26.5 and ARTICLE XXXIV, and may be changed unilaterally by the Grantor if necessitated by a change in the project schedule or at the discretion of the Grantor. The Grantee may not modify the reporting deliverable schedules in ARTICLES XIII, XIV, XV and XL unilaterally, and must obtain prior written approval from Grantor or the Grant Accountability and Transparency Unit of the Governor's Office of Management and Budget, if applicable, to change any reporting deadlines.

ARTICLE XLI
GRANT-SPECIFIC TERMS/CONDITIONS

41.1. Funding. If this Award is bond-funded, all expenditures shall be in accordance with all applicable bondability guidelines.

41.2. Funding Terms and Restrictions.

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(i) Reimbursement Limitation. The Grantee cannot be reimbursed for costs incurred in excess of the total approved Grant Budget. The Grantee may be reimbursed for costs exceeding amounts budgeted by specific cost categories only in accordance with provisions of Articles VI, XXXI and XXXIV.

(ii) Budget Modifications. The Grantee should obtain approval prior to incurring expenditures which necessitate a change in the approved Grant Budget, unless permitted as a discretionary line item transfer pursuant to paragraphs 6.3 and 31.1 herein. The Grantor reserves the right to withhold funds for such expenditures until a revised Budget has been submitted by the Grantee and approved by the Grantor.

(iii) Overpayment. In addition to the return of unspent Grant Funds at the end of the expiration of this Agreement pursuant to paragraph 4.2 herein, the Grantee agrees to repay the Grantor for any funds that are determined by the Grantor to have been spent improperly in accordance with applicable regulations or rules.

(iv) Supportive Services & Participant Support Costs. If Grantor approves of Supportive Services as part of Grantee's Budget, costs must meet the basic considerations at 2 CFR 200.402 – 200.411.

41.3. Use of Real Property. Grantee shall use any real property acquired, constructed or improved with Grant Funds pursuant to this Agreement to provide the programs and services specified herein for at least the Award Term stated in Paragraph 1.4. Grantee shall comply with the real property use and disposition requirements set forth in 2 CFR 200.311.

41.4. Projects Requiring External Sign-offs.

(1) Pursuant to applicable statute(s), this Award requires sign-off by the following State agency(ies). **The status of the sign-off is indicated as of the date the Award is sent to the Grantee for execution:**

	AGENCY	SIGN-OFF RECEIVED	SIGN-OFF OUTSTANDING
_____	Illinois State Historic Preservation Office	_____	_____
_____	Illinois Dept. of Agriculture	_____	_____
X	Illinois Dept. of Natural Resources	X	_____
_____	Illinois Environmental Protection Agency	_____	_____
_____	NONE APPLICABLE	_____	_____

While **any** external sign-off is outstanding, the provisions of Item (3), immediately below apply with respect to the disbursement of funds under this Award.

NOTE: The fact that a sign-off has been received in no way relieves the Grantee of its obligation to comply with any conditions or requirements conveyed by the applicable agency(ies) in conjunction with the issuance of the sign-off for the project funded under this Agreement.

(2) For projects subject to review by the Illinois Environmental Protection Agency (IEPA), the Grantee must, prior to construction, obtain a construction permit or "authorization to construct" from the IEPA pursuant to the provisions of the Environmental Protection Act, 415 ILCS 5/1 *et seq.*

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(3) External Sign-Off Provisions:

a.) The Project described in Exhibit A and funded under this Agreement is subject to review by the external agency(ies) indicated in Item (1) immediately above. Grantee must comply with requirements established by said agency(ies) relative to their respective reviews. **Any requirements communicated to the Grantor shall be incorporated into this Agreement as follows: as an attachment to this Agreement (immediately following PART THREE) at the time of the Agreement execution.** The Grantee is contractually obligated to comply with such requirements.

b.) Grantee is responsible for coordinating directly with the applicable external agency(ies) relative to said reviews. Except as specifically provided below, the Grantor's obligation to disburse funds under this Agreement is contingent upon notification by the applicable agency(ies) that all requirements applicable to the project described in this Agreement have been satisfied. Upon receipt of said notification, disbursement of the Grant Funds shall be authorized in accordance with the provisions of Exhibit C herein.

c.) Prior to notification of compliance by the applicable external agency(ies), the Grantee may request disbursement of funds **only** for the following purposes: administrative, contractual, legal, engineering, or architectural costs incurred which are necessary to allow for compliance by the Grantee of requirements established by the external agency(ies). **FUNDS WILL NOT BE DISBURSED FOR LAND ACQUISITION OR ANY TYPE OF CONSTRUCTION OR OTHER ACTIVITY WHICH PHYSICALLY IMPACTS THE PROJECT SITE PRIOR TO RECEIPT BY THE GRANTOR OF THE REQUIRED NOTIFICATION FROM ALL APPLICABLE AGENCIES.**

d.) If external sign-offs are indicated in this paragraph 41.3, disbursement of Grant Funds (whether advance or scheduled) are subject to the restrictions set forth by the External Sign-Off Provisions of this paragraph 41.3. Upon receipt of all required sign-offs, the Grantor's Accounting Division will be notified of authorization to disburse Grant Funds in accordance with the disbursement method indicated herein.

41.5. Prevailing Wage Act Compliance. The work to be performed under this Agreement is subject to the Prevailing Wage Act (820 ILCS 130/0.01 *et seq.*). Grantee shall comply with all requirements of the Prevailing Wage Act, including but not limited to: (a) inserting into all contracts for construction a stipulation to the effect that not less than the prevailing rate of wages as applicable to the project shall be paid to all laborers, workers, and mechanics performing work under the Award and requiring all bonds of contractors to include a provision as will guarantee the faithful performance of such prevailing wage clause as provided by contract and (b) all required reporting and documentation.

41.6. Compliance with Illinois Works Jobs Program Act. Grantee acknowledges that it is required to comply with all applicable requirements of the Illinois Works Jobs Program Act (30 ILCS 559/20-1 *et seq.*) (the "Act") for Awards made for public works projects as defined in the Act.

41.7. Compliance with Business Enterprise Program. Grantee acknowledges that it is required to comply with the Business Enterprise Program for Minorities, Females, and Persons with Disabilities Act ("BEP") (30 ILCS 575/0.01 *et seq.*), which establishes a goal for contracting with businesses that have been certified as owned and controlled by persons who are minority, female or who have disabilities. Grantee shall maintain compliance with the BEP Utilization Plan submitted in conjunction with the Agreement and shall comply with all reporting requirements.

41.8. Compliance with the Employment of Illinois Workers on Public Works Act. In a period of excessive unemployment rates, Grantees (1) constructing or building any public works or (2) cleaning-up and disposing on-site of hazardous waste, and that clean-up or on-site disposal is funded or financed in whole or in part

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with State funds or funds administered by the State, are required to employ at least 90% Illinois laborers on such project. For projects involving clean-up and on-site disposal of hazardous waste, emergency response or immediate removal activities are excluded. This requirement applies to all labor whether skilled, semi-skilled or unskilled, whether manual or non-manual. A period of excessive unemployment rates is defined as any month immediately following two consecutive calendar months during which the level of unemployment in the State of Illinois has exceeded 5% as measured by the United States Bureau of Labor Statistics in its monthly publication of employment and unemployment figures. Any public works project financed in whole or in part by federal funds administered by the State of Illinois is covered under the provisions of this requirement, to the extent permitted by any applicable federal law or regulation. (30 ILCS 570). Grantee may receive an exception from this requirement by submitting a request and supporting documents certifying that Illinois laborers are either not available or are incapable of performing the particular type of work involved. The certification must: (a) be submitted to the agency within the first quarter of the Contract Term; (b) provide sufficient support that demonstrates the exception is met; (c) be signed by an authorized signatory of the contractor; and (d) be approved by the agency.

ARTICLE XLII
BOND FUNDED GENERAL GRANT PROVISIONS

42.1. Bond Funded General Grant Provisions. It is the intent of the State that all or a portion of the costs of this Project will be paid or reimbursed from the proceeds of tax-exempt bonds subsequently issued by the State.

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12/23/21

Illinois Grant Accountability and Transparency
Notice of State Award

STATE OF ILLINOIS GRANT INFORMATION	
State Award Identification	Name of State Agency (Grantor): Department Of Commerce And Economic Opportunity Department/Organziation Unit: Office of Broadband
State Award ID Number (SAIN)	2366-30045
State Program Description	The Connect Illinois Broadband Grant Program includes $400 million in appropriated funds available for expansion of broadband infrastructure throughout the state. Through multiple rounds of competitive matching grants, Connect Illinois will provide direct matching grants, awarded on a competitive basis via merit based review, to grant applicants including broadband providers, rural cooperatives, local governments, nonprofit organizations, and partnerships.
Announcment Type	Initial
Agency (Grantor) Contact Information	Name: Matt Schmit Phone: 7734973001 Email: Broadband@illinois.gov

GRANTEE INFORMATION	
Grantee / Subrecipient Information	Name: Village of Palatine Address: 200 E Wood Street, Palatine, IL 60067 Phone: 847-963-6271 Email: rmalcolm@palatine.il.us
Grantee Identification	GATA: 673384 DUNS: 072363799 FEIN: 366006038
Period of Performance	Start Date: 7/1/2021 End Date: 6/30/2023

FUNDING INFORMATION

FUND	CSFA	CFDA	AMOUNT
971	420-35-2366		$101,387.00
TOTAL			$101,387.00

(M) Currently used by State of Illinois for "Match" or "Maintenance of Effort" (MOE) requirements on Federal Funding. Funding is subject to Federal Requirements and may not be used by Grantee for other match requirements on other awards.

Attachment: Notice of Grant Award (Acceptance of Illinois Broadband Grant (CA))

TERMS AND CONDITIONS	
Grantee Indirect Cost Rate Information	Rate: NA Base: Period:
Research & Development	Yes : 15% maximum of the total budget may be for Design/Engineering if budgeted
Cost Sharing or Matching Requirements	Yes : 50% minimum match
Uniform Term(s)	CODE of FEDERAL REGULATIONS Title 2: Grants and Agreements PART 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200) Grant Accountability and Transparency Act (GATA), 30 ILCS 708/1 Illinois Administrative Code
Grantor-Specific Term(s)	This Notice of State Award (NOSA) is not an agreement. This NOSA is not a guarantee of an agreement. Grantor-Specific Terms that will be included in the final grant agreement can be found at: https://www2.illinois.gov/dceo/AboutDCEO/GrantOpportunities/Pages/GranteeResources.aspx
Program-Specific Term(s)	THE FOLLOW ARE GATA EXCEPTIONS AND ARE NOT REQUIRED FOR THIS PROGRAM: INDIRECT COST RATE Explanation for the Deviation This grant is funded with Illinois Bond Funds. The statutes authorizing this funding list specific types of direct costs allowable from those respective funds. Only the types of direct costs outlined in those Acts may be covered via those funds. This restricts this allowance of indirect costs for this grant program. Within thirty (30) days of the execution of the Agreement, the Grantee will provide a detailed timeline of projected deliverables, which must be approved by Grantor. The timeline and any subsequent revisions shall be incorporated by reference into this Agreement. The timeline will be submitted in conjunction with the initial Periodic Performance Report (PPR). The timeline will be used to measure performance throughout the life of the Award and will be updated and reported on each PPR reporting due date. The project specific performance measures will encompass the following standardized performance measures listed below. • Did the deliverables listed in the timeline submitted pursuant to Exhibit B lead to the completion of the project described in Exhibit A? • Given the total amount of Grant Funds available, does the percent currently drawn and expended directly correlate to the percent of the completion of the project to date? • At the time of the Award closeout, has the Grantee fulfilled the public purpose of the project stated in Exhibit A? The Grantor shall authorize upon request an initial disbursement in the amount of 25% in advance to address the Grantee's immediate cash needs according to their reported and grantor approved obligations. Thereafter, the payments may be made for the dual purpose of reimbursing for expenditures incurred as well as documented cash needs of the Grantee as approved by the Grantor. Reimbursement of costs incurred prior to the start of the Award Term provided may be allowed only if specifically provided for in the Project Description (scope of work) as approved by the Grantor in its sole discretion.

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SPECIFIC CONDITIONS ASSIGNED TO GRANTEE - FISCAL AND ADMINISTRATIVE

The nature of the addtional requirements

GATA Conditions:

03 - Financial and Regulatory Reporting (2 CFR 200.327)
Requires more detailed reporting;

Agency Adjustments / Explanation:

All costs associated with the Award must have accurate and appropriate documentation and are subject to review and comparison against the approved budget forms and related materials to ensure costs are reasonable, necessary and allowable under this Award.

The reason why the additional requirements are being imposed

GATA Conditions:

03 - Financial and Regulatory Reporting (2 CFR 200.327)
Medium to high risk increases the likelihood that grant revenues and expenditures will be inaccurate that could result in misreporting, and an abusive environment.

Agency Adjustments / Explanation:

Performance measures are not tied to financial data

The nature of the action needed to remove the additional requirement, if applicable

GATA Conditions:

03 - Financial and Regulatory Reporting (2 CFR 200.327)
Implementation of new or enhanced system, mitigating controls or a combination of both.

Agency Adjustments / Explanation:

Develop performance measures tied to financial data for this project

The time allowed for completing the actions, if applicable

GATA Conditions:

03 - Financial and Regulatory Reporting (2 CFR 200.327)
One year.

Agency Adjustments / Explanation:

None

The method for requesting reconsideration of the additional requirements imposed

GATA Conditions:

03 - Financial and Regulatory Reporting (2 CFR 200.327)
One year.

Agency Explanation:

None

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SPECIFIC CONDITIONS ASSIGNED TO GRANTEE - MERIT-BASED REVIEW

The nature of the addtional requirements

Agency Adjustments / Explanation:

Prevailing Wage: grantee shall comply with all requirements of the Prevailing Wage Act, including but not limited to, inserting into all contracts for construction a stipulation to the effect that not less than the prevailing rate of wages as applicable to the project shall be paid to all laborers, workers, and mechanics performing work under the award and requiring all bonds of contractors to include a provision as will guarantee the faithful performance of such prevailing wage clause as provided by contract. Grantees will be required to report on Prevailing Wage Act compliance on a monthly basis.

Employment of Illinois Workers on Public Works Act: whenever there is a period of excessive unemployment in Illinois (as defined by the Act), Grantees shall employ at least 90% Illinois laborers on their project.

Environmental Reviews: based on the scope of the project the grantee may be required to complete additional environmental approvals before a grant agreement can be initiated.

The reason why the additional requirements are being imposed

Agency Adjustments / Explanation:

The nature of the action needed to remove the additional requirement, if applicable

Agency Adjustments / Explanation:

The time allowed for completing the actions, if applicable

Agency Adjustments / Explanation:

The method for requesting reconsideration of the additional requirements imposed

Agency Explanation:

Attachment: Notice of Grant Award (Acceptance of Illinois Broadband Grant (CA))

SPECIFIC CONDITIONS ASSIGNED TO GRANTEE - PROGRAMMATIC

The nature of the addtional requirements

Agency Adjustments / Explanation:

None

The reason why the additional requirements are being imposed

Agency Adjustments / Explanation:

The nature of the action needed to remove the additional requirement, if applicable

Agency Adjustments / Explanation:

The time allowed for completing the actions, if applicable

Agency Adjustments / Explanation:

The method for requesting reconsideration of the additional requirements imposed

Agency Explanation:

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SIGNATURE PAGE

Circle one: Accept NOSA / Reject NOSA

Institution / Organization

Signature

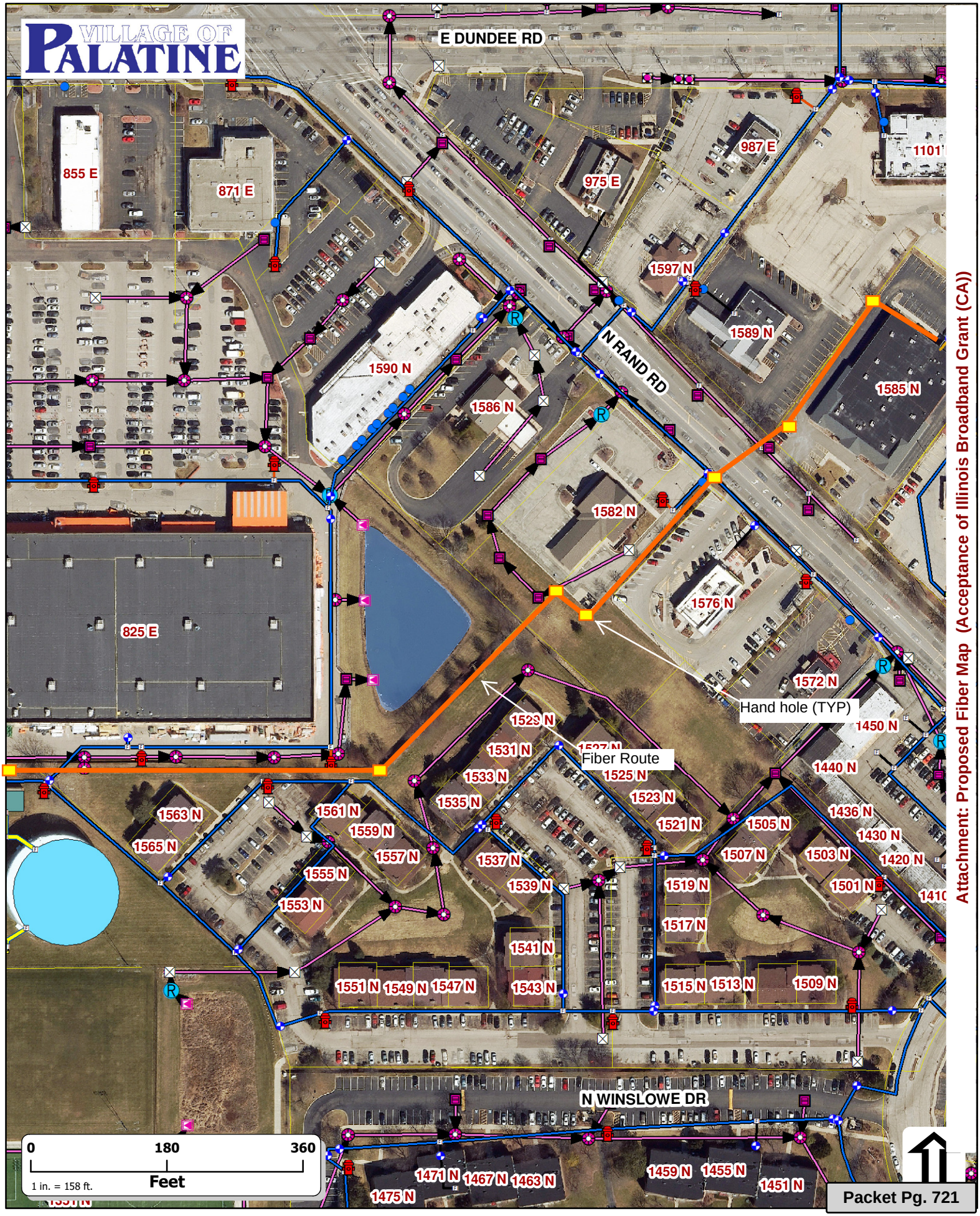
Name of Official

Title (Chief Financial Officer or equivalent)

Date of Execution

Attachment: Notice of Grant Award (Acceptance of Illinois Broadband Grant (CA))

Village of Palatine GIS Viewer



Attachment: Proposed Fiber Map (Acceptance of Illinois Broadband Grant (CA))

State of Illinois
UNIFORM GRANT BUDGET TEMPLATE

Agency:	Illinois Department of Commerce and Economic Opportunity			State FY:	2022
Grantee:	Village of Palatine			DUNS Number:	72363799
NOFO Number:	2366-1687	CSFA Number:	420-35-2366	Grant Number:	21-031043
CSFA Description:	Connect IL Rd 2				

Section A: State of Illinois Funds	Summary	Detail
Revenues		
State of Illinois Grant Amount Requested	$101,387.00	
Budget Expenditure Categories		
1. Personnel (200.430)		
2. Fringe Benefits (200.431)		
3. Travel (200.474)		
4. Equipment (200.439)		
5. Supplies (200.94)		
6. Contractual/Subawards (200.318 and .92)		
7. Consultant (200.459)		
8. Construction	$101,387.00	
1205 DESIGN/ENGINEERING		$2,500.00
1209 BUILDING/LAND PURCHASE		$15,000.00
1217 EQUIPMENT/MATERIAL/LABOR		$41,477.00
1221 CONSTRUCTION MGMT & OVERSIGHT		$3,998.00
1233 OTHER CONSTRUCTION EXPENSES		$8,700.00
1234 CONSTRUCTION		$4,200.00
1235 CONTINGENCY		$25,512.00
9. Occupancy (200.465)		
10. Research and Development (200.87)		
11. Telecommunications		
12. Training and Education (200.472)		
13. Direct Administrative Costs (200.413)		
14. Miscellaneous Costs		
15. Grant Exclusive Line Item(s)		
16. Total Direct Costs (add lines 1-15)	$101,387.00	$101,387.00
17. Total Indirect Costs (200.414)		
Rate: %		
Base:		
18. Total Costs State Grant Funds (Lines 16 and 17)	$101,387.00	$101,387.00

Attachment: State Budget (Acceptance of Illinois Broadband Grant (CA))