ADDENDUM TO MASTER AGENCY AGREEMENT Laramie County/Alcohol Monitoring Systems, Inc.

THIS ADDENDUM is made and entered into by and between Laramie County, Wyoming, P. O. Box 608, Cheyenne, Wyoming 82003-0608, ("COUNTY") and Alcohol Monitoring Systems, Inc., 1241 Mineral Avenue, Suite 200, Littleton, Colorado 80120 (hereinafter, "CONTRACTOR").

I. PURPOSE

The purpose of this Addendum is to modify the proposal to provide alcohol monitoring equipment to Laramie County, attached hereto as Attachment 'A' and fully incorporated herein.(hereinafter "Agreement").

II. TERM

This Addendum shall commence on the date last executed by the duly authorized representatives of the parties to this Addendum and Agreement and shall remain in full force pursuant to the terms of the Agreement and this Addendum.

III. RESPONSIBILITIES OF CONTRACTOR

- A. CONTRACTOR shall provide and complete the services described in Attachment 'A', attached hereto and fully incorporated herein.
- B. COUNTY shall pay CONTRACTOR pursuant to the PRODUCT AND SERVICE SCHEDULE. Payment will be made upon receipt of the CONTRACTOR'S invoice to the COUNTY. No payment shall be made before the last signature is affixed to this Agreement. Payments shall be in accordance with Wyo. Stat. § 16-6-602 (as amended).

IV. MODIFICATIONS

- A. Section 3.1.2 of the Agreement is modified as follows: "Rental Equipment Fees will be invoiced monthly to Agency by AMS based on the specific pricing option for the Rental Equipment on or before the tenth (10th) day of each month and shall be paid by Agency to AMS within thirty (30) forty (40) days from the date of such invoice".
- B. The first sentence of Section 3.1.3 of the Agreement is modified as follows: "Service fees will be invoiced by AMS on a monthly basis as incurred and shall be paid by Agency within thirty (30) forty (40) days from the date of such invoice".
- C. The fourth sentence of Section 3.5.2 of the Agreement is modified as follows: "AMS reserves the right, at its sole option, to reduce Agency's inventory of Rental Equipment, if Agency does not remit the Replacement Fee within thirty (30) forty (40) days from the date of receipt of AMS' invoice."

- D. For Section 5.4, add the following sentence at the end: "AMS shall notify Agency in writing of any changes to these requirements."
- E. The final sentence of Section 6.2, "Agency agrees to indemnify and hold AMS harmless from any claim resulting from the failure of Agency to notify Clients of the restrictions and prohibitions on use of the Equipment and to obtain Client's written consent authorizing the tracking and or monitoring of the Equipment by AMS or its subcontractors" is stricken and of no force and effect.
- F. The final sentence of Section 8.1 is modified as follows: "The parties each agree to treat this Agreement, including all exhibits hereto, as Confidential Information of each party inasmuch as is permitted under the Wyoming Public Records Act in light of the fact Agency is a governmental entity."
 - G. The following language of Section 11 is stricken and of no force and effect:

Each party agrees, to the extent allowed by law, to defend, indemnify and hold the other party and its officers, directors, shareholders, employees and third party suppliers (collectively, the "Indemnified Parties") harmless from and against all losses, damages and expenses, including reasonable attorneys' fees, in connection with any claims against the Indemnified Parties arising out of or related to the negligence or willful misconduct of the other party's employees or agents. Further, Agency shall indemnify and hold harmless AMS and its officers, directors, shareholders, employees and third-party suppliers against the acts of any Client assigned to wear the Equipment, including claims for personal, injury property damage or death. An indemnifying party shall have the foregoing obligation only if the other party provides: (i) a prompt written request for indemnification and defense in such claim or action; (ii) sole control of the defense and settlement thereof; and (iii) all available information, assistance and authority reasonably necessary to settle and defend any such claim or action.

- H. Section 12.1 is stricken and of no force and effect.
- I. Section 12.2 is stricken and of no force and effect.

V. ADDITIONAL PROVISIONS

- 1. <u>Entire Agreement:</u> The Agreement (10 pages) and Addendum (4 pages) represents the entire and integrated agreement and understanding between the parties in regard to the subject matter herein and supersedes all prior negotiations, statements, representations and agreements, whether written or oral.
- 2. <u>Modification:</u> This Agreement and Addendum shall be modified only by a written agreement, duly executed by all parties hereto.

- 3. <u>Applicable Law and Venue:</u> The parties mutually understand and agree this Agreement and Addendum shall be governed by and interpreted pursuant to the laws of the State of Wyoming. If any dispute arises between the parties from or concerning this Agreement and Addendum or the subject matter hereof, any suit or proceeding at law or in equity shall be brought in the District Court of the State of Wyoming, First Judicial District, sitting at Cheyenne, Wyoming or the Federal District Court, District Of Wyoming. This provision is not intended nor shall it be construed to waive COUNTY's governmental immunity as provided in this Agreement and Addendum.
- 4. <u>ADA Compliance:</u> All parties agree they will not discriminate against a qualified individual with disability, pursuant to a law as set forth in the Americans With Disabilities Act, P.L. 101-336, 42 U.S.C. § 12101, *et seq.*, and/or any properly promulgated rules and regulations relating thereto.
- 5. <u>Governmental/Sovereign Immunity:</u> COUNTY does not waive its Governmental/Sovereign Immunity, as provided by any applicable law including W.S. § 1-39-101 et seq., by entering into this Agreement and Addendum. Further, COUNTY fully retains all immunities and defenses provided by law with regard to any action, whether in tort, contract or any other theory of law, based on this Agreement and Addendum.
- 6. <u>Third Parties:</u> The parties do not intend to create in any other individual or entity the status of third party beneficiary, and this Agreement and Addendum shall not be construed so as to create such status. The rights, duties and obligations contained in this Agreement and Addendum shall operate only between the parties to the Agreement and Addendum, and shall inure solely to the benefit of the parties to this Agreement and Addendum.
- 7. <u>Indemnification:</u> Each party to this Agreement and Addendum shall assume the risk of any liability arising from its own conduct. In no event shall such liability exceed in value the fees for services paid or payable by COUNTY to CONTRACTOR pursuant to this Agreement and Addendum. Neither party agrees to insure, defend or indemnify the other.
- 8. <u>Conflict of Interest:</u> COUNTY and CONTRACTOR affirm, to their knowledge, no CONTRACTOR employee has any personal beneficial interest whatsoever in the agreement described herein. No staff member of CONTRACTOR, compensated either partially or wholly with funds from this Agreement, shall engage in any conduct or activity which would constitute a conflict of interest relative to this Agreement.
- 9. <u>Limitation on Payment:</u> COUNTY's payment obligation is conditioned upon the availability of funds which are appropriated or allocated for the payment of this obligation. If funds are not allocated and available for the continuance of the services and equipment provided by CONTRACTOR, the Agreement may be terminated by COUNTY at the end of the period for which funds are available. COUNTY shall notify CONTRACTOR at the earliest possible time of the services which will or may be affected by a shortage of funds. At the earliest possible time means at least thirty (30) days before the shortage will affect payment of claims, if COUNTY knows of the shortage at least thirty (30) days in advance. No penalty shall accrue to

COUNTY in the event this provision is exercised, and COUNTY shall not be obligated or liable for any future payments due or for any damages as a result of termination under this provision. This provision shall not be interpreted or construed to permit COUNTY to terminate this Agreement in order to acquire similar services from another party.

- 10. <u>Addendum Controls:</u> Where a conflict exists or arises between any provision or condition of this Addendum and the Agreement, the provisions and conditions set forth in this Addendum shall control.
- 11. <u>Compliance with Law:</u> The parties agree that they shall comply with all applicable laws, regulations and ordinances, whether Federal, State or Local.

LARAMIE COUNTY, WYOMING

By: Chairman, Laramie County Commissioners	Date
ATTEST:	
By: Laramie County Clerk	Date
ALCOHOL MONITORING SYSTEMS, INC.: By: Authorized Signature	Date _1/20/2022
REVIEWED AND APPROVED AS TO FORM ONLY By: Laramie County Attorney's Office	Date $1/21/22$

PRODUCT AND SERVICE SCHEDULE TO MASTER AGENCY AGREEMENT

AGENCY:	LARAMIE COUNTY			
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This PRODUCT AND SERVICES SCHEDULE ("Schedule") to the MASTER AGENCY AGREEMENT (the "Agreement") is entered into on the date last signed by AMS by and between Alcohol Monitoring Systems, Inc. ("AMS") and the Agency identified above. This Schedule is incorporated by reference into the Agreement effective _______ executed by the parties. Unless otherwise defined herein, capitalized terms in this Schedule are those as defined in the Agreement. This Schedule is effective on the date signed by AMS.

AMS hereby desires to provide Agency with Equipment and sell the Agency supporting Services and Agency desires to order such Equipment and purchase such Services as defined in this Schedule during the Term.

1. DEFINITIONS

- a. "Active Equipment" means any Equipment unit actively using the Monitoring Software.
- b. "Additional Monitoring Services" means, if Agency is purchasing such services, the additional Monitoring Services provided by AMS and as further defined on Attachment 1, at the pricing set forth in Attachment 1, Schedule A.
- c. "CAM Equipment" means, if applicable per the pricing table below, an ankle bracelet device that continuously monitors alcohol levels and if configured as a kit, the base station.
- d. "Service Fee" as used on the Schedule(s) means the Monitoring Service fee charged by AMS to Agency per each Equipment unit, per day using the Monitoring Services.
- e. "Equipment" means collectively the GPS equipment, CAM equipment, various base stations, the Remote Breath Analyzer, the Radio Frequency House Arrest bracelet, Wireless Multi-connect devices and various base stations if sold separately rather than in kit configuration.
- f. "GPS Equipment" means, if applicable per the pricing table below, a device that monitors Client's geophysical location based on exclusion and inclusion zones and includes the base station if configured as a kit.
- g. "House Arrest Equipment" means, if applicable per the pricing table below, an electronic ankle device that monitors Client's adherence to a home arrest curfew schedule and includes the base station if configured as a kit.
- h. "Remote Breath Equipment" means, if applicable per the pricing table below, a device that measures alcohol levels in the breath and may have facial recognition capabilities.
- i. "SLA" means the Service Level Agreement Information document, which is attached to this Schedule as Attachment 1 and is only applicable if Agency is purchasing or renting Equipment with Additional Monitoring Services. Specific SLA protocols will be agreed to in a separate SLA document signed by Agency.
- j. "Wireless Base Station" means, if applicable per the pricing table below, an AMS device that uses cellular transmission to connect with another device, such as a House Arrest or CAM bracelet.
- k. "Wireless Multi-connect Device" means, if applicable per the pricing table below, a third-party wireless device that connects multiple electronic hardware devices, such a CAM bracelet to a base station.
- 2. TERRITORY: N/A
- 3. EQUIPMENT AND SERVICE LIMITATIONS AND SPECIAL REQUIREMENTS
- 3.1 GENERAL EQUIPMENT LIMITATIONS

- 3.1.1 Alcohol Detection. The CAM Equipment is not designed to give immediate notification of alcohol detection.
- **3.1.2** Tamper Efforts. AMS makes no assurances that the any Equipment worn by a Client will detect all tamper efforts.
- **3.1.3** <u>Submergence in Water or Other Liquid.</u> Equipment is not designed for submergence in liquids. Certain Equipment can tolerate limited water exposure such as that encountered when showering.
- 3.1.4 <u>Failure by Agency to Adhere to Maintenance Schedules.</u> AMS bears no liability for Agency's failure to adhere to Equipment maintenance notifications and/or schedules related to equipment and calibration.

3.2 REMOTE BREATH EQUIPMENT LIMITATIONS

- 3.2.1 Set Up. Agency is responsible for entering and updating schedules for each Client and setting up all relevant notifications, including all methods and events. Further, Agency is responsible for establishing a program providing the necessary criteria to interpret all testing results provided by AMS. The Equipment is intended to be used to determine if a Client has consumed alcohol. It is a professional device designed to be used by trained Agency personnel in conjunction with a routine Agency-run equipment maintenance and calibration oversight program. Use by untrained personnel or without periodic maintenance or calibration may result in invalid results or incorrect interpretation of results.
- 3.2.2 <u>Breath Test Results.</u> AMS will not analyze or interpret testing results, reporting histories, or provide an opinion as to whether the Client has consumed alcohol. The concentration of alcohol in the blood of the Client cannot be exactly determined by using a breath alcohol-screening device. Blood alcohol concentration depends on a number of variables including, but not limited to, the amount of alcohol consumed, the rate at which it was consumed, body size, age, physical health and the rate of which the Client metabolizes alcohol. No vehicle or machinery should ever be operated after alcohol consumption, regardless of the breath test result as even small quantities of alcohol can result in driving impairment.
- **3.2.3** Other Limitations. The SCRAM Remote Breath Equipment is not waterproof and should not be immersed in or exposed in any way to liquids. Equipment damaged by Clients or by exposure to water will not be repaired and is subject to the lost/damaged Equipment unit replacement fee.
- 3.3 ADDITIONAL MONITORING SERVICES 24/7 REQUIREMENTS. Additional Monitoring Services are supported by a separate SLA document, which must be completed for each Client. Each SLA specifies, among other things, the type, description and price of the Monitoring Services to be provided. Any modifications of the terms of the SLA shall be made solely in writing and mutually executed by the parties and any other attempt to modify the terms of the SLA shall be void. AMS is not liable for; (i) the actions or inactions of Agency or its employees, contractors and agents that result in delay or error in the Services; (ii) failure to report Client non-compliant activities to appropriate supervising authorities when potential bond, parole or probation violations have occurred; or (iii) inaccurate information provided or input into the Monitoring Software, including Client or other contact information, GPS inclusion/exclusion zone set up and offender schedule information and associated protocols.
- 3.4 WIRELESS EQUIPMENT AND NETWORK LIMITATIONS. AMS provides a choice of data network providers as a part of its Services for the Wireless Multi-connect Device and other Equipment. AMS accepts no responsibility or liability for wireless data coverage or lack thereof. No data will be transmitted when a data network that is supporting the Equipment is not available. Wireless Multi-connect Devices do not provide caller location or caller identification.

4 EQUIPMENT AND SERVICE PRICING:

4.1 Purchased Equipment.

Equipment Type	Quantity	Price per Unit	Service Fee per Unit, per Day
CAM Kit Landline Base	1+	\$1500	\$4.40
Station	1 100	V	Ţ
CAM Bracelet	1+	\$1200	\$4.40
CAM Kit Wireless Base Station	1+	\$1735	\$4.40
GPS Bracelet V-6	1+	\$600	\$2.60
GPS Bracelet V-7	1+	\$650	\$2.60
GPS Beacon	1+	\$400	\$0.60
GPS On-body Charger	1+	\$125	NA
House Arrest Kit Landline Base Station	1+	\$600	\$1.30
House Arrest Bracelet	1+	\$240	\$1.30
House Arrest Kit Wireless Base Station	1+	\$835	\$1.30
CAM Landline Base Station	1+	\$400	NA
CAM Wireless Base Station	1+	\$650	\$1.00
Remote Breath Kit	1+	\$850	\$2.60
Wireless Multiconnect Device	1+	\$400	\$1.00

4.2 Rental Equipment Price

Equipment Type	Quantity	Monthly Rental, per Unit w/90 Day Minimal Rental	Service Fee per Unit, per Day	Rental Equipment Fee, per Unit, per Day	Daily Service Fee per Unit (includes Rental Equipment Fee)	Shelf Fee
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CAM Set Landline Base Station	1+	\$66	\$4.40	\$2.17	\$6.57	\$2.17
CAM Bracelet	1+	\$53	\$4.40	\$1.73	\$6.13	\$1.73
CAM Set Wireless Base Station	1+	\$77	\$4.40	\$2.51	\$7.91	\$2.51
GPS Bracelet	1+	\$50	\$2.60	\$0.97	\$3.57	\$1.12
GPS Beacon	1+	\$33	\$0.60	\$0.59	\$1.19	\$1.12
GF3 Beacon	17	φυυ -	\$0.00	φυ.59	φ1.19	\$1.20
House Arrest Set Landline Base Station	1+	\$50	\$1.30	\$0.87	\$2.17	\$0.87
House Arrest Bracelet	1+	\$20	\$1.30	\$0.35	\$1.65	\$0.35
House Arrest Set Wireless Base Station	1+	\$70	\$1.30	\$2.16	\$3.36	\$1.21
Remote Breath Equipment	1+	\$45	\$2.60	\$2.45	\$5.05	\$2.45
CAM Landline Base Station Standalone	1+	\$33	NA	NA	NA	NA
CAM Wireless Base Station Standalone	1+	\$54	\$1.00	\$0.94	\$1.94	0.94
<u> </u>						<u> </u>
Wireless Multiconnect Device	1+	\$18	\$1.00	\$0.62	\$1.62	\$0.62

Note 1: If purchasing/renting the Wireless Base Station kitted with CAM Equipment, the Service Fee will be invoiced at the amount for CAM Kit listed above, plus the Service Fee amount listed above for the CAM Wireless Base station as if it were purchased/rented as a standalone unit. The same concept applies to Daily Rental GPS Beacons.

Note 2: Rental Equipment price changes are based on tier levels are calculated on the number of Active Equipment rental units, not total number rented.

5. ADDITIONAL SERVICES

Training: AMS will provide Agency personnel with training in the use of the Products. Any such training will be at no charge to Agency.

Ethernet Communication: \$0.50 per Equipment unit, per day

RB Associated Consumables: AMS will provide 1 calibration kit for each order with a quantity of 25 Remote Breath Equipment units.

RB Calibration Fee: AMS will calibrate Remote Breath Equipment for a charge of \$50 per Equipment unit.

Consumables: AMS electronic monitoring devices require the use of certain consumable items for proper operation. Consumables are provided at no additional charge up to the amount of the customer's normal expected usage for a particular product, usually based on monitored days. Consumables in excess of normal expected usage are available for purchase. A complete listing of consumables for AMS electronic monitoring devices, including current purchase price, is located under that Help tab in SCRAMnet. In addition, AMS offers for sale certain accessories that assist customers in their normal operations. A complete listing of accessories available for purchase, including current purchase prices, is located under the Help tab in SCRAMnet.

Consumable Calculation Example:
90 CAM units on for a 30 day/monthly period
Results in 2700 monitored days
Using a normal expected usage of 90 days for battery/faceplate kits
Allocated 30 battery faceplate kits for the month.

6 MOBILE APPLICATIONS:

TouchPoint

Overview: TouchPoint is an AM' proprietary mobile application designed for use by Clients who are using AMS or other electronic monitoring devices under the Agency's supervision. AMS will provide the Agency with TouchPoint training. Clients will download TouchPoint to their cell phone and upon first use agree to the TouchPoint Mobile Application Terms and Conditions of User. The Agency will provide TouchPoint training to the Clients.

TouchPoint Price/Billing:

Price: TouchPoint Client Users wearing AMS Equipment: No charge

TouchPoint Client Users not wearing AMS Equipment: \$0.50 per TouchPoint Client User, per day when active

<u>Billing</u>: The first 60 days from the Effective Date will be no charge. Thereafter, AMS will invoice the Agency monthly in arrears. Payment terms will be those as set forth in the Agreement. TouchPoint price is subject to change upon availability of additional features/function. AMS will contact Agency if the price changes and if the new price cannot be agreed on by Amendment on this Agreement, TouchPoint will become unavailable with 30 days prior notice.

Ally

Overview: The Ally Mobile Application is an AMS proprietary mobile application designed for Victim notification used to alert a Victim when a Client wearing an AMS GPS Bracelet is in geographic proximity of the Victim's phone. AMS will provide the Agency with Ally Mobile Application training. Victims will download the Ally Mobile Application to their cell phone and upon first use agree to the Ally Mobile application terms and Conditions of Use. The Agency will provide Ally Mobile Application training to the Victim. The alert geographic boundary is set by the Agency in the Monitoring Software. The Client must be on a 1x1 rate plan if they are paired with a Victim. The term "Victim" means a person who is a participant in a victim notification program managed by Customer and who is authorized by Customer to download and activate the Ally Mobile Application on his/her personal mobile device so that the Victim can receive alerts related to the Client based on parameters set up by Customer in the Monitoring Software.

Required Actions by Customer, Client and Victim:

It is understood and agreed by the parties that the Ally Mobile Application is to be used as a part of a written victim notification program managed by Customer whereby the Client is enrolled in a GPS monitoring program requiring the wearing of a SCRAM GPS Ankle Monitor Bracelet.

The Ally Mobile Application is not a substitute for the Victim remaining vigilant to protect his/her personal safety and cannot be relied upon as the sole means of maintaining the Victim's personal safety. Each Victim must comply is all respects with the detailed requirements listed in the Ally Mobile Application Terms and Conditions which are available via a link in the Ally Mobile Application. In addition, the timely receipt and/or accuracy of alerts from the Ally Mobile Applications are dependent upon: (i) the Victim's full compliance with the requirements of the Ally Mobile Application Terms and Conditions; (ii) full compliance of the Client with the requirements of his/her GPS location monitoring program, including but not limited to, the Client not tampering with or removing his/her device; (iii) the proper set up and maintenance in the Monitoring Software by Customer of all zones, schedules and victim information for the relevant

Client; and (iv) the Client's SCRAM GPS Ankle Monitor Bracelet being "active" so that notifications can be sent to the Ally Mobile Application. Customer shall be solely responsible for the management and supervision of any Client, Victims or Customer personnel using the Monitoring Software. In addition, Customer is solely responsible for (i) the development of a Victim notification program, (ii) the maintenance of a separately contracted GPS monitoring program requiring the wearing by Clients of SCRAM GPS Ankle Monitor Bracelets, (iii) the selection and implementation of the Victim enrollment process, (iv) the set up and maintenance of the monitoring and notification options available in the Monitoring Software (including maintenance of all zones, schedules and victim information) and (v) the training of Victims in the set up and use of the Ally Mobile Application. AMS is not responsible or liable for Customer's failure to properly fulfill its foregoing responsibilities AMS IS NOT RESPONSIBLE OR LIABLE TO CUSTOMER, CLIENT OR VICTIM IF THE ALLY MOBILE APPLICATION DOES NOT PROVIDE TIMELY OR ACCURATE NOTIFICATIONS OR ALERTS DUE TO A FAILURE OF CUSTOMER, CLIENT OR VICTIM TO COMPLY WITH ANY OF THE FOREGOING.

Price: \$1 per day, per Victim per Ally user.

<u>Billing:</u> AMS will invoice the Agency monthly in arrears. Payment terms will be those as set forth in the Agreement. Ally price is subject to change upon availability of additional features/function. AMS will contact Agency if the price changes and if the new price cannot be agreed on by Amendment on this Agreement, Ally will become unavailable with 30 days prior notice.

7 SHELF FEE; SHELF ALLOWANCE; LOSS AND DAMAGE ALLOWANCE; LOST AND DAMAGE FEE:

Shelf Fee: A Shelf Fee is only charged if there is an amount in the Rental Equipment Fee column `in the table above and there is a Shelf Allowance percentage listed below.

Shelf Allowance: 5%

Loss and Damage Allowance: X%

Loss and Damage Fee: The replacement fee for Rental Equipment lost or damage beyond repair will be the purchase price, per unit, listed above. For Parts it will be the current replacement cost from the manufacturer. GPS refurbishment fee will be \$365.50 for those units that can be repaired.

8 SPECIAL TERMS: NA

LARAMIE COUNTY

IN WITNESS WHEREOF, the parties' hereto have caused this Agreement to be executed by their dully authorized representatives as of the date last signed by AMS.

THIS SCHEDULE, AND THE AGREEMENT OF WHICH IT IS A PART, IS A COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN THE PARTIES, WHICH SUPERSEDES ALL PRIOR SCHEDULE AND ANY PROPOSALS AND UNDERSTANDINGS BETWEEN THE PARTIES RELATING TO THE SUBJECT MATTER OF THIS SCHEDULE. By execution, both signers certify that each is authorized to execute the Schedule on behalf of their respective companies.

ALCOHOL MONITORING SYSTEMS, INC.

	_ By:	
Troy Thompson	_ Name:	John Hennessey
Chairman, Laramie Co. Commissioners	_ Title:	Chief Revenue Officer
	_	
Signed by AMS and ef	fective as of:	Effective Date

ATTACHMENT 1 – MONITORING SERVICE LEVEL AGREEMENT INFORMATION TO PRODUCT AND SERVICE SCHEDULE TO MASTER AGENCY AGREEMENT

INTENTIONALLY OMITTED



1241 West Mineral Avenue, Suite 200 Littleton, CO 80120

MASTER AGENCY AGREEMENT

AGENCY:	LARAMIE COUNTY DUI COURT	INITIAL CONTRACT TERM:	36 months
ADDRESS:			

This MASTER AGENCY AGREEMENT (the "Agreement"), is entered into as of the Effective Date by and between ALCOHOL MONITORING SYSTEMS, INC. ("AMS"), a Delaware corporation located at 1241 West Mineral Avenue, Suite 200, Littleton, Colorado 80120, and the Agency listed above. This Agreement incorporates by reference any and all Schedules executed by the parties. Capitalized terms not otherwise defined in this Agreement are those as defined in the attached Schedule(s). Should there be a conflict between the terms in this Agreement and those of any Schedule, the terms in the Schedule will prevail. The effective date of the Agreement is the date last signed by AMS (Effective Date"). This Agreement supersedes any prior written or oral agreement and understandings with respect to the subject matter herein.

1 GENERAL SCOPE OF AGREEMENT. AMS sells and rents Equipment and provides supporting Services specific to monitoring Clients who are required to or opt to wear such Equipment. AMS desires to sell or rent and Agency desires to order such Equipment and the supporting Services as specified in this Agreement and the attached Schedules in the Territory described on the applicable Schedule.

2 DEFINITIONS

- "Clients" means individuals who are required or choose to wear the Equipment.
- "Effective Date" means the date this Agreement is signed by AMS.
- "Equipment" means the hardware identified in the applicable Schedule.
- "Mobile Application" means any applications listed in this Agreement which are provided by AMS or its third-party supplier and designed to complement the Services, but which run on mobile devices such as smart phones or tablets.
- "Monitoring Services" means the remote collection, compilation and reporting of data from the Equipment.
- "Monitoring Software" means AMS' proprietary, web-based software applications, depending on the Equipment or Service contracted for, which track and store Client data and other features as may be added from time to time.
- "Parts" means peripheral hardware necessary for the support of the Equipment such as, but not limited, to batteries, straps and back-plates.
- "Products" means collectively the Equipment and the Parts.
- "Rental Equipment" means Equipment rented by AMS to Agency.
- "RMA" means a Return Material Authorization issued by AMS.
- "Services" means collectively the; (i) the Monitoring Services; (ii) provision of training and certification necessary for Agency to use Products; (ii) provision of technical support and telephone assistance; (iii) scheduled Equipment (vi) maintenance; (iv) disaster recovery and backup services for Client data stored using the Monitoring Software; and (v) provision of such other Services and support functions as may be agreed to in writing by the parties and made part of this Agreement.

"Territory" means the geographic area type as defined on each Schedule in which Agency may provide the Products and Services to Clients.

"Third Party Contractor" means Agency's third-party subcontractors to whom Agency is subcontracting any of Agency's work or responsibilities under this Agreement.

3 GENERAL BUSINESS TERMS

3.1 Payment Terms.

- **3.1.1** <u>Purchased Products.</u> Products will be invoiced at the time of shipment. The price of the Products does not include applicable taxes and is due and payable in U.S. dollars within ten (10) days of date of invoice.
- **3.1.2** Rental Equipment. Rental Equipment Fees will be invoiced monthly to Agency by AMS based on the specific pricing option for the Rental Equipment on or before the tenth (10th) day of each month and shall be paid by Agency to AMS within thirty (30) days from the date of such invoice.
- 3.1.3 Monitoring Service and Other Fees. Service fees will be invoiced by AMS on a monthly basis as incurred and shall be paid by Agency within thirty (30) days from the date of such invoice. Other fees include, but are not limited to, fees for the following: Court appearances whereby AMS is requested by Agency to be a witness in a court case; manual check-in for inactive Equipment; repair or replacement not covered by the Maintenance and Repair Policy under Section 7 and Equipment returned to AMS without an RMA. Unless set forth on an applicable Schedule, fees will be charged at AMS' then prevailing rates.
- **3.1.4** <u>Currency: Invoiced Taxes</u>. All fees are payable in U.S. Dollars. In addition, Agency is responsible for the timely payment of all taxes invoiced by AMS related to the purchase price for Products, Rental Equipment Fees, Services and any other fees set forth on the Schedule(s).

3.2. Ordering; Freight Terms; Order Cancellation and Reschedule.

- **3.2.1** Orders. AMS may provide Agency with AMS' standard order form to use for when Agency places orders under this Agreement. Agency may use its own purchase order form in addition to the AMS order form. All terms on any Agency purchase order shall not alter or amend the terms of this Agreement and any additional or varying terms contained in such instrument are expressly rejected.
- **3.2.2** Freight Terms. Products ordered by Agency shall be shipped to Agency's designated facility, AMS paying ground freight, and AMS bearing the risk of loss of damage until Products are delivered to Agency's dock, at which time any visible damage to the outermost packaging must be noted on the Bill of Lading. AMS shall determine the type of packaging, mode of transportation for all shipments including for returns. Any returns must be accompanied by an RMA. Orders expedited at Agency's request will be shipped FOB Origin, with all freight costs to be paid by the Agency.
- **3.2.3** Order Cancellation and Reschedule. Orders for Products, once accepted by AMS, are non-cancelable, and Products are non-returnable, except in accordance with the Maintenance and Repair Policy set forth in this Agreement or the terms, if any, in the applicable Schedule. Upon AMS agreement, Agency can reschedule orders one time upon thirty (30) days written notice prior to the shipment date. Any such rescheduled delivery date must be within thirty (30 days of the original delivery date.
- 3.3 <u>Taxes</u>. Agency shall be solely responsible for all taxes related to Products or Services provided to it by AMS under this Agreement including, by way of example and not limitation, sales, use, property, excise, value added, and gross receipts irrespective of whether the Products are purchased or rented. If Agency is exempt from taxes of any kind Agency will provide appropriate exemption documentation for all such taxes applicable to the transactions contemplated by this Agreement.
- **Failure to Make Payments and Suspension of Services.** Late paid invoices will be subject to interest, accruing from the due date at the rate of either one-and-one-half percent (1.5%) per month or the highest rate specified by applicable statute, whichever is lower. In addition, if Agency fails to pay any amount when due under this Agreement, AMS will provide written notice to Agency of such failure. If Agency does not pay any outstanding amount due within five (5) business days of the date of such notice, AMS may do any of the following; (i) reject orders from Agency for additional Products or withhold delivery of Products already ordered but not yet shipped; (ii) suspend access to the Services until Agency pays all outstanding amounts in full; and (iii) proceed with

termination of this Agreement and any applicable Schedules in accordance with the terms in Section 9.3 of this Agreement.

3.5 Title to Equipment; Rental Equipment.

- **3.5.1** <u>Title to Equipment.</u> Title to purchased Equipment transfers to Agency upon delivery to the freight carrier. Title to any Rental Equipment shall remain with AMS, unless such Equipment is later purchased by the Agency.
- Rental Equipment. Agency may rent Equipment from AMS in quantities agreed to by the parties. Agency will not encumber or dispose of any Rental Equipment. Agency will inventory Rental Equipment in a location that is used and operated by Agency authorized personnel only. All Rental Equipment maintained in Agency's inventory location will be handled in accordance with industry standard practices for prevention of loss or physical damage, including that which may be caused by electronic static discharge and environmental concerns. Agency will be responsible to and reimburse AMS for all loss to AMS resulting from damage, theft, destruction or any other loss whatsoever of Rental Equipment received by Agency. In the event of the loss or damage to any of the Rental Equipment, Agency agrees to pay AMS the Replacement Fee amounts specified on the relevant Schedule. AMS reserves the right, at its sole option, to reduce Agency's inventory of Rental Equipment, if Agency does not remit the Replacement Fee within thirty (30) days from the date of receipt of AMS' invoice. Agency will cooperate with AMS in the preparation and filing of any documents considered necessary by AMS to preserve AMS title and ownership rights to the Rental Equipment. Upon reasonable notice, AMS reserves the right to audit Rental Equipment inventory on a quarterly basis. At all times throughout the Term. Agency will procure and maintain risk insurance to specifically cover loss or damage to Rental Equipment while in Agency's possession up to the equivalent of the Replacement Fee for the Rental Equipment. At the end of the rental period. Agency must obtain an RMA and ship returned Rental Equipment to AMS with freight to be paid by Agency and risk of loss or damage to remain with Agency until delivery to AMS.

4 USE RESTRICTIONS; FIRMWARE LICENSE; OWNERSHIP; LIMITED LICENSE; DISCLAIMER

- Use Restrictions; No Modification. Agency shall not do any of the following acts: (i) wilfully tamper with the security of the Monitoring Software, Mobile Application or Equipment; (ii) access data on the Monitoring Software not intended for Agency; (iii) log into an unauthorized server or account on the Monitoring Software; (iv) attempt to probe, scan or test the vulnerability of the Monitoring Software or Mobile Application or to breach the security or authentication measures without proper authorization; (v) wilfully render any part of Monitoring Software or Mobile Application unusable: (vi) reverse engineer, de-compile, disassemble or otherwise attempt to discover the source code or underlying ideas or algorithms of the Monitoring Software or Mobile Application: (vii) modify, translate, or create derivative works based on the Monitoring Software or Mobile Application; (viii) rent, lease, distribute, license, sublicense, sell, resell, assign, or otherwise commercially exploit the Monitoring Software or make the Monitoring Software or Mobile Application available to a third party other than as contemplated in this Agreement; (ix) use the Monitoring Software for timesharing or service bureau purposes or otherwise for the benefit of a third party; (x) publish or disclose to third parties any evaluation of the Monitoring Software or Mobile Application without AMS' or its third party supplier's prior written consent; (xi) remove, modify, obscure any copyright, trademark, patent or other proprietary notice that appears on the Monitoring Software or Mobile Application; or (xii) create any link to the Monitoring Software or frame or mirror any content contained or accessible from the Monitoring Software. Except as expressly provided in this Agreement, no right or license is granted hereunder, by implication, estoppel or otherwise.
- **4.2** <u>Firmware License</u>. The Products contain firmware developed and owned by AMS or its third-party supplier. Agency is hereby granted a limited, non-exclusive, non-transferable, royalty-free license, for the Term, as defined in Section 9.1 below, to use the firmware in the Products. Use of the Parts may be subject to third party license agreements. AMS and its third-party suppliers shall retain all rights to the firmware contained in the Products. Any applicable license shall be deemed to be in effect upon delivery of the Products.
- 4.3 Ownership; Limited License. Agency acknowledges that all right, title and interest in any software, Mobile Application or firmware provided under this Agreement and all modifications and enhancements thereof, including all rights under copyright and patent and other intellectual property rights, belong to and are retained solely by AMS or its third-party suppliers. This Agreement provides Agency only the rights expressly granted in this Agreement. Further, if Agency suggests any new features or functionality for the Equipment, Monitoring

Software or Parts that AMS or its third party suppliers subsequently incorporate into the Products or Monitoring Software, any such new features or functionality shall be the sole and exclusive property of AMS or its third party suppliers and shall be free from any confidentiality restrictions that might otherwise be imposed upon AMS pursuant to Section 8 below.

APPLICABLE LAW, AMS DISCLAIMS ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, NONINFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE. AMS SHALL HAVE NO LIABILITY WHATSOEVER AS A RESULT OF THE EQUIPMENT BEING LOCATED IN AN AREA NOT COVERED BY APPROPRIATE WIRELESS COVERAGE (IF APPLICABLE), OR IF THE EQUIPMENT FAILS TO ESTABLISH A CONNECTION WITH THE MONITORING SOFTWARE OR THE MONITORING SERVICES ARE DISABLED DUE TO NETWORK RELATED ISSUES. Without limiting the express warranties set forth in this Agreement, AMS does not warrant that the Services will meet Agency's requirements or that access to and use of the Monitoring Services will be uninterrupted or free of errors. AMS cannot and does not guarantee the privacy, security, authenticity and non-corruption of any information transmitted through, or stored in any system connected to, the Internet. Neither AMS nor its third-party suppliers shall be responsible for any delays, errors, failures to perform, or disruptions in the Monitoring Services caused by or resulting from any act, omission or condition beyond AMS' or its third party supplier's reasonable control.

5 SERVICE TERMS

- **5.1 Service Scope.** AMS will provide Agency with the Services and support functions per the terms in this Agreement. Unless otherwise expressly agreed to by the parties, AMS is not obligated to and will not provide Services for any Equipment not obtained directly from AMS.
- **Monitoring Service Availability.** AMS shall use commercially reasonable efforts to make the Monitoring Services available for twenty-four (24) hours a day, seven (7) days a week. Agency agrees that from time to time the Monitoring Services may be inaccessible or inoperable for reasons beyond the reasonable control of AMS, including: (i) equipment malfunctions; (ii) periodic maintenance procedures or repairs which AMS may undertake; or (iii) interruption or failure of telecommunication or digital transmission links, hostile network attacks, network congestion or other similar failures. Agency will not be entitled to any setoff, discount, refund or other credit as a result of unavailability of the Monitoring Services unless expressly provided in this Agreement.
- 5.3 Monitoring Software Security. AMS shall use commercially reasonable efforts to prevent unauthorized access to restricted areas of the Monitoring Software and any databases or other sensitive material. AMS reserves the right to deactivate or suspend access to the Monitoring Software by a user if such user is found or reasonably suspected to be using his/her access to facilitate illegal, abusive or unethical activities. Such activities include pornography, obscenity, violations of law or privacy, hacking, computer viruses, or any harassing or harmful materials or uses. Agency agrees to hold AMS harmless from any claims resulting from such use.
- 5.4 Access to Monitoring Software. Agency agrees to limit requests for access to the Monitoring Software to Agency personnel who are authorized to enroll Clients, set notification options and otherwise access the information residing within the Monitoring Software. AMS will provide to Agency usernames, passwords and other information necessary to access the Monitoring Software. Agency is responsible for keeping its usernames and passwords protected as Confidential Information as defined in and per the terms of Section 8 of this Agreement and for any communications or transactions made using its user names and passwords. Agency personnel are responsible for changing their respective usernames and passwords if they believe that either have been stolen or might otherwise be misused. Agency shall provide written notice to AMS within ten (10) days if any previously authorized personnel status changes such that access should no longer be allowed, including but not limited to termination or resignation of any Agency personnel who had access to the Monitoring Software. These requirements are subject to change based on periodic review by AMS of its information security needs.
- **5.5** Equipment and Utilities. Agency is responsible and shall bear the costs associated with providing and maintaining internet access and all necessary telecommunications equipment, software and other materials necessary for accessing the Monitoring Software. Agency agrees to notify AMS of any changes in the foregoing, including any system configuration changes or any hardware or software upgrades, which may affect Agency's ability to access the Monitoring Software.

- **5.6** Equipment Maintenance. AMS and Agency shall establish a routine maintenance program designed to keep the Equipment in good repair, working order and condition in accordance with AMS' then-published specifications, including establishing a schedule that will ensure the return of the Equipment to AMS at approximately annual intervals. Unless otherwise agreed, Agency shall be responsible for (i) collecting any Equipment from Clients that is scheduled for maintenance and (ii) shipping it to AMS having first obtained a RMA number from AMS. Such maintenance program shall not cover Equipment damaged or rendered inoperative for any cause not due to defects covered by the service and repair policy in the Agreement. Agency shall not, without prior approval from AMS, send to AMS for maintenance any Equipment not then scheduled for maintenance. Equipment returned to AMS for any reason, including rental returns, damages, and scheduled repairs, that are not accompanied with a properly issued RMA may be assessed a returned administrative charge.
- **Training and Certification**. AMS will provide Agency personnel with on-line training and certification in the use of the Products at AMS' current training rates as quoted by AMS to Agency.
- **Additional or Changes to Services.** From time-to-time, AMS may revise the scope of the Services, subcontract or delegate to a third party some or all of the provision of the Services, or make substitutions, additions, modifications and improvements to Monitoring Software and/or Services. Additionally, as a part of these changed Services, AMS also may determine, at its sole option, to discontinue providing Services hereunder for specific versions of the Products upon a minimum of one (1) year prior notice to Agency.

6. AGENCY RESPONSIBLITIES.

- **Equipment.** Agency shall be solely responsible for the management and supervision of the Equipment and any personnel or Clients using the Equipment and the Monitoring Software, as well as the selection and implementation of the Client enrollment, monitoring and notification options provided for the Monitoring Software. For avoidance of doubt, Agency is solely responsible for the management of the Clients, including the response to any Client violations reported by AMS or its third-party providers. AMS is not responsible or liable for Agency's failure to properly fulfill its foregoing responsibilities.
- 6.2 Agreements with Clients. Agency shall obtain the necessary written consent from any Client authorizing the tracking and/or monitoring of the Equipment by AMS or its subcontractors. Agency is solely responsible for notifying Clients in writing of any restrictions or limitations on the use of the Equipment of which it is made aware by AMS. These mandatory restrictions and prohibitions to be communicated to Clients are available on the Monitoring Software platform in the form of a "Participant Agreement". This Participant Agreement is not intended to cover all possible requirements of the relationship between Agency and its Clients and should be reviewed by Agency's legal advisors prior to use. Agency agrees to indemnify and hold AMS harmless from any claim resulting from the failure of Agency to notify Clients of the restrictions and prohibitions on use of the Equipment and to obtain Client's written consent authorizing the tracking and or monitoring of the Equipment by AMS or its subcontractors.
- **6.3** Third Party Call Center Support. If Agency determines that it will establish and use a third-party call center to monitor and receive alerts from the Monitoring Software, then Agency will notify AMS and shall ensure that personnel certified by AMS will operate the call center. Agency shall be responsible for all acts and omissions of the third-party call center personnel granted access to Monitoring Software as if they were employees of Agency.
- **Research Studies.** Agency agrees that prior to using the Equipment for a research study or publishing any results from such a study, the Agency will obtain AMS' prior written approval of the study and additional written approval of any intent to publish the research results. AMS may, at its sole discretion, withhold any such approval. Agency's breach of this Section 6.4 will be a material breach of the Agreement.

7 MAINTENANCE AND REPAIR

Maintenance and Repair Policy. Provided Agency; (i) pays to AMS the Service fee(s) for Equipment; and (ii) installs the Equipment in accordance with AMS' instructions, for all Equipment manufactured by and ordered directly from AMS, AMS will provide the necessary maintenance and repair for such Equipment at AMS' expense to enable it to function with the Monitoring Software in a manner substantially in accordance with the performance parameters specified in the documentation for the specific Equipment. For any Parts manufactured by third parties and sold by AMS, any service or repair commitment for that Part shall be solely as described in

the relevant Schedule for that Part. Products returned to AMS under warranty must be returned within thirty (30) days of issuance of the RMA. Agency must return damaged or defective Products to AMS using the label or freight carrier information provided by AMS to Agency at the time of RMA issuance.

- 7.2 <u>Maintenance and Repair Policy Exclusions</u>. The above policy does not cover Equipment that is obtained from sources outside of AMS or is defective due to (i) improper use or installation, damage, accident, abuse or alteration; (ii) failure to comply with the operating and maintenance instructions set forth in the documentation for the specific Equipment; (iii) servicing of the Equipment by anyone not authorized by AMS; (iv) failure of Agency to obtain reasonable and necessary maintenance of the Equipment as contemplated under the Agreement; (v) use of Parts in the repair of the Equipment that have not been approved in writing by AMS for use in the Equipment; or (vi) use in connection with a third party product other than that as approved in writing by AMS.
- **7.3** Sole Remedy. In the event of a breach of the above Maintenance and Repair policy, Agency's sole remedy shall be, at AMS' option, the repair or replacement of the defective Equipment or Part by AMS.
- **Product Changes; Retrofit Activities.** AMS shall have the right at any time (i) to change the design or specifications of any Equipment without notice and without obligation to make the same or any similar change on any Equipment previously purchased by Agency; and (ii) to retrofit or replace (during routine maintenance or otherwise) any Equipment to incorporate any upgrades or updates then available. However, nothing herein shall obligate AMS to provide Agency with all new models of Equipment at no additional cost, and AMS may charge a fee for Equipment model upgrades in certain circumstances including, but not limited to, a new line of products or a change in underlying technology or technological advancements requiring significant changes to an existing Equipment model. Regarding the foregoing, in any case where AMS charges a fee for an Equipment model upgrade, it will provide no less than six (6) months' notice to Agency prior to discontinuing the sale or rental of the discontinued Equipment model. In addition, AMS will continue to repair the Equipment for the shorter of three years or date of termination of third-party technology services integral to the performance and functionality of the discontinued Equipment.

8 CONFIDENTIAL INFORMATION

- **Confidential Information**. In connection with this Agreement a party ("Discloser") may furnish to the other party ("Recipient") software, user and training manuals, data, Client information, designs, drawings, tracings, plans, layouts, specifications, samples, equipment and other information provided by or on behalf of Discloser to Recipient, that should reasonably have been understood by Recipient, because of (i) legends or other markings, or (ii) the circumstance of disclosure or the nature of the information itself, to be proprietary and confidential to Discloser or to a third party ("Confidential Information"). Confidential Information specifically includes all information accessed by Agency via the Monitoring Software. Confidential Information may be disclosed in written or other tangible form (including digital or other electronic media) or by oral, visual or other means. Each party agrees not to disclose to the other party any confidential or proprietary information of third parties unless authorized to do so. The parties each agree to treat this Agreement, including all exhibits hereto, as Confidential Information of each party.
- **8.2 Nondisclosure.** It is agreed that, after receipt of Confidential Information of the other party, Recipient shall: (i) restrict the dissemination of such Confidential Information to those employees who need to use the Confidential Information in the performance of this Agreement, and (ii) to use no less than a reasonable standard of care in safeguarding against unauthorized disclosure of such Confidential Information. Recipient agrees to have an appropriate nondisclosure agreement signed by each of its employees, agents and contractors who may be exposed to Discloser's Confidential Information.
- **8.3** Exceptions from Confidential Information. Confidential Information shall not include information that: (i) is or becomes part of the public domain without violation of this Agreement by Recipient, (ii) is already in Recipient's possession free of any restriction on use or disclosure, (iii) becomes available to Recipient from a third party provided that such party was free from restriction on disclosure of the information or (iv) has been independently developed by Recipient.
- **8.4** Required Disclosures. If Recipient is required by legal proceeding discovery request, "open records" or equivalent request, investigative demand, subpoena, court or government order to disclose Confidential Information, Recipient may disclose such Confidential Information provided that: (i) the disclosure is limited to the

extent and purpose legally required; and (ii) prior to any disclosure, Recipient shall immediately notify Discloser in writing of the existence, terms and conditions of the required disclosure and, at Discloser's request and expense, cooperate in obtaining a protective order or other reliable assurance that confidential treatment will be accorded the Confidential Information.

9 TERM AND TERMINATION

- 9.1 <u>Term.</u> This Agreement shall commence from the Effective Date and shall continue for the period specified on page one (the "Initial Term") unless earlier terminated in accordance with the provisions of this Agreement. After the Initial Term expires, this Agreement can be extended by mutual written agreement of the parities for additional terms (each a "Renewal Term"). The Initial Term, together with any Renewal Term, is referred to as the "Term".
- **9.2** <u>Termination for Convenience</u>. This Agreement may be terminated for convenience at any time upon thirty (30) days prior written notice by one party to the other.
- **9.3** Termination for Breach. Either party may terminate this Agreement; (i) if a voluntary or involuntary petition in bankruptcy, receivership, assignment for the benefit of creditors or other similar insolvency action is filed or levied against the other party and not discharged within sixty (60) days after the filing or levy thereof; (ii) by written notice by the non-breaching party, if the other party fails to cure any nonpayment of money owed to the other party under this Agreement within thirty (30) days of such notice; (iii) by written notice by the non-breaching party, if the other party fails to cure any material breach of this Agreement (other than non-payments described in clause (ii) above) within sixty (60) days of such notice (it is understood; however, that a violation of law, breach of confidentiality or misuse of access grants that cannot be cured shall be grounds for immediate termination); or (iv) immediately, by written notice by the non-breaching party, upon the second commission of a previously remedied material breach under clause (iii) above.
- 9.4 <u>Termination for Non-Appropriation of Funds</u>. In the event that Agency is unable to continue to make payments required hereunder due to a failure of the responsible governmental entity to make available funding to the level and in the amount required to remain in compliance with Agency's financial obligations hereunder, then upon the occurrence of such a non-appropriation event and on the date that the requisite funding ceases to be available to the Agency, Agency may terminate this Agreement, without further financial obligation or liability to AMS other than to pay for Products and Services previously delivered to Agency or performed for Agency.
- **9.5 Survival.** This Section, any indemnity obligations of either party, and Sections 4.3, 4.4, 6, 8, 11, 12.1 and 12.2 shall survive termination of this Agreement.

10 EFFECT OF TERMINATION

10.1 Payments; Return of Equipment. Upon any termination of this Agreement or any Schedule incorporated by reference herein, Agency shall provide AMS with all outstanding payments due and, within ten (10) days of the termination, return to AMS all Equipment not owned by Agency or, if so directed by AMS, to AMS' third party supplier. Upon termination of this Agreement, each party shall deliver or destroy all Confidential Information of the other party which is in its possession, care or control within thirty (30) days of termination except for backup and archived Client data.

11 ALLOCATION OF LIABILITY

Each party agrees, to the extent allowed by law, to defend, indemnify and hold the other party and its officers, directors, shareholders, employees and third party suppliers (collectively, the "Indemnified Parties") harmless from and against all losses, damages and expenses, including reasonable attorneys' fees, in connection with any claims against the Indemnified Parties arising out of or related to the negligence or willful misconduct of the other party's employees or agents. Further, Agency shall indemnify and hold harmless AMS and its officers, directors, shareholders, employees and third-party suppliers against the acts of any Client assigned to wear the Equipment, including claims for personal, injury property damage or death. An indemnifying party shall have the foregoing obligation only if the other party provides: (i) a prompt written request for indemnification and defense in such claim or action; (ii) sole control of the defense and settlement thereof; and (iii) all available information, assistance and authority reasonably necessary to settle and defend any such claim or action.

EXCEPT AS ALLOWED BY APPLICABLE LAW, UNDER NO CIRCUMSTANCES SHALL A PARTY TO THIS AGREEMENT BE LIABLE TO THE OTHER PARTY OR ANY OTHER THIRD PARTY FOR INDIRECT, SPECIAL, INCIDENTAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES INCLUDING, WITHOUT LIMITATION.

DAMAGES FOR LOSS OF GOODWILL, PROFITS, DATA, (OR USE THEREOF), OR BUSINESS INTERRUPTION ARISING OUT OF ANY ACTS OR FAILURES TO ACT, WHETHER SUCH DAMAGES ARE LABELED IN STRICT LIABILITY, TORT, CONTRACT OR OTHERWISE, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

AMS HAS NO RESPONSIBILITY OR LIABILITY FOR ACTS THAT MAY BE COMMITTED BY INDIVIDUALS WHILE THEY ARE CLIENTS. EXCEPT AS LIMITED BY APPLICABLE LAW, UNDER NO CIRCUMSTANCES SHALL THE TOTAL LIABILITY OF AMS FOR ALL CLAIMS OF ANY KIND WHATSOEVER, AND UNDER ANY THEORY OF LIABILITY, EXCEED THE TOTAL AMOUNT PAID BY AGENCY TO AMS DURING THE TWELVE MONTHS IMMEDIATELY PRECEDING THE EARLIEST EVENT GIVING RISE TO THE CLAIM.

The limitations set forth in this Section 11 shall apply even if any exclusive remedy in this Agreement fails of its essential purpose. The allocation of liability in this Section 11 represents the agreed and bargained for understanding of the parties and each party's compensation hereunder reflects such allocations.

12 MISCELLANEOUS PROVISIONS

- **12.1** Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado without regard to its conflicts of laws provisions. AMS and Agency hereby irrevocably consent to jurisdiction, service of process and venue in the City and County of Denver, Colorado.
- **Arbitration.** Disputes arising under this Agreement that cannot be resolved informally by the parties through good faith negotiations shall be resolved by arbitration before a sole arbitrator appointed and operating pursuant to the Federal Arbitration Act and Commercial Arbitration Rules of the American Arbitration Association. The arbitration shall be conducted in the City and County of Denver, Colorado. The written decision of the arbitrator shall be final, binding and convertible to a court judgment in any appropriate jurisdiction. Each party shall bear its own expenses with respect to such arbitration and shall share equally in the expenses of the arbitrator and the fees of the American Arbitration Association.
- 12.3 <u>Injunctive Relief.</u> Notwithstanding anything above to the contrary, either party at any time may apply to a court having jurisdiction thereof for a temporary restraining order, preliminary injunction or other appropriate order where such relief may be necessary to protect its interests (including, without limitation, any breach of the obligations under Sections 4 and/or 8), without any showing or proving of any actual damages and without posting a bond or other security.

12.4 Non-Discrimination and Business Code of Conduct.

- 12.4.1 Non-discrimination. To the extent not exempt, the parties shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability.
- 12.5 Records Retention and Audit Rights. Agency will retain all records relating to the Agreement or any Schedule for a period of seven (7) years after termination of the Agreement or applicable Schedule. During the Term, upon ten (10) days prior written notice, and not more than once per year (unless circumstances warrant additional audits as described below), AMS may audit Agency's procedures and records that relate to the obligations under this Agreement. Notwithstanding the foregoing, the parties agree that AMS may conduct an audit at any time, in the event of (i) audits required by governmental or regulatory authorities or (ii) investigations of a breach of this Agreement.
- 12.6 <u>Assignment</u>. Except as expressly permitted herein, neither party may transfer or assign this Agreement, in whole or in part, without the written consent of the other party and any such attempt at transfer or assignment shall be void. Notwithstanding the foregoing, AMS may transfer or assign this Agreement to an entity that is an affiliate of AMS or, in the event of a sale of all or substantially all of its assets or equity, each without the consent of Agency. This Agreement shall extend to and be binding upon any successors and permitted assigns of the parties.

IN WITNESS WHEREOF, the parties' hereto have caused this Agreement to be executed by their dully authorized representatives as of the date last signed by AMS.

LARAMIE COUNTY DUI COURT

ALCOHOL MONITORING SYSTEMS, INC.

	By:	
Troy Thomspon	Name:	John Hennessey
Chairman, Laramie C	Co.	
Commissioners	Title:	Chief Revenue Officer
Debra Lee		
Laramie County Clerk		
		
Clerk of Agency		
Signed by AMS a	nd effective as	s of:
<u>.</u>		Effective Date

- 12.7 <u>No Agency; Independent Contractor</u>. The use of the term "Agency" in this Agreement is solely for convenience and is not intended to make either party an agent of the other party. This Agreement does not constitute and shall not be construed as constituting an agency, distributorship or joint venture business arrangement between the parties. AMS is to be and shall remain an independent contractor with respect to Products provided or Services performed under this Agreement. AMS may subcontract the performance of any of its obligations under this Agreement. However, such subcontracting will not relieve AMS of its obligations under this Agreement.
- 12.8 <u>Force Majeure.</u> Except for the obligation to make payments as provided herein, neither party shall be in default under this Agreement by reason of its delay in the performance of, or failure to perform, any of its obligations under this Agreement, if, and to the extent that, such delay or failure is caused by strikes, wars, natural disasters, acts of the public enemy, government restrictions or acts of terrorism. Upon claiming any excuse or delay under this Section, such party shall promptly notify the other party, use reasonable efforts to remove the cause and continue its performance under this Agreement whenever the cause is removed.
- 12.9 <u>Notices</u>. All notices, requests, demands or communications required or permitted hereunder shall be in writing, delivered personally or by electronic mail, facsimile or overnight delivery service at the respective addresses set forth herein (or at such other addresses as shall be given in writing by either party to the other). All notices, requests, demands or communications shall be deemed effective upon receipt for personal delivery, or on the business day following the date of sending by electronic mail, facsimile or overnight delivery service.
- **12.10 Waiver; Severability**. Any waiver of any default or breach of this Agreement shall be effective only if in writing and signed by an authorized representative of the party providing the waiver. No such waiver shall be deemed to be a waiver of any other or subsequent breach or default. If any provision of this Agreement is held to be invalid, the remaining portions of this Agreement shall remain in full force.
- **12.11** <u>Publicity.</u> AMS shall have the right to issue news releases, press releases or other communications regarding this Agreement to potential investors and customers. However, AMS shall not disclose any names of Clients without the prior written approval of the Client and Agency.
- **12.12** <u>Headings</u>. Headings used in this Agreement are for convenience of reference only and shall not be construed as altering the meaning of this Agreement or any of its parts.
- **12.13** Execution. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. The parties agree that signatures on this Agreement, as well as any other documents to be executed under this Agreement, may be delivered by facsimile or email and signed using a portable document format or an electronic signature in lieu of an original signature, and the parties agree to treat such signatures as original signatures and agree to be bound by this provision.
- 12.14 <u>Entire Agreement</u>. This Agreement constitutes the entire understanding of the parties and supersedes all prior or contemporaneous written and oral agreements, representations or negotiations with respect to the subject matter hereof. This Agreement may not be modified or amended except in writing and signed by both parties.