

**AGREEMENT BETWEEN  
The TOWN OF PRESCOTT VALLEY, ARIZONA  
AND  
AOT PUBLIC SAFETY CORPORATION  
FOR  
FALSE ALARM MANAGEMENT SERVICES**

This agreement, ("Agreement") made and entered into this 21<sup>st</sup> day of November, 2013, by and between the **Town of Prescott Valley**, a municipal corporation of Arizona with offices at 7501 E. Civic Circle, Prescott Valley, Arizona, 86314 ("Town"), and **AOT Public Safety Corporation**, a Maryland corporation with offices at 103 Paul Mellon Court, Waldorf Maryland, 20602 ("Provider") (collectively, the "Parties").

**RECITALS**

WHEREAS, the Town desires to reduce the number of false alarms and the amount of time spent by Police Department personnel responding to false alarms when no criminal activity has occurred and no police response is actually necessary, and

WHEREAS, the Town has enacted Ordinance # 779, Alarm Systems, ("Ordinance 779") dated November 21, 2013 related to the management and administration of alarm systems and false alarms, and

WHEREAS, Ordinance # 779 encourages the responsible use of alarm systems by tracking false alarm instances and requiring the registration of alarm systems after the first false alarm and provides for a civil assessment to help recoup the costs of law enforcement response for a second and/or subsequent false alarm(s) occurring during a consecutive three hundred and sixty-five (365) calendar day period, and

WHEREAS, Ordinance # 779, allows the Town to engage an alarm administrator to administrate, control and review false alarm reduction efforts and administrate the provisions of the Ordinance through a registration requirement and an assessment for the costs of law enforcement response to false alarms, and

WHEREAS, the Provider has developed and patented a false alarm management system, "CryWolf" False Alarm Solutions, that integrates with the Police Department's CAD system through an interactive web-based access that provides increased data accuracy, improved false alarm awareness, and citizen convenience, and

WHEREAS, in 2010 the City of Avondale, Arizona, published a Request for Proposals for False Alarm Reduction and Billing Services (Solicitation No. PD 10-075) and after a public bidding and review process awarded a contract to AOT Public Safety Corporation; and

WHEREAS, pursuant to A.R.S. §41-2632, Cooperative purchasing, authorized; definitions, the Town may enter into a direct agreement with the Provider for professional services without formal bidding processes, in accordance with Town Code §3-04-090, Cooperative Purchasing; and

WHEREAS, the Town desires to engage the services of the Provider to perform the False Alarm Tracking and Billing services ("SERVICES") described in Attachment A; and B; and

WHEREAS, the Provider desires to accept such engagement and to provide alarm administration services.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for other valuable consideration received (the receipt and sufficiency of which are hereby acknowledged), the Parties hereto agree as follows:

### AGREEMENT

1. AGREEMENT TERM. The term of this Agreement shall commence upon the date hereof, and shall continue for a period of three (3) years ("Initial Term"). The Town shall have the right, but not the obligation, to extend the term of this Agreement for up to two (2) additional consecutive and automatic one (1) year periods following the expiration of the Initial Term (each "Renewal Term" and collectively with the Initial Term, "Term") if deemed in the best interest of the Town and subject to availability and appropriation of funds for renewal in each subsequent year. The extension of the Renewal Terms shall be deemed exercised in each successive year unless written notice of the intent to terminate the Agreement is provided by the Town to the Provider no later than sixty (60) days prior to the expiration of the then effective Agreement Term. Upon Renewal, the terms and conditions of this Agreement shall remain in full force and effect.
2. DESCRIPTION OF SERVICES. The Provider shall perform all of the professional service tasks as described in the Scope of Services document attached hereto as "Attachment A" and incorporated herein by reference. Nothing herein shall preclude the Town from using its own staff to carry out aspects of the Services, separately or in cooperation with the Provider, as mutually determined from time to time by the Parties. Furthermore, nothing herein shall preclude the Parties from entering into additional mutual agreements which add to the Services to be performed by the Provider (hereinafter "Amendments"). Any such Amendments shall be in writing, signed by the Parties' representatives, attached hereto, and expressly made a part hereof.
3. COMPENSATION. The Town shall pay the Provider for services satisfactorily performed in amounts not to exceed the rates as set forth in the Payment Terms document attached hereto as "Attachment B" and incorporated herein by reference.
4. PAYMENT. The Town shall remit the Provider's share of the revenues collected in monthly installments based upon collection reconciliation reports and detailed invoices submitted by the Provider. All invoices submitted to the Town shall document and itemize all collections for the month upon which payment is based.
5. PROVIDER PERSONNEL. The Provider shall provide adequate, experienced personnel capable of and devoted to the successful completion of the Services to be performed under this Agreement.
6. INSPECTION; ACCEPTANCE. All work shall be subject to inspection and acceptance by the Town at reasonable times during the Provider's performance.
7. LICENSES; MATERIALS. The Provider and its subcontractors, if any, shall maintain in current status all federal, state and local licenses and permits required for the operation of the business conducted by the Provider. A Prescott Valley Business license shall be required for the duration of the services in accordance with the Prescott Valley Town Code, Article 8-02.

8. PERFORMANCE WARRANTY. The Provider hereby warrants and represents that it has the right, power and authority to execute and conform to the requirements of the Agreement and to the highest professional standards in the field.

9. INDEMNIFICATION. To the fullest extent permitted by law, the Provider shall indemnify, defend and hold harmless the Town and each council member, officer, employee or agent thereof (the Town and any such person being herein called and "Indemnified Party") for, from and against any and all losses, claims, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys' fees, court costs and the costs of appellate proceedings) to which any Indemnified Party may become subject, under any theory of liability whatsoever ("Claims"), insofar as such Claims (or actions in respect thereof) relate to, arise out of, or are caused by or based upon the negligent acts, intentional misconduct, errors, mistakes or omissions, in connection with the work or services of the Provider, its officers, employees, agents, or any tier of subcontractor in the performance of this Agreement. The amount and type of insurance coverage requirements set forth below will in no way be construed as limiting the scope of the indemnity in this Section.

10. INSURANCE.

10.1 General.

A. Insurer Qualifications. Without limiting any obligations or liabilities of the Provider, the Provider shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies duly licensed by the State of Arizona with an AM Best, Inc. rating of A- or above with policies and forms satisfactory to the Town. Failure to maintain insurance as specified herein may result in termination of the Agreement at the Town's option.

B. No Representation Of Coverage Adequacy. By requiring insurance herein, the Town does not represent that coverage and limits will be adequate to protect the Provider. The Town reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in the Agreement or failure to identify any insurance deficiency shall not relieve the Provider from, nor be construed or deemed a waiver of its obligation to maintain the required insurance at all times during the performance of this Agreement.

C. Additional Insured. All insurance coverage and self-insured retention or deductible portions, except Workers' Compensation insurance and Professional Liability insurance, if applicable, shall name to the fullest extent permitted by law for claims arising out of the performance of this Agreement, the Town, its agents, representatives, officers, directors, officials and employees as Additional Insureds as specified under the respective coverage parts of this Agreement.

D. Coverage Term. All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this Agreement are satisfactorily performed, completed and formally accepted by the Town, unless specified otherwise in this Agreement.

E. Primary Insurance. The Provider's insurance shall be primary insurance with respect to performance of this Agreement and in the protection of the Town as an Additional Insured.

F. Waiver. All policies, except for Professional Liability, including Works' Compensation insurance, shall contain a waiver of rights of recovery (subrogation) against the Town, its agents, representatives, officers, directors, officials and employees for any claims arising out of the work or services of the Provider. The Provider shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

G. Policy Deductibles And/Or Self-Insured Retentions. The policies set forth in these requirements may provide coverage that contains deductibles or self-insured retention amounts. Such deductibles or self-insured retention shall not be applicable with respect to the policy limits provided by the Town. The Provider shall be solely responsible for any such deductible or self-insured retention amount.

H. Use Of Subcontractors. If any work under this Agreement is subcontracted in any way, the Provider shall execute written agreements with its subcontractors containing the indemnification provisions set forth in this Section and Insurance requirements set forth herein protecting the Town and the Provider. The Provider shall be responsible for executing any agreements with its subcontractors and obtaining certificates of insurance verifying the insurance requirements.

I. Evidence Of Insurance. Prior to commencing with services under this Agreement, Provider shall furnish the Town with suitable evidence of insurance in the form of Certificates of Insurance and a copy of the declaration page(s) of the insurance policies as required by this Agreement, issued by the Providers insurer(s), as evidence that policies providing are placed with acceptable insurers as specified herein and provide the required coverages, conditions and limits of coverage specified by this Agreement are in full force and effect. Confidential information such as the policy premium may be redacted from the declaration page(s) of each insurance policy, provided that such redactions do not alter any of the information required by this Agreement. The Town shall reasonably rely upon the Certificates of Insurance and declaration page(s) of the insurance policies as evidence of coverage but such acceptance and reliance shall not waive or alter in any way the insurance requirements or obligations of this Agreement. In the event any insurance policy required by this Agreement is written on a "claims made" basis, coverage shall extend for two years past completion of the Services and the Town's acceptance of the Provider's work or services and as evidenced by annual certificates of insurance. If any of the policies required by this Agreement expire during the life of this Agreement, it shall be the Provider's responsibility to forward renewal Certificates and declaration page(s) to the Town thirty (30) days prior to the expiration date. All Certificates of Insurance and declarations shall identify this Agreement by name "False Alarm Services" and date. Certificates of Insurance and declaration page(s) shall specifically include the following provisions:

1. The Town, its agents, representatives, officers, directors, officials and employees are Additional Insureds as follows:

(a) Commercial General Liability – Under Insurance Services Office, Inc., (“ISO”) From CG20 10 03 97 or equivalent.

(b) Auto Liability – Under ISO From CA 2048 or equivalent.

(c) Excess Liability – Follow From to underlying Insurance.

2. The Provider’s insurance shall be primary insurance as respects performance of the Agreement.

3. All policies, except for Professional Liability, including Worker’s Compensation, waive rights of recovery (subrogation) against the Town, its agents, representatives, officers, directors, officials and employees for any claims arising out of work or services performed by the Provider under this Agreement.

4. A 30-day advance notice cancellation provision shall be included in all policies. If ACORD certificate of insurance is used, the phrases in the cancellation provision “endeavor to” and “but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives” shall be deleted. Certificate forms other than ACORD form shall have similar restrictive language deleted.

## 10.2 Required Insurance Coverage.

A. Commercial General Liability Insurance. The Provider shall maintain “occurrence” form Commercial General Liability insurance with an unimpaired limit of not less than \$1,000,000 for each occurrence, \$2,000,000 products and Completed Operations Annual Aggregate and a \$2,000,000 General Aggregate limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as ISO policy form CG 00 010 92 or equivalent thereof, including but not limited to, separation of insured’s clause. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the Town, its agents, representatives, officers, officials, directors and employees shall be cited as an Additional Insured under ISO, Commercial General Liability Additional Insured Endorsement form CG 20 10 03 97, or equivalent, which shall read “Who is an Insured (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of ‘your work’ or that is insured by or for you.” If any Excess insurance is utilized to fulfill the requirements of this Subsection, each Excess insurance shall be “follow form” equal or broader in coverage scope than underlying insurance.

B. Vehicle Liability. The Provider shall maintain Business Automobile Liability insurance with a limit of \$1,000,000 each occurrence on the Providers owned, hired and non-owned vehicles assigned to or used in the performance of the Provider’s work or services under this Agreement. Coverage will be at least as

broad as ISO coverage code "8 and 9" "any auto" (hired and non-owned autos). To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the Town its agents, representatives, officers, officials, directors and employees shall be cited as an Additional Insured under ISO Business Auto policy Designated Insured Endorsement form CA 20 48 or equivalent. If an Excess insurance is utilized to fulfill the requirements of this Subsection, each Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

C. Professional Liability. If this Agreement is the subject of any professional services or work, or if the Provider engages in any professional services or work adjunct or residual to performing the work under this Agreement, the Provider shall maintain Professional Liability insurance covering negligent errors and omission arising out of the Services performed by the Provider, or anyone employed by the Provider, or anyone for whose negligent acts, mistakes, errors and omissions the Provider is legally liable, with an unimpaired liability insurance limit of \$1,000,000 each claim and \$1,000,000 annual aggregate. In the event the Professional Liability insurance policy is written on a "claims made" basis, coverage shall extend for two years past completion of the Services and the Town's acceptance of the Provider's work or services and as evidenced by annual certificates of insurance.

D. Workers' Compensation Insurance. The Provider shall carry Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of the Provider's employees engaged in the performance of the work or Services, and Employer's Liability insurance of not less than \$1,000,000 for each accident, \$1,000,000 disease for each employee, and \$1,000,000 disease policy limit. In case any of the Services are subcontracted, the Provider will require the Subcontractor to provide Workers' Compensation and Employer's Liability to at least the same extent as required of the Provider.

E. Cancellation and Expiration Notice. Insurance required herein shall not expire, be cancelled, or materially change without 30 days' prior written notice to the Town.

F. No Obligation to Review or Advise. The Town shall not be obligated to review or advise Provider of any deficiencies in such insurance policies and/or endorsements required under this Section, and such receipt shall not relieve Provider from, or be deemed a waiver of the Town's right to insist on strict fulfillment of Provider's obligations under this Agreement.

11. APPLICABLE LAW. This Agreement shall be governed by, and construed in all respects solely in accordance with, the laws of the United States, State of Arizona and Town of Prescott Valley, including but not limited to, federal and state executive orders providing for equal employment and procurement opportunities, the Federal Occupational Safety and Health Act and any other federal or state laws applicable to the Agreement.

12. JURISDICTION AND VENUE. Any dispute arising out of, or in connection with, this Agreement shall be submitted to the exclusive jurisdiction and venue of the courts located in

the County of Yavapai, Arizona, and both Parties specifically agree to be bound by the jurisdiction and venue thereof.

13. TERMINATION AND CANCELLATION.

13.1 For the Town's Convenience. This Agreement is for the convenience of the Town, and as such, at its sole discretion, may be terminated without cause prior to its Term by sending to the Provider written notice dated 30 calendar days prior to the termination date. Upon such termination, the Town shall pay to the Provider full compensation for all Services satisfactorily performed as of the termination date, excluding damages or anticipated profits for Services not yet performed. Because Provider's total compensation is based on a revenue share of collections, Provider's compensation for services may extend beyond the termination date as collections based on the Provider's services before the termination date are realized by the Town.

13.2 For Cause. This Agreement may be terminated by either party upon written notice dated 30 calendar days prior to the termination date should the other party fail to substantially perform in accordance with this Agreement's Terms, through no fault of the party initiating the termination.

13.3 Conflict of Interest. This Agreement may be canceled without penalty pursuant to ARS §38-511 in the event of a conflict of interest as described therein by any person significantly involved in negotiating this Agreement on behalf of the Town.

14. SUBCONTRACTS. The Provider shall neither subcontract nor permit any portion of the Services to be subcontracted without the prior written consent of appropriate Town staff. Furthermore, the Provider shall be fully responsible for the acts or omissions of any subcontractors of any tier and of all persons employed by them. Neither the consent of Town staff nor anything contained herein shall be deemed to create any contractual relationship between the Providers subcontractor of any tier and the Town.

15. ASSIGNMENT. The Provider shall not assign this Agreement, or any part hereof, without the prior written consent of the Town, which shall not be unreasonably withheld or delayed. Any attempted assignment in violation hereof shall be void. For purposes of this Section, the sale by Provider of a majority of its assets or stock to a third party shall not constitute an assignment of this Agreement. Notwithstanding the above, this Agreement shall inure to the benefit of, and be binding upon, the Parties hereto, and their respective successors or assigns.

16. LAWS AND REGULATIONS. The Provider shall at all times comply with applicable laws, statutes, rules, regulations, and ordinances in its performance under this Agreement, including (without limitation) those governing wages, hours, employment discrimination, and safety. The Provider shall also comply with equal opportunity laws and regulations to the extent they are applicable.

16.1 Certain Federal Laws. The Provider understands and acknowledges the applicability to it of the Americans with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989. The Provider must also comply with A.R.S. §34-301, "Employment of Aliens on Public Works Prohibited", and A.R.S. §34-302, as amended, "Residence Requirements for Employees."

16.2 State And Federal Immigration Laws. Under provisions of A.R.S. §41-4401, Provider hereby warrants to the Town that the Provider and each of its subcontractors will comply with, and are contractually obligated to comply with, all Federal Immigration laws and regulations that relate to their employees and A.R.S. §23-214(A) (hereinafter "Provider Immigration Warranty").

A. A breach of the Provider Immigration Warranty shall constitute a material breach of this Contract and shall subject the Provider to penalties up to and including termination of this Contract at the sole discretion of the Town.

B. The Town retains the legal right to inspect the papers of any Provider or Subcontractor employee who works on this Contract to ensure that the Provider or Subcontractor is complying with the Provider's Immigration Warranty. Provider agrees to assist the Town in regard to any such inspections.

C. The Town may, at its sole discretion, conduct random verification of the employment records of the Provider and any subcontractors to ensure compliance with Provider's Immigration Warranty. Provider agrees to assist the Town in regard to any random verifications performed.

D. Neither the Provider nor any Subcontractor shall be deemed to have materially breached the Provider Immigration Warranty if the Provider or Subcontractor establishes that it has complied with the employment verification provisions prescribed by sections 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. §23-214, subsection A.

E. The provisions of this Article must be included in any contract the Provider enters into with any and all of its subcontractors who provide services under this Contract or any subcontract. "Services" are defined as furnishing labor, time, or effort in the State of Arizona by a Provider or subcontractor.

17. MISCELLANEOUS.

17.1 Independent Contractor. The Provider acknowledges and agrees that the Services provided under this Agreement are being provided as an independent contractor, not as an employee or agent of the Town. The Provider, its employees and subcontractors are not entitled to worker's compensation benefits from the Town. The Town and the Provider do not intend to nor will they combine business operations under this Agreement.

17.2 Amendments. This Agreement may be modified only by a written amendment signed by persons duly authorized to enter into contracts on behalf of the Town and the Provider.

17.3 Provisions Required by Law. Each and every provision of law and any clause required by law to be in the Agreement will be read and enforced as though it were included herein and, if through mistake or otherwise such provision is not inserted, or is not correctly inserted, then upon the application of either party the Agreement will promptly be physically amended to make such insertion or corrections.

17.4 Severability. Any provisions of this Agreement prohibited or rendered unenforceable by local, state, or federal law, or by the ruling of any court of competent jurisdiction, shall be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement.

17.5 Relationship of the Parties. It is clearly understood that each party will act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other for any purpose whatsoever. The Provider is advised that taxes or Social Security payments will not be withheld from any Town payments issued hereunder and the Provider agrees to be fully and solely responsible for the payment of such taxes or any other tax applicable to this Agreement.

17.6 Entire Agreement. This Agreement constitutes the entire agreement between the Parties hereto pertaining to the subject matter hereof and there are no other agreements, (other than invoices and purchase agreements) whether oral or written, which affect its terms. This Agreement may be amended only by a subsequent written agreement signed by both Parties.

17.7 Rights and Remedies. No provision in this Agreement shall be construed, expressly or by implication, as waiver by the Town of any existing or future right and/or remedy available by law in the event of any claim of default or breach of this Agreement. The failure of the Town to insist upon the strict performance of any term or condition of this Agreement or to exercise or delay the exercise of any right or remedy provided in this Agreement, or by law, or the Town's acceptance of and payment for services, shall not release the Provider from any responsibilities or obligations imposed by this Agreement or by law, and shall not be deemed a waiver of any right of the Town to insist upon the strict performance of the this Agreement.

17.8 Attorney's Fees. In the event any action shall be instituted between the Parties in connection with this Agreement or on account of any breach or default hereof, the party prevailing in such action shall be entitled to recover from the other party all of its costs and expenses, including reasonable attorneys' fees

17.9 Liens. All materials or services shall be free of all liens and, if the Town requests, a formal release of all liens shall be delivered to the Town.

17.10 Offset.

A. Offset for Damages. In addition to all other remedies at law or equity, the Town may offset from any money due to the Provider any amounts the Provider owes to the Town for damages resulting from breach or deficiencies in performance or breach of any obligation under this Agreement.

B. Offset for Delinquent Fees or Taxes. The Town may offset from any money due to the Provider any amounts the Provider owes to the Town from delinquent fees, transaction privilege taxes and property taxes, including any interest or penalties.

17.11 Notices and Requests. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly

given if (A) delivered to the party at the address set forth below, (B) deposited in the U.S. Mail, registered or certified, return-receipt requested, to the address set forth below, (C) given to a recognized and reputable overnight delivery service, to the address set forth below, or (D) delivered by facsimile transmission to the number set forth below:

If to the Town:           Town of Prescott Valley  
7501 E. Civic Circle  
Prescott Valley, Arizona 86314  
Facsimile: (928)-759-3125  
Attn: Larry Tarkowski, Town Manager

If to Provider:           AOT Public Safety Corporation  
103 Paul Mellon Court  
Waldorf, Maryland 20602  
Facsimile: (301)-638-9319  
Attn: \_\_\_\_\_ Contracts

or at such other address, and to the attention of such other persons or officers as any party may designate in writing by notice duly given pursuant to this Subsection. Notices shall be deemed received (A) when delivered to the party, (B) 3 business days after being placed in the U.S. Mail, properly addressed, with sufficient postage, (C) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day, or (D) when received by facsimile transmission during the normal business hours of the recipient.

#### 17.12 Confidential Information.

A. Duty of Confidentiality. During the term of this Agreement and for a period of 3 years thereafter, neither party shall disclose to any third person, or use for itself in any way for financial gain, any Confidential Information learned from the other party during the course of the negotiations for this Agreement or during the Term of this Agreement. Upon termination of this Agreement, each party shall return to the other all tangible Confidential Information of such party. Each party shall retain in confidence and not disclose to any third party any Confidential Information without the other party's express written consent, except: (1) to its employees who are reasonably required to have the Confidential Information, (2) to its agents, representatives, attorneys and other professional advisors that have a need to know such Confidential Information, provided that such parties undertake in writing (or are otherwise bound by rules of professional conduct) to keep such information strictly confidential, and (3) pursuant to, and to the extent of, a request or order by any Governmental Authority, including laws relating to public records.

B. Confidential Information" means, with respect to any Person, any information, matter or thing of a secret, confidential or private nature, whether or not so labeled, which is connected with such Person's business or methods of operation or concerning any of such Person's suppliers, licensors, licensees, customers or others with whom such Person has a business relationship, and which has current or potential value to such Person or the unauthorized disclosure of which could be detrimental to such Person, including (but not limited to):

1. Matters of a business nature, including (but not limited to) information relating to development plans, costs, finances, marketing plans, data, procedures, business opportunities, marketing methods, plans and strategies, the costs of construction, installation, materials or components, the prices such Person obtains or has obtained from its clients or customers, or at which such Person sells or has sold its services; and

2. Matters of a technical nature, including (but not limited to) product information, trade secrets, know-how, formulae, innovations, inventions, devices, discoveries, techniques, formats, processes, methods, specifications, designs, patterns, schematics, data, access or security codes, compilations of information, test results and research and development projects. For purposes of this Agreement, the term "trade secrets" shall mean the broadest and most inclusive interpretation of trade secrets permitted by law.

3. Notwithstanding the foregoing, Confidential Information will not include information that: (a) was generally available to the public or otherwise part of the public domain at the time of its disclosure, (b) became generally available to the public or otherwise part of the public domain after its disclosure and other than through any act or omission by any party hereto in breach of this Agreement, (c) was subsequently lawfully disclosed to the disclosing party by a person other than a party hereto, (d) was required by a court of competent jurisdiction to be described, or (e) was required by applicable state law to be described.

4. "Person" means a natural individual, company, Governmental Authority, partnership, firm, corporation, legal entity or other business association.

#### 17.13 Information Technology.

A. Limited Access. If necessary for the fulfillment of the Agreement, the Town may provide the Provider with non-exclusive, limited access to the Town's information technology infrastructure. The Provider understands and agrees to abide by all Town policies, standards, regulations and restrictions regarding access and usage of the Town information technology infrastructure. The Provider shall enforce all such policies, standards, regulations and restrictions with all the Provider's employees, agents or any tier of subcontractor granted access in the performance of this Agreement, and shall be granted and authorize only such access as may be necessary for the purpose of fulfilling the requirements of the Agreement.

B. Data Confidentiality. All data, regardless of form, including originals, images and reproductions, prepared by or transmitted to the Provider in connection with this Agreement is confidential, proprietary information owned by the Town. Except as specifically provided in this Agreement, the Provider shall not disclose data generated in the performance of the service to any third person without the prior, written consent of the Town Manager or his designee.

C. Data Security. Personal identifying information, financial account information, or restricted Town information, whether electronic format or hard

copy, must be secured and protected at all times to avoid unauthorized access. At a minimum, the Provider must encrypt and/or password-protect electronic files. This includes data saved to laptop computers, computerized devices or removable storage devices. When personal identifying information, financial account information or restricted Town information, regardless of its format, is no longer necessary, the information must be redacted or destroyed through appropriate and secure methods that ensure the information cannot be viewed, accessed or reconstructed.

D. Compromised Security. In the event that data collected or obtained by the Provider in connection with this Agreement is believed to have been compromised, the Provider shall notify the Town Manager or his designee immediately. The Provider agrees to reimburse the Town for any costs incurred by the Town to investigate potential breaches of this data and, where applicable, the cost of notifying individuals who may be impacted by the breach.

E. Permitted Access. The Provider's employees, agents and subcontractors must receive prior, written approval from the Town before being granted access to the Town's information technology infrastructure and data and the Town, in its sole determination, shall determine accessibility and limitations thereto. The Provider agrees that the requirements of this Section shall be incorporated into all subcontractor agreements entered into by the Provider. It is further agreed that a violation of this Section shall be deemed to cause irreparable harm that justifies injunctive relief in court. A violation of this Section may result in immediate termination of this Agreement without notice.

F. Survival. The obligations of the Provider under this Section shall survive the termination of this Agreement.

17.14 Audit Rights. Each of the Parties hereto shall have the right to audit the books and records of the other party ("Audited Party") for (A) the purpose ensuring that the Provider and its subcontractors are complying with Subsection 16.2 of this Agreement, and (B) of verifying the payments, if any, payable pursuant to this Agreement. Any such audit shall be conducted upon not less than five (5) working days' prior notice to the Audited Party, at mutually convenient times and during the Audited Party's normal business hours. Except as otherwise provided in this Agreement, the cost of any such audit shall be borne by the non-Audited Party. In the event any such audit establishes any underpayment of any payment payable by the Audited Party to the non-Audited Party pursuant to this Agreement, the Audited Party shall promptly pay the amount of the shortfall, and in the event that any such audit establishes that the Audited Party has underpaid any payment by more than twenty-five percent (25%) of the amount actually owing, the cost of such audit shall be borne by the Audited Party. In the event any such audit establishes any overpayment by the Audited Party of any payment made pursuant to this Agreement, the non-Audited Party shall promptly refund to the Audited Party the amount of the overpayment.

17.15 E-verify Requirements. To the extent applicable under ARS §§41-4401, the Provider and its subcontractors warrant compliance with all federal immigration laws and regulations that related to their employees and compliance with E-verify requirements under ARS §23-213(A). The Provider's or its subcontractor's failure to

comply with such warranty shall be deemed a material breach of this Agreement and may result in the termination of this Agreement by the Town.

17.16 Conflicting Terms. In the event of any inconsistency, conflict or ambiguity among the terms of this Agreement, Scope of Services, Payment Terms, and Delinquent Account Terms, the documents shall govern in the order listed herein.

17.17 Non-Exclusive Agreement. This Agreement is entered into with the understanding and agreement that it is for the sole convenience of the Town. The Town reserves the right to obtain like goods and services from another source when necessary.

17.18 SEVERABILITY. Any provisions of this Agreement prohibited or rendered unenforceable by local, state, or federal law, or by the ruling of any court of competent jurisdiction, shall be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement.

17.19 SAVINGS CLAUSE. In the event any phrase, clause, sentence, paragraph, Section, or other portion of this Agreement shall become illegal, null or void or against public policy, for any reason, or shall be held by any court of competent jurisdiction to be illegal, null or void or against public policy, the remaining portions of this Agreement shall not be affected thereby and shall remain in force and effect to the fullest extent permissible by law.

17.20 STATUTORY COMPLIANCE. This Agreement complies with the requirements of ARS §38-511.

IN WITNESS WHEREOF, the Parties hereto have executed or caused to be executed this Agreement by their duly authorized representatives on the day and year first-above written.

**TOWN:**

Town of Prescott Valley,  
a municipal corporation of Arizona

**PROVIDER:**

AOT Public Safety Corporation, Inc.,  
a Maryland corporation

\_\_\_\_\_  
BY: Harvey Skoog, Mayor

\_\_\_\_\_  
BY: [Name of Signing Party, Title]

**ATTEST:**

\_\_\_\_\_  
BY: Diane Russell, Town Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
BY: Ivan Legler, Town Attorney

## ATTACHMENT A

### SCOPE OF SERVICES

1. Purpose. The purpose of this Scope of Services is to describe the duties and responsibilities of Public Safety Corporation ("Provider"), and the TOWN of Prescott Valley, Arizona ("Town").
2. Provider Responsibilities. Provider will be responsible for the daily operation of the Program. This will include, but may not be limited to:
  - A. Assist the Town in developing a set of Program Business Rules based upon standard operating procedures.
  - B. Initially importing electronically into Provider's Software (CryWolf®) database alarm business, alarm system location, responsible party and other alarm data obtained from the Town and/or alarm companies, as authorized by the Town;
  - C. Updating alarm business, alarm system location and responsible party information and renewing permits and alarm registrations in accordance with the Town's Alarm Ordinance ("Ordinance 779"). Updated information may be processed by mail, electronically and/or online;
  - D. Registering, renewing and billing the registration of alarm systems in accordance with Ordinance 779. Registrations and renewals may be processed by mail, telephone, electronically and/or online. Notices related to registration may be sent by email or mail based on the alarm user contact information maintained;
  - E. Importing daily into the Provider alarm billing call incident data (in formats prescribed by Provider) extracted from the Town's CAD/911 System;
  - F. Creating and hosting a dedicated, secure (SSL encrypted) Town Alarm Program website for Town citizens and businesses to obtain false alarm reduction educational information, review alarm ordinance and appeal requirements, access and update alarm account information, and pay alarm fees online if preferred;
  - G. Initializing, maintaining, securing and backing up Program databases including alarm business, alarm system location and incident data; alarm-related financial transactions and accounts receivable information. Provider shall comply with the provisions of Ordinance 779, and update Program Business Rules to comply with any changes to Ordinance 779;
  - H. Processing false alarm incident data, including the matching of false alarm incidents with the alarm system location database maintained by the Provider;
  - I. Billing and corresponding with alarm businesses and alarm users in accordance with Ordinance 779. This will include but may not be limited to notifications of false alarms, invoices, and delinquent payment notices;
  - J. Providing the Town's alarm users access to specific information on false alarm reduction and Ordinance 779 requirements in initial false alarm notifications sent to alarm users. Initial notification to each alarm user will be made on the occasion of the false alarm

event preceding the first chargeable (billable) false alarm. Notices may be sent by either email or mail based on the alarm user contact information maintained and according to the preferences of the alarm user;

K. Answering telephone inquiries from the Town alarm users that are placed to a false alarm program toll-free customer service number established for the Town;

L. Processing fee/penalty payments mailed to and deposited in the Town-approved bank lockbox and account, and received from other payment channels, e.g. online, as agreed on by Provider and the Town, and applying these payments to alarm accounts;

M. Supporting alarm hearings and appeals by notifying the Town of any such appeals, providing a Town Alarm Program representative with documentation supporting noticing and billing decisions; and updating the system with the disposition of any hearing results;

N. Providing and maintaining computer equipment, software, mailing equipment and furniture at the Provider Program processing facilities;

O. Providing the Town secure (SSL encrypted), online, on-demand access to alarm management information and reports including, but not limited to, alarm account transaction history, alarm system information, and financial transactions/balances with format and content specified by the CryWolf® Alarm Management System and the designated Bank, and agreed on between the Town and Provider; and,

P. Performing special collection functions as directed and authorized by the Town more specifically described in Attachment B, Subsection 3 Delinquent Account Terms. These functions may include retaining a third-party collection agency, and/or providing delinquent account information to other Town departments.

Q. Provider is responsible for all costs of carrying out these responsibilities including, but not limited to, the costs of staff, facilities, equipment and consumable supplies. Only third-party bank and credit card fees, and third-party collection costs (if any), e.g. collection agency fee, and citizen overpayments, if any, will be shared by the Parties through payment from gross collections before revenue sharing.

### 3. Town Responsibilities

A. Appointing a Town Alarm Coordinator (“Coordinator”) who will be the primary point of contact between Provider and the Town. The Coordinator is responsible for overseeing Provider’s operation of the False Alarm Management Services Program (“Program”) and accessing Program information, as needed, via Provider provided online access;

B. Requesting or supporting Provider’s requests of Alarm Companies, as needed, to provide alarm system information;

C. Making any and all decisions about alarm call response, determining whether calls are false alarms, providing any on-scene communication of alarm related information

to alarm users, and for documenting alarm related information within the Town CAD/911 system;

D. Extracting false alarm call incident data from the CAD/911 System and transferring this data electronically to Provider (via Provider's FTP site). Town staff are also responsible for entering, or causing to be entered, into the CAD/911 System any false alarm call related information that the Town may choose to display to CAD/911 System operators through the CAD/911 System;

E. Scheduling, conducting and making appeal decisions for any false alarm hearings;

F. Conducting any general public education programs on false alarms;

G. Transferring any and all financial information from the Program generated alarm reports to other Town financial systems, as needed, and;

H. Paying all costs of carrying out the Town's responsibilities, including, but not limited to the costs of staff, facilities, computer equipment and consumable supplies.

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## ATTACHMENT B

### PAYMENT TERMS

#### 1. Revenue Sharing Percentage

1.1. For the provision of all Services and technology outlined in this contract, Provider shall obtain payment exclusively from the revenues Provider helps generate. There shall be no upfront systems development, licensing, conversion, equipment, travel, support or other costs. Provider shall purchase, configure, install, and customize all systems and processes required to provide the Services described herein. The Revenue Sharing schedule is as follows:

#### Percentage Share of Annual Collected Revenue

Provider (Public Safety Corporation) 88%/Town of Prescott Valley 12%

1.2. The only amounts that shall be paid from the total collected revenue and subtracted from the total collected revenue before the revenue sharing percentages are applied are:

A. Any overpayments by alarm users to be refunded or held for application against future charges, as directed by the Town;

B. Bank fees charged by the Town's -approved lockbox bank;

C. Special mailing costs, if any, as directed by the Town, in excess of U.S. Post Office first class rates; and,

D. Third-party credit card processing charges, if any.

1.3 The percentages are based on several assumptions over which Provider has little or no control:

A. Ordinance 779 fee and fine schedules shall remain at levels equal to or greater than on the Agreement effective date;

B. The Town shall adopt a fair, but firm approach to granting appeals. Appeals and Town-waived charges are expected to reduce collections by no more than 5% annually; and

C. The Town actively supports enforcement of Ordinance 779, including support of reasonable measures to collect all amounts due for violations of said Ordinance.

#### 2. Payment Terms

2.1 The Town and Provider agree as follows:

A. All false alarm related fee collections from any payment method, including but not limited to bank lockbox and online credit card, shall be deposited, as soon as practical, in a False Alarm Bank Account ("False Alarm Account") to be established at a mutually agreeable Commercial Bank;

B. The Town and Provider agree to maintain a positive balance of available funds ("Minimum Balance") at all times in the False Alarm Account;

C. At the beginning of each month, Provider will reconcile the alarm related deposits for the most recent completed month and report the same to the Town . Upon the Town's approval, the Town and Provider shall authorize and cause the issuance of electronic (ACH) transfers to the Town and Provider as follows:

i. With regard to the transfer to Provider, the amount will be calculated based on the Revenue Share Table above. That amount, not to exceed 88% of the revenue collected during the preceding month, shall be transferred to a bank and account authorized by Provider; and,

ii. The remaining balance of the revenue collected during the preceding month of no less than 12%, shall be transferred to a bank account specified by the Town .

D. At the termination of this Agreement, any remaining balance shall be transferred to Provider and to the Town on the same pro rata basis, e.g. 88% and 12% respectively.

E. The Town is an Arizona public entity and all financial obligations extending beyond the current fiscal year are subject to funds being budgeted and appropriated therefore.

### 3. Delinquent Account Terms

The Parties shall define a mutually agreeable process and methods for collecting amounts due from delinquent accounts. If organizations other than the Town and Provider are retained to collect overdue amounts, the Parties agree that the collection costs shall to the extent permitted by State of Arizona law be added to the delinquent amounts owed by alarm system users and be borne by the Parties on a pro-rata basis by deducting the third-party collection fees from the gross third-party collections before the revenue shares are calculated.