

Service Agreement - 11/17/2015

This agreement document addresses services contained in the quotation number TVI08192015-8. Namely Annual Video Hosting and 24x7 On-call Technical Support. This document is a supplement to our Terms and Conditions provided in Addendum 1 of this services agreement. Coverage begins at the date of system delivery and runs for 12 months. A Renewal notice will be sent out 11 months from the start date for the following year.

Annual Video Hosting

Tactical Video, Inc (TVI) will supply hosting services for the Exacq Mobile Web Server for the cameras sold and configured by TVI and which are connected to the Matrix Video Surveillance system. These services are expected to maintain a 99.99% availability. Rights to the Exacq software are part of the license fees included in the camera pricing from TVI. City will own the ExacqVision software license and Tactical Video will provide all the necessary license keys, software and documentation to the Aurora Police Department (APD) upon request.

The hosting system will be sized to handle 8 concurrent camera sessions on mobile devices and/or web browsers. The software supports iOS, Android and general web browsers.

Security of the system will be configured to only allow authorized users from the APD to access video feeds managed by the Exacq Mobile Web Server. This hosting agreement does not store or maintain any APD video data.

24x7 On-call Technical Support

In addition to our normal support policy, TVI will supply on-going support for field level support issues on a 24x7 basis. These support services will primarily be remote phone support but at APD's request, TVI will provide on-site support for critical situations. Our response time will be at most 2 hours during normal business hours and 3 hours outside of normal business hours. All efforts will be made to exceed these maximum times. A 12 hour block of out-of-hours support is provided in the agreement. This allocation is provided to put in place a soft ceiling on the amount of out-of-hours activity. We understand during the initial deployments of the system, there is a learning curve and more support will be required. Our history, with many other departments, shows very few support issues arise after this initial learning period. Extensive use of support beyond the initial learning period will indicate there is need for additional training or a product issue. TVI will address either of these issues if they present themselves. TVI will not refuse support even if the consumption of support exceeds the 12 hour block of out-of-hours support if refusing that support puts PD staff in harms way or jeopardizes a mission.

Addendum 1 - Terms and Condition of Quotation and Sale

These General Terms and Conditions of Quotation and Sale (hereinafter referred to as the "Agreement") shall apply to all requests, offers, purchase orders, agreements and ensuing obligations entered into with: Tactical Video, Inc. ("Supplier") and the party requesting, offering, or submitting a purchase order to Supplier for purchase of goods sold by Supplier ("Purchaser"). The following General Provisions shall be applicable to all contracts between Supplier and Purchaser, for the sale of goods.

I. GENERAL PROVISIONS

1. Applicability

This Agreement shall apply to all requests, offers, purchase orders, agreements and ensuing obligations whereby Supplier sells goods to Purchaser. Alternate or additional terms shall be enforceable against Supplier only to the extent Supplier has agreed to such alternate or additional terms in writing. This Agreement contains all of the terms and conditions of each contract between Supplier and Purchaser. The transaction of business following receipt of these General Terms and Conditions of Sale constitutes express acceptance of the terms herein. Terms contained in Purchaser's orders contrary to the terms hereof are expressly rejected and shall not bind Supplier or invalidate any terms contained herein.

2. Quotations and Orders

2.1 Except as otherwise stated in any quotation issued by Supplier, all price quotes issued by Supplier shall be nonbinding until such time as a firm order is received by Supplier.

2.2 The parties acknowledge that all orders must be confirmed in a writing executed by Supplier and Purchaser in order to be binding on Supplier and Purchaser.

3. Risk of Loss; Security Interest

3.1 Supplier shall not be liable for damages of any kind incurred by Purchaser as a result of late delivery of goods.

3.2 Supplier shall retain a security interest in all goods delivered to Purchaser until all amounts due for such goods have been paid in full.

4. Price and Payment

4.1 All prices quoted shall be solely for the cost of goods. Charges for items chargeable to Supplier by third parties are payable as stated in Section 4.2.

4.2 All price quotes are subject to change based on changes to the following: foreign exchange rates, freight rates, import and export duties, excise duties, levies, taxes, and all other items chargeable to Supplier by third parties. Unless otherwise specified in the quote, the price shall not include import duties, levies and taxes, fees or other charges. All such items shall be separately billed based on actual cost.

4.3 All invoices shall be due within 45 days of invoice date,

without discount or set-off.

4.4 Supplier may require Purchaser to provide a letter of credit issued for the benefit of Supplier or some other form of security for any purchase order in Supplier's sole discretion.

5. Default

5.1 In the event of default under any purchaser order, Supplier may immediately terminate its performance required by any and all purchase orders outstanding between Purchaser and Supplier with 30 days notice to Purchaser. All late payments shall be charged interest at the rate of 1.5% per month on the unpaid balance or the maximum amount allowed by law, whichever is less. Purchaser shall immediately notify Supplier of the occurrence or expected occurrence of any of the events of default listed below.

5.2 The following shall be considered events of default.

- (a) if a payment is not received by its due date;
- (b) if an application for a suspension of payments or for protection under the U.S. Bankruptcy Code is filed or granted on behalf of Purchaser;
- (c) if Purchaser loses full or partial control of its assets;
- (d) if Purchaser's company is dissolved or if its business is discontinued in whole or in part; or
- (e) if Purchaser fails to comply in full or in part with any obligations owed to Supplier.

5.3 Purchaser shall be liable for all costs incurred by Supplier in collecting delinquent accounts.

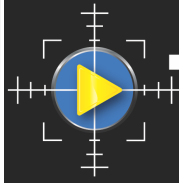
6. Intellectual and Industrial Property Rights

Supplier is the sole owner of all intellectual and industrial property rights, know how and trade secrets in and to all hardware, software or related materials and information developed or provided under any agreement or purchase order between Supplier and Purchaser. Purchaser shall have a license to use such software, hardware or related materials and information insofar as such rights are expressly conferred by written agreement. Purchaser shall not reproduce, alter, adjust, disclose, or publish the software, hardware or any other materials and information provided by or obtained from Supplier.

7. Warranties, Liability

7.1 Supplier warrants that, as of the time of delivery, and for a period of 12 months thereafter, the goods to be free of defects in material and workmanship, subject to Section 7.2 and any conditions stipulated by Supplier in writing. THESE WARRANTIES ARE THE EXCLUSIVE WARRANTIES AND ARE EXPRESSLY GIVEN IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WHICH ARE HEREBY DISCLAIMED.

7.2 Supplier does not make any warranty with regard to any



components included with the goods sold to Purchaser manufactured by a third party for which said third party provides a warranty and which Supplier provides to Purchaser. Purchaser acknowledges and agrees Purchaser's sole remedy with regards to any such component shall be as provided by said third party warranty and Purchaser agrees to solely seek remedies from said third party for any claim raised by Purchaser that relates to any such component.

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7.3 No warranty shall be given in respect of: i) emergency repairs; used parts and/or parts which are subject to wear and tear and/or are vulnerable; or ii) products or goods not supplied, or supplied only in part, by Supplier.

~~7.4 Supplier makes no warranty or representation regarding the use of products or goods in relation to any third party's privacy rights and Purchaser hereby waives any claim against Supplier relating to claims raised by a third party for invasion of privacy, violation of constitutional rights, or any claim of a similar nature.~~

7.5 The warranty provided by Supplier to Purchaser hereunder shall cease to be valid immediately upon the occurrence of the following: i) Purchaser has not fully complied with Supplier's instructions regarding use, installation and maintenance, in which case Purchaser must prove that said instructions have been observed by Purchaser; ii) Purchaser has made any changes to the goods purchased from Supplier in which the defect has been discovered without having obtained Supplier's consent.

7.6 Except as provided herein, Supplier hereby disclaims any liability (arising from contract, tort or otherwise) for any loss or damage, including direct, indirect, consequential damages including, but not limited to, lost profits, cost of cover, incidental damages and personal injury, whatever the underlying cause and including third party claims.

7.7 Purchaser indemnifies Supplier and Supplier indemnifies Purchaser for third party claims with respect to the goods purchased from Supplier to the extent said claims arise out of Purchaser's misuse of the goods purchased from Supplier or Purchaser's negligence. The terms of Sections 7.6 and 7.7 prevail over any other provision of these General Terms and Conditions of Sale as well as any other provision agreed between the parties.

8. Force Majeure

In an event of force majeure, which shall be understood to include any situation or circumstance which is beyond the control of Supplier such as, but not limited to, wars, strikes, fires, floods, acts of God or government restrictions, the time of delivery agreed for the performance stipulated shall be extended by such a period as conforms to the duration of the event of force majeure and such further delay caused thereby.

9. Disputes

This Agreement and all quotations, purchase orders, and agreements which are subject to the provisions hereof, shall be governed and construed under the laws of the

State of Illinois. Any disputes which may arise from this Agreement, the quotations and/or other agreements between the parties shall be submitted solely to the competent court having jurisdiction over such dispute located in Kane County, Illinois. The parties hereby acknowledge said competent courts as being the sole proper venue for resolution of said dispute and hereby agree to submit to the jurisdiction of said courts.

10. Miscellaneous

10.1 The failure of a party to require performance of any provision of this Agreement or of any purchase order will not affect its right to enforce such provision in the future. No waiver by a party of any provision of this Agreement will be effective unless such waiver is in writing, and no waiver in any one or more instances will be deemed to be a further or continuing waiver of any such condition, breach, term, condition or covenant.

10.2 If a court of competent jurisdiction finds that any of the provisions hereof are in conflict with any applicable statutory provision, the remaining provisions shall nonetheless remain in full force and effect. The invalid provision shall in that case be deemed to have been replaced by a similar, legally enforceable provision which approximates the purpose and intent of the invalid provisions as closely as possible.