

PredPol Predictive Policing Subscription Agreement

This PredPol Subscription Agreement (the "**Agreement**") is entered into by and between PredPol Inc., a California corporation, with offices at 331 Soquel Avenue, Suite 100, Santa Cruz, CA 95062 ("**PredPol**") and the entity agreeing to these terms (City of Milpitas {**Police Department**} "**Customer**"). This Agreement is effective as of the date the Agreement is countersigned (the "**Effective Date**"). If you are accepting on behalf of your employer or another entity, you represent and warrant that: (i) you have full legal authority to bind your employer, or the applicable entity, to these terms and conditions; (ii) you have read and understand this Agreement; and (iii) you agree, on behalf of the party that you represent, to this Agreement. This Agreement governs Customer's access to and use of the Services.

1. Pricing.

Customer shall receive a PredPol Services from October 1, 2013 through October 1, 2014 for a flat fee of \$12,500. PredPol Services shall also be provided for fiscal year 2014-2015 for \$12,500, a discounted fee in recognition of customer's referral of another agency to PredPol, and fiscal year 2015-2016 for \$12,500. The one time installation fee of \$3,000 is waived as a result of the agreement to a multi-year contract. These services include prediction of property, assault and robbery, and such other crimes as Customer and PredPol agree upon.

Payments shall be made in U.S. Dollars by either wire transfer or check. Checks shall be sent to PredPol, Inc., 331 Soquel Avenue, Suite 100, Santa Cruz, California, 95062, USA. If wire transfer is desired, wiring instructions can be obtained by contacting your PredPol point of contact.

2. Term**2.1 Agreement Term.**

This Agreement will remain in effect for the Term set forth above under Pricing. However, Customer may elect to cancel the agreement before year's two and three by giving notice of intent to cancel to PredPol in writing, at least 90 days prior to the one year anniversary of the Effective Date. Cancellation per this section is within the complete discretion of Customer and shall not nullify the waiver set forth in Section 1, above.

2.2 Services Term and Purchases During Services Term.

PredPol will provide the Services, as described in the Scope of Work attached hereto as Exhibit A to this Agreement, to Customer during the Services Term. Unless the parties agree otherwise in writing, new products or services purchased during any Services Term will have a prorated term ending on the last day of that Services Term

3. Additional Customer Obligations.

Customer agrees to provide reasonable information and take reasonable steps requested by PredPol in order to facilitate setup and implementation of the Services.

3.1 PredPol's License to Use Customer's Data.

Customer hereby provides PredPol with an irrevocable, non-exclusive license to use its data for purposes of research, development and testing of PredPol's Services. Customer also provides authority to PredPol to utilize its data for delivering services to Customer and other domestic, U.S.-based law enforcement agencies. Such services may include regional reporting, cross-jurisdiction predictions, among other services.

3.2 Additional Obligations.

- Generally support the beta testing of new features/tools developed by PredPol.
- Contribute to requested case studies, to be developed by PredPol.
- Provide testimonials, as requested by PredPol.
- Provide referrals and facilitate introductions to other agencies who can utilize the PredPol tool.
- Respond to inquiries from other agencies regarding Customer's use of PredPol.
- Host visitors from other agencies regarding PredPol.
- Test new features as developed by PredPol.
- Provide user feedback, as requested by PredPol.
- Engage in joint/integrated marketing, including but not limited to press conferences and media relations, training materials, web marketing, collateral, "Predicted by PredPol," tradeshow, conferences, speaking engagements and research as available.

In the event any of the forgoing would involve costs to the Customer outside of their normal costs for employees performing their normal job duties, PredPol agrees to reimburse Customer for such costs, if PredPol requests Customer take such action. For example, if a Chief is requested to attend and speak at a conference of Police Chiefs to which they are not already traveling, PredPol agrees to reimburse Customer for travel expenses, if requested.

4. Services.

4.1 License to Use.

Customer shall be licensed and authorized to use the Services as provided as a Cloud based system. The scope of the license is non-transferable and non-exclusive and is authorized by PredPol for use by the Customer. The Customer shall have the right to use the Services for

the Term of this Agreement and any extensions or renewals. The Services shall be provided in English.

4.2 Facilities and Data Transfer.

All facilities used to store and process Customer Data will adhere to reasonable security standards no less protective than the security standards at facilities where PredPol stores and processes its own information of a similar type and in compliance with all applicable state and federal laws. PredPol has implemented at least industry standard systems and procedures to ensure the security and confidentiality of Customer Data, protect against anticipated threats or hazards to the security or integrity of Customer Data and protect against unauthorized access to or use of Customer Data.

4.3 Modifications To the Services.

PredPol may make commercially reasonable changes to the Services from time to time. If PredPol makes a material change to the Services PredPol will inform Customer. Customer reserves the right to terminate this agreement, at its discretion, upon PredPol making any such material change.

4.4 Retention.

PredPol will have no obligation to retain any archived Customer Data. Customer Data is read from Customer, but PredPol does not provide or function as an archive service for the data.

5. Customer Obligations.

5.1 Compliance.

Customer will use the Services in accordance with this Agreement and all applicable laws. PredPol may make new applications features or functionality for the Services available from time to time the use of which may be contingent upon Customer's agreement to additional terms.

5.2 Login IDs and Passwords.

Customer is solely responsible for monitoring and protecting the confidentiality of all Login IDs and Passwords issued to it and its End Users.

5.3 Customer Administration of the Services.

Customer may specify one or more Administrators who will have the rights to administer the End User Accounts. Customer is responsible for: (a) maintaining the confidentiality of the password and Admin Account(s); (b) designating those individuals who are authorized to access the Admin Account(s); and (c) ensuring that all activities that occur in connection with the Admin Account(s) comply with the Agreement. Customer agrees that PredPol's responsibilities do not extend to the internal management or administration of the Services for Customer and that PredPol is merely a data-processor.

5.4 Unauthorized Use.

Customer will use commercially reasonable efforts to prevent unauthorized use of the Services and to terminate any unauthorized use. Customer will promptly notify PredPol of any unauthorized use of or access to the Services of which it becomes aware.

5.5 Restrictions on Use.

Unless PredPol specifically agrees in writing, Customer will not, and will use commercially reasonable efforts to make sure a third party does not: (a) sell, resell, lease or the functional equivalent, the Services to a third party (unless expressly authorized in this Agreement); (b) attempt to reverse engineer the Services or any component; (c) attempt to create a substitute or similar service through use of, or access to, the Services; (d) use the Services for High Risk Activities; or (e) use the Services to store or transfer any Customer Data that is controlled for export under Export Control Laws or other applicable law. Customer is solely responsible for ensuring that its use of the Services complies with all applicable laws and regulations.

5.6 Third Party Requests.

Customer is responsible for responding to Third Party Requests. PredPol will, to the extent allowed by law and by the terms of the Third Party Request: (a) promptly notify Customer of its receipt of a Third Party Request; (b) comply with Customer's reasonable requests regarding its efforts to oppose a Third Party Request; and (c) provide Customer with the information or tools required for Customer to respond to the Third Party Request. Customer will first seek to obtain the information required to respond to the Third Party Request on its own and will contact PredPol only if it cannot reasonably obtain such information.

6. Payment.

6.1 Payment.

All payments due are in U.S. dollars unless otherwise indicated on the Order Page or invoice. Fees for orders where PredPol issues an invoice are due upon Customer's receipt of the invoice and are considered delinquent sixty days after the date of the applicable invoice.

6.2 Delinquent Payments.

Delinquent payments may bear interest at the rate of one-and-one-half percent per month (or the highest rate permitted by law if less) from the payment due date until paid in full. Customer will be responsible for all reasonable expenses (including attorneys' fees) incurred by PredPol in collecting such delinquent amounts except where such delinquent amounts are due to PredPol's billing inaccuracies.

6.3 Taxes.

Customer is responsible for any Taxes and Customer will pay PredPol for the Services without any reduction for Taxes. If PredPol is obligated to collect or pay Taxes, the Taxes will

be invoiced to Customer unless Customer provides PredPol with a valid tax exemption certificate authorized by the appropriate taxing authority. If Customer is required by law to withhold any Taxes from its payments to PredPol, Customer must provide PredPol with an official tax receipt or other appropriate documentation to support such payments.

7. Technical Support Services.

7.1 By Customer.

Customer will, at its own expense, respond to questions and complaints from End Users or third parties relating to Customer's or End Users' use of the Services. Customer will use commercially reasonable efforts to resolve support issues before escalating them to PredPol.

7.2 By PredPol.

If Customer cannot resolve a support issue consistent with the above, then Customer may escalate the issue to PredPol. PredPol will provide the support necessary to resolve Customer's issue, to the extent reasonably practicable in PredPol's discretion.

8. Suspension.

8.1 Of End User Accounts by PredPol.

If PredPol becomes aware of an End User's violation of the Agreement, then PredPol may specifically request that Customer Suspend the applicable End User Account. If Customer fails to comply with PredPol's request to Suspend an End User Account, then PredPol may do so. The duration of any Suspension by PredPol will be until the applicable End User has cured the breach which caused the Suspension.

8.2 5.2 Emergency Security Issues.

Notwithstanding the foregoing, if there is an Emergency Security Issue, then PredPol may automatically Suspend the offending use. Suspension will be to the minimum extent and of the minimum duration required to prevent or terminate the Emergency Security Issue. If PredPol Suspends an End User Account for any reason without prior notice to Customer, at Customer's request, PredPol will provide Customer the reason in writing for the Suspension as soon as is reasonably possible but no later than 24 hours after suspension.

9. Confidential Information.

9.1 Obligations.

Each party will: (a) protect the other party's Confidential Information with the same standard of care it uses to protect its own Confidential Information; and (b) not disclose the Confidential Information except to Affiliates, employees and agents who need to know it and keep it confidential. Each party (and any Affiliates' employees and agents to whom it has disclosed Confidential Information) may use Confidential Information only to exercise rights and

fulfill its obligations under this Agreement, while using reasonable care to protect it. Each party is responsible for any actions of its Affiliates' employees and agents in violation of this Section.

9.2 Exceptions.

Confidential Information does not include information that: (a) the recipient of the Confidential Information already knew; (b) becomes public through no fault of the recipient; (c) was independently developed by the recipient; or (d) was rightfully given to the recipient by another party.

9.3 Required Disclosure.

Each party may disclose the other party's Confidential Information when required by law but only after it, if legally permissible: (a) uses commercially reasonable efforts to notify the other party; and (b) gives the other party the chance to challenge the disclosure.

10. Intellectual Property Rights; Brand Features.

10.1 Intellectual Property Rights.

Except as expressly set forth herein, this Agreement does not grant either party any rights, implied or otherwise, to the other's content or any of the other's intellectual property. As between the parties, Customer owns all Intellectual Property Rights in Customer Data and PredPol owns all Intellectual Property Rights in the Services. Customer grants to PredPol a non-exclusive license to use Customer's Data for PredPol's legitimate business purposes, including providing products and services to law enforcement agencies.

11. Publicity.

Customer agrees that PredPol may include Customer's name in a list of PredPol customers, online or in promotional materials. Customer also agrees that PredPol may verbally reference Customer as a customer of the PredPol products or services that are the subject of this Agreement.

12. Representations, Warranties and Disclaimers.

12.1 Representations and Warranties.

Each party represents that it has full power and authority to enter into the Agreement. Each party warrants that it will comply with all laws and regulations applicable to its provision, or use of the Services, as applicable (including applicable security breach notification law). PredPol warrants that it will provide the Services as provided herein.

12.2 Disclaimers.

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EXCEPT AS EXPRESSLY PROVIDED FOR HEREIN, NEITHER PARTY MAKES ANY OTHER WARRANTY OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY OR

OTHERWISE INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR USE AND NONINFRINGEMENT. PREDPOL MAKES NO REPRESENTATIONS ABOUT ANY CONTENT OR INFORMATION MADE ACCESSIBLE BY OR THROUGH THE SERVICES. CUSTOMER ACKNOWLEDGES THAT THE SERVICES ARE NOT A TELEPHONY SERVICE AND THAT THE SERVICES ARE NOT CAPABLE OF PLACING OR RECEIVING ANY CALLS INCLUDING EMERGENCY SERVICES CALLS OVER PUBLICLY SWITCHED TELEPHONE NETWORKS.

13. Termination.

13.1 Termination for Breach.

Either party may suspend performance or terminate this Agreement if: (i) the other party is in material breach of the Agreement and fails to cure that breach within thirty days after receipt of written notice; (ii) the other party ceases its business operations or becomes subject to insolvency proceedings and the proceedings are not dismissed within ninety days; or (iii) the other party is in material breach of this Agreement more than two times notwithstanding any cure of such breaches.

13.2 Effects of Termination.

If this Agreement terminates, then: (i) the rights granted by one party to the other will cease immediately (except as set forth in this Section); and (ii) upon request each party will promptly use commercially reasonable efforts to return or destroy all other Confidential Information of the other party.

13.3 Termination without Cause. Customer may terminate without cause and in its sole discretion in accord with the provisions of Section 2.1 above.

14. Indemnification.

14.1 By Customer.

Customer will indemnify, defend, and hold harmless PredPol from and against all liabilities, damages, and costs (including settlement costs and reasonable attorneys' fees) arising out of a third party claim: (i) regarding Customer Data; or (ii) regarding Customer's use of the Services in violation of this Agreement or applicable law.

14.2 By PredPol.

PredPol will indemnify, defend, and hold harmless Customer from and against all liabilities, damages, and costs (including settlement costs and reasonable attorneys' fees) arising out of a third party claim arising from PredPol's activities under this Agreement including that PredPol's technology used to provide the Services or any PredPol Brand Feature infringe or misappropriate any patent, copyright, trade secret or trademark of such third party. Notwithstanding the foregoing, in no event shall PredPol have any obligations or liability under this Section arising from: (i) use of any Services or PredPol Brand Features in a modified form

or in combination with materials not furnished by PredPol, and (ii) any content, information or data provided by Customer, End Users or other third parties.

14.3 Possible Infringement.

- a. Repair, Replace, or Modify.

If PredPol reasonably believes the Services infringe a third party's Intellectual Property Rights, then PredPol will: (a) obtain the right for Customer, at PredPol's expense, to continue using the Services; (b) provide a non-infringing functionally equivalent replacement; or (c) modify the Services so that they no longer infringe.

- b. Suspension or Termination.

If PredPol does not believe the foregoing options are commercially reasonable, then PredPol may suspend or terminate Customer's use of the impacted Services. If PredPol terminates the impacted Services, then PredPol will provide a pro-rata refund of the unearned Fees actually paid by Customer applicable to the period following termination of such Services.

14.4 General.

The party seeking indemnification will promptly notify the other party of the claim and cooperate with the other party in defending the claim. The indemnifying party has full control and authority over the defense, except that: (a) any settlement requiring the party seeking indemnification to admit liability or to pay any money will require that party's prior written consent, such consent not to be unreasonably withheld or delayed; and (b) the other party may join in the defense with its own counsel at its own expense. THE INDEMNITIES ABOVE ARE A PARTY'S ONLY REMEDY UNDER THIS AGREEMENT FOR VIOLATION BY THE OTHER PARTY OF A THIRD PARTY'S INTELLECTUAL PROPERTY RIGHTS.

15. Limitation of Liability.

15.1 Limitation on Indirect Liability.

NEITHER PARTY WILL BE LIABLE UNDER THIS AGREEMENT FOR LOST REVENUES OR INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, OR PUNITIVE DAMAGES, EVEN IF THE PARTY KNEW OR SHOULD HAVE KNOWN THAT SUCH DAMAGES WERE POSSIBLE AND EVEN IF DIRECT DAMAGES DO NOT SATISFY A REMEDY.

15.2 Limitation on Amount of Liability.

NEITHER PARTY MAY BE HELD LIABLE UNDER THIS AGREEMENT FOR MORE THAN THE AMOUNT PAID BY CUSTOMER TO PREDPOL HEREUNDER DURING THE TWELVE MONTHS PRIOR TO THE EVENT GIVING RISE TO LIABILITY.

15.3 Exceptions to Limitations.

These limitations of liability apply to the fullest extent permitted by applicable law but do not apply to breaches of confidentiality obligations, violations of a party's Intellectual Property Rights by the other party, or indemnification obligations. In addition, these limitations do not limit liability under any applicable insurance policy.

16. Miscellaneous.

16.1 Notices.

Unless specified otherwise herein, (a) all notices must be in writing and addressed to the attention of the other party's legal department and primary point of contact and (b) notice will be deemed given: (i) when verified by written receipt if sent by personal courier, overnight courier, or when received if sent by mail without verification of receipt; or (ii) when verified by automated receipt or electronic logs if sent by facsimile or email.

16.2 Assignment.

Neither party may assign or transfer any part of this Agreement without the written consent of the other party, except to an Affiliate, but only if: (a) the assignee agrees in writing to be bound by the terms of this Agreement; and (b) the assigning party remains liable for obligations incurred under the Agreement prior to the assignment. Any other attempt to transfer or assign is void.

16.3 Change of Control.

Upon a change of control (for example, through a stock purchase or sale, merger, or other form of corporate transaction): (a) the party experiencing the change of control will provide written notice to the other party within thirty days after the change of control; and (b) the other party may immediately terminate this Agreement any time between the change of control and thirty days after it receives the written notice in subsection (a).

16.4 Force Majeure.

Neither party will be liable for inadequate performance to the extent caused by a condition (for example, natural disaster, act of war or terrorism, riot, labor condition, governmental action, and Internet disturbance) that was beyond the party's reasonable control.

16.5 No Waiver.

Failure to enforce any provision of this Agreement will not constitute a waiver.

16.6 Severability.

If any provision of this Agreement is found unenforceable, the balance of the Agreement will remain in full force and effect.

16.7 No Agency.

The parties are independent contractors, and this Agreement does not create an agency, partnership or joint venture.

16.8 No Third-Party Beneficiaries.

There are no third-party beneficiaries to this Agreement.

16.9 Equitable Relief.

Nothing in this Agreement will limit either party's ability to seek equitable relief.

16.10 Governing Law.

This Agreement is governed by California law, excluding that state's choice of law rules. FOR ANY DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE PARTIES CONSENT TO PERSONAL JURISDICTION IN, AND THE EXCLUSIVE VENUE OF, THE COURTS IN EITHER SANTA CLARA OR SANTA CRUZ COUNTY, CALIFORNIA. The parties explicitly agree that no other laws, treaties or regulations shall control this Agreement.

16.11 Amendments.

Any amendment must be in writing and expressly state that it is amending this Agreement.

16.12 Survival.

The following sections will survive expiration or termination of this Agreement: Section 3, 6, 7.1, 10, 11.2, 12, 13, 14 and 15.

16.13 Entire Agreement.

This Agreement, and all documents referenced herein, is the parties' entire agreement relating to its subject and supersedes any prior or contemporaneous agreements on that subject.

16.14 Interpretation of Conflicting Terms.

If there is a conflict between the documents that make up this Agreement, the documents will control in the following order: the Subscription Terms set forth in any separate quote prepared by PredPol, then the Agreement, and the terms located at any URL. If Customer signs a physical agreement with PredPol to receive the Services, the physical agreement will override any online Agreement.

16.15 Counterparts.

The parties may enter into this Agreement in counterparts, including facsimile, PDF or other electronic copies, which taken together will constitute one instrument.

17. Definitions.

17.1 "Account Manager" means the PredPol business person working with Customer regarding Customer's purchase of the Services.

17.2 "Admin Account(s)" means the administrative account(s) provided to Customer by PredPol for the purpose of administering the Services. The use of the Admin Account(s) requires a password, which PredPol will provide to Customer.

17.3 "Administrators" mean the Customer-designated technical personnel who administer the Services to End Users on Customer's behalf.

17.4 "Affiliate" means any entity that directly or indirectly controls, is controlled by, or is under common control with a party.

17.5 "Brand Features" means the trade names, trademarks, service marks, logos, domain names, and other distinctive brand features of each party, respectively, as secured by such party from time to time.

17.6 "Confidential Information" means information disclosed by a party to the other party under this Agreement that is marked as confidential or would normally be considered confidential under the circumstances. Customer Data is Customer's Confidential Information.

17.7 "Customer Data" means data, including crime data, provided, generated, transmitted or displayed via the Services by Customer or End Users.

17.8 "Emergency Security Issue" means either: (a) Customer's use of the Services in violation of the Acceptable Use Policy, which could disrupt: (i) the Services; (ii) other customer's use of the Services; or (iii) the PredPol network or servers used to provide the Services; or (b) unauthorized third party access to the Services.

17.9 "End Users" means the individuals Customer permits to use the Services.

17.10 "End User Account" means a PredPol-hosted account established by Customer through the Services for an End User.

17.11 "Export Control Laws" means all applicable export and reexport control laws and regulations, including the Export Administration Regulations ("EAR") maintained by the U.S. Department of Commerce, trade and economic sanctions maintained by the Treasury Department's Office of Foreign Assets Control, and the International Traffic in Arms Regulations ("ITAR") maintained by the Department of State.

17.12 "Fees" means the amounts invoiced to Customer by PredPol for the Services as described in a Subscription Terms or similar document.

17.13 "High Risk Activities" means uses such as the operation of nuclear facilities, air traffic control, or life support systems, where the use or failure of the Services could lead to death, personal injury, or environmental damage.

17.14 "Initial Services Term" means the term for the applicable Services beginning on the Service Commencement Date and continuing for 12 months (or, if different, the duration set forth on the Order Page).

17.15 "Intellectual Property Rights" means current and future worldwide rights under patent law, copyright law, trade secret law, trademark law, moral rights law, and other similar rights.

17.16 "Subscription Terms" means the order document reflecting the financial terms of the subscription, including: (i) the Services being ordered; (ii) Fees; and (iii) Initial Services Term.

17.17 "Service Commencement Date" is the date upon which PredPol makes the Services available to Customer, and will be within one week of PredPol's receipt of the completed Order Page, unless otherwise agreed by the parties.

17.18 "Service Pages" mean the web pages displaying the Services to End Users.

17.19 "Services" means the applicable PredPol product or service, as described in the Scope of Work attached to this Agreement as Exhibit A.

17.20 "Services Term" means the applicable Initial Services Term and all renewal terms for the applicable Services.

17.21 "Suspend" means the immediate disabling of access to the Services, or components of the Services, as applicable, to prevent further use of the Services.

17.22 "Taxes" means any duties, customs fees, or taxes (other than PredPol's income tax) associated with the sale of the Services, including any related penalties or interest.

17.23 "Term" means the term of the Agreement, which will begin on the Effective Date and continue until the earlier of (i) the end of the last Services Term or (ii) the Agreement is terminated as set forth herein.

17.24 "Third Party Request" means a request from a third party for records relating to an End User's use of the Services. Third Party Requests can be a lawful search warrant, court order, subpoena, other valid legal order, other request requiring a response under law, or written consent from the End User permitting the disclosure.

EXECUTED as a sealed instrument as of the day and year first set forth below by the last counter-signatory.

DATED: _____, 20__ PredPol, Inc.:

_____,
By: Caleb Baskin, its CEO

DATED: _____, 20__ _____:

By: _____,
Milpitas, California

Exhibit A

Scope of Work

PredPol » The Technology

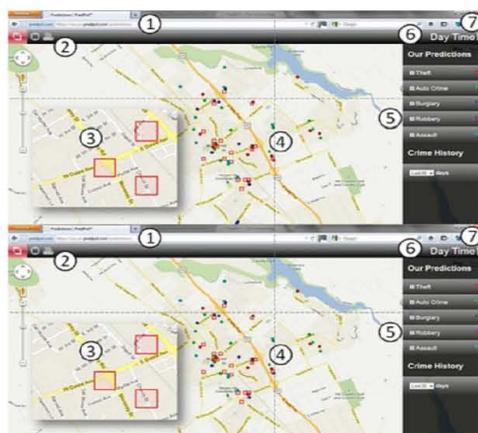
Clipped from: <http://www.predpol.com/technology/>



Home About Technology Proven Results Gun Violence Press Contact Blog

Looking Ahead, Not in the Rear View Mirror

The LAPD's Captain Sean Malinowski envisions a time when the police will issue crime forecasts the same way the National Weather Service issues storm alerts. With the PredPol tool, that time is now.



PREDICTIVE POLICING

IS NOT

- mapping of past crimes.
- profiling of individuals.
- a replacement for veterans' intuition and experience.
- new hardware or additional hiring.

IS

- a tool to increase your odds of stopping crime.
- a technology for any jurisdiction of any size.
- a way to bring newer police up to speed more quickly.
- information available immediately where and when it is needed.

1. [https://... secure](https://...)
2. delivery report on paper, to smart phone, or to tablet
3. 500' x 500' place-based prediction boxes
4. crime mapped instantaneously
5. specific to crime type
5. specific to shifts
7. crime mapping & prediction settings

Precise, Intuitive, Secure

"This is the next era of policing... very soon we will be using a predictive policing model where, by studying real-time crime patterns, we can anticipate where a crime is likely to occur."

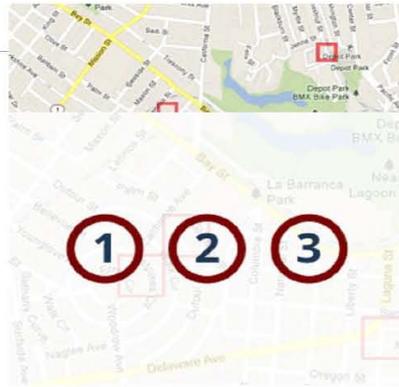
- William Bratton, Former Commissioner of NYPD and Chief of LAPD

Precise

Exhibit A (continued)

Intuitive

- For officers, PredPol's information is accessible from any tech device or on paper.
- For analysts, PredPol's tool can be set up within days and generates its actionable predictions in one click of your mouse.
- For managers, there is no new hardware, no additional technical staff, and no budget-busting installation fees. Training is simple, short, and intuitive. A very competitive annual subscription cost keeps the program running.



Secure & Reliable

- The tool is run on a secure, cloud-based software-as-a-service (SaaS) platform.
- Personal information about victims, offenders, or law enforcement is NOT collected, ever.
- All our data processing facilities employ key card protocols, biometric scanning, and round-the-clock interior and exterior surveillance.



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design by **Studio Holladay**

Exhibit A (Continued)

Statement of Work/Subscription Summary

Predpol is proud to be working with you on decreasing crime in the City of Milpitas and looks forward to a productive and successful relationship. The proposed terms of the Milpitas Police Department ("Agency") deployment of PredPol are as follows:

| 1 - Implementation Services | | | | |
|-------------------------------|------------|-------------------|-----------------|--------------|
| <u>Description</u> | <u>Qty</u> | <u>List Price</u> | <u>Discount</u> | <u>Price</u> |
| Initial Setup & Configuration | 1 | \$3,000 | 100% | \$0 |
| Total One-Time Costs: | | | | \$0 |

Initial setup services include the proactive management of the tasks listed below:

- Setup of and integration of the PredPol tool into Agency's existing RMS/CAD/Data system. Timeline for setup dependent upon grant of access by Agency to PredPol's technician for installation of the data pipeline.
- Installation of a data pipe from Agency to the PredPol Cloud. Frequency of data update (daily, hourly, every few minutes) is dependent on the degree of access granted to Predpol to stream data from the Agency.

| 2 - Annual Subscription | | | | |
|----------------------------------|------------|-------------------|-----------------|-----------------|
| <u>Description</u> | <u>Qty</u> | <u>List Price</u> | <u>Discount</u> | <u>Price/Yr</u> |
| PredPol SaaS Year 1 | 1 | \$25,000 | 50% | \$12,500 |
| PredPol SaaS Year 2 | 1 | \$25,000 | 50% | \$12,500 |
| PredPol SaaS Year 3 | 1 | \$25,000 | 50% | \$12,500 |
| Total Annual Subscription Costs: | | | | \$37,500 |

Subscription covers the following:

- Customized predictions for crime types, shifts and areas identified by Milpitas PD.
- Full Agency access to the tool, including unlimited prediction views, refreshes and report generation.
- Access to 3, 7, 14 and 28-day historical crime mapping for crime types predicted by the tool.
- Inclusion of feature updates as added during the subscription, at no additional charge.

3 - Additional Services

Additional services, such as custom features, are available on both a fixed-price and/or hourly basis. Such additional items will be subject to a separate scope of work.

4 - Non-Financial Agency Commitments

In exchange for the discounts extended above, Agency agrees to the commitment length and financial terms above and the following additional terms, to the extent *reasonable*:

- Deploy and utilize the PredPol tool and the intelligence it generates;
- Generally support the testing of the PredPol tool and any new features/tools, including providing user feedback, as requested by PredPol;
- Provide access to relevant City databases and shared databases to which the County has access, pursuant to all applicable laws and access agreements;
- Contribute to requested case studies and experiments on predictive policing and the use of the PredPol tool, particularly as it relates to predictions along jurisdictional borders with other agencies using PredPol (LAPD: Hollenbeck);
- Provide public testimonials and referrals to other agencies;
- Respond to inquiries and host visitors from other agencies;
- Engage in reasonable joint/integrated marketing, including but not limited to press conferences and media relations, training materials, marketing, tradeshow, conferences, speaking engagements and research. In the event any of the forgoing would involve costs to the City outside of their normal costs for employees performing their normal job duties, PredPol agrees to reimburse City for such costs. For example, if the Chief is requested to attend and speak at a conference of Law Enforcement Officials to which they are not already traveling, PredPol agrees to reimburse the City for travel expenses, if requested.

5 - Invoicing & Related Matters

Commencement of Services

Our provision of the PredPol SaaS, as described above, will begin in July 15, 2013 (the "Effective Date").

Initial Invoice

An initial invoice will be sent as of the date the PredPol SaaS goes live for the Agency, and will include:

- the first year subscription cost of the tool listed above

Payment of this invoice is due within 60 days of its issuance. Subsequent invoices will be issued on the anniversary date of this agreement, and as appropriate from time to time for any additional services requested by the Agency



CITY OF MILPITAS SOLE SOURCE/BRAND REQUEST

THIS FORM MUST BE COMPLETED AND APPROVED PRIOR TO ANY PROCUREMENT

When a request is made for a non-competitive procurement and the specification limits the bidding to one source and/or one brand or trade name, the requesting department must complete the following. Please answer in the space provided, or in an attachment address by specific reference, each question listed below (1-5) in your justification. ***Be sure to answer each part of each question. Failure to respond fully to any of the questions could result in delay or rejection of your request due to inadequate justification.***

1. Using appropriate detail, including brand name and model number, briefly describe the product you wish to procure. In the case of a service use enough detail to clearly describe to someone not familiar with the process what you are procuring.

PredPol Predictive Policing Software

2. Please check one: **Cost: \$ 12,500 / year**
X 3 = \$37,500 Total
 - a) **SOLE SOURCE:** Item is available from one source only. Item is one-of-a kind and is not sold through distributors. Manufacturer is exclusive distributor.
 - b) **SOLE BRAND:** Various sources can supply the specified model and brand; competitive bids will be solicited for the requested brand only. Meets form, fit and function - nothing else will do.
 - c) **STANDARDIZATION REQUEST:** The Department requires the item to standardize parts, design, quality etc. **(This requires further discussion with the Purchasing Agent.)**
3. What are the unique performance features of the product/brand requested that are not available in any other product/brand? (For services: What unique qualifications, rights, degrees, certifications, licenses and/or experience does this vendor possess?)

Police Departments nationwide are facing budget freezes and cuts, requiring them to manage their resources more effectively while still responding to public demand for crime prevention and reduction.

PredPol offers an easy-to-use, secure, SaaS (software as a service) technology that forecasts highest risk times and places for future crimes so that law enforcement can deploy resources more efficiently while lowering crime rates.

Predictive Policing is a tool to increase the odds of stopping crime; a technology for any jurisdiction of any size; a complement to veterans' intuition and experience; an elevating tool for newer officers and analysts; and information available immediately where and when it is needed.

i. **Development Path.** PredPol is the first software of its kind and was developed through more than six years of research by the Los Angeles Police Department and a team of PhDs from the Santa Clara University and UCLA, including two of the PredPol co-founders, Dr. George Mohler and Dr. Jeffrey Brantingham.

ii. **Patent Pending.** The technology is a patent-pending process predicting where and when crime is most likely to occur within micro-places (500' x 500' boxes) in a city or county.

iii. **Already Deployed.** Field deployments in Los Angeles and Santa Cruz, California, proved significantly better than traditional "crime hot spotting" and veteran crime analysts.

iv. **Superior Results.** When matched against existing best practices in crime analysis and technology, PredPol's technology has resulted in predictions twice as accurate.

v. **Scientific & Mathematical Origins.** Uniquely based on models for predicting aftershocks from earthquakes, PredPol's patent-pending, easy-to-use, SaaS (software as a service) technology forecasts highest risk times and places for future crimes.

vi. **Not Crime Mapping.** In contrast to simply mapping past crime data, PredPol applies advanced mathematics, adaptive computer learning, and theories of criminal behavior to past crime data. Traditional mapping tools are calibrated less frequently, rely on humans to recognize patterns, and fail to adjust adequately as new crimes are recorded.

vii. **Cost Effective.** Compared to crime analysis technology, the technology requires no additional hardware or software, no additional staff, and no maintenance contracts. It directly integrates with an agency's existing Records Management System.

viii. **Versatile Delivery to Officers.** PredPol's information is accessible from any technology device, including smart phone and tablets, or on paper.

ix. **Turn Key Implementation.** The technology can be implemented within 24-48 hours of a contract being signed and after a law enforcement agency provides appropriate systems access. It does not require months of data mining and aggregation.

4. What other products/services have been examined and rejected, and why? *(Please provide a specific meaningful explanation, one vendor and one feature at a time. For products be sure to clearly identify the product by name and model number and include the name, address, and telephone number of the company representative who's product you tested.)*

The other two software products we looked at are "Crime Reports", which we also use, and "Crime Mapping". Both products are only able to map crime they have no predictive capabilities. After a thorough search of the market we have not been able to locate any other software that has the same predictive capabilities PredPol has developed.

5. If justification is based on matching and/or intermixing with existing equipment (refer to 2.c.), list the quantity, manufacturer, brand, and model of the existing equipment, and why the matching is required not simply preferred.

I HEREBY CERTIFY THAT:

1. I am an approved department representative, and am aware of the City's requirements for competitive bidding, as well as the criteria for justification for sole source/brand procurements.
2. I have gathered the required technical information and have made a concentrated effort to review comparable and/or equal equipment/service.
3. There is validity as to the information contained herein justifying my request for sole source/brand procurement and meeting the City's criteria.
4. A sole source/brand procurement in this case would withstand a possible audit or a vendor's protest.

REQUESTOR _____ DATE: 8/13/2013

DEPT./DIV. HEAD: _____ DATE: 8/13/2013

PURCHASING DIVISION USE ONLY:

APPROVED: _____

PURCHASING AGENT:

NOT APPROVED: _____

DATE: ___/___/___

COMMENTS:

SOLE SOURCE/BRAND REQUEST

A. OVERVIEW

Purchasing recognizes that departments often invest a great deal of time and effort in selecting a source or brand, prior to submitting a requisition to Purchasing. Even though the departmental review process prior to the submittal of a requisition may be sound, the lack of effective communication between the Buyer and the requesting department can lead to lost time in completing the acquisition of a product or service.

Likewise, Purchasing can be an effective partner in a competitive review process given adequate time and involvement in your requirement definition.

In an effort to expedite sole source/brand requisitions through Purchasing, you are directed to review the Sole Source/Brand Request form herein. If you feel your request meets the criteria, follow the instructions in filling out the form and attach it to your requisition. If the sole source/brand justification is accepted by Purchasing, the requisition can be expedited without the normal bidding requirements.

This is an internal City review process. Departments are directed to use discretion in their discussion with vendors so as to not compromise any competitive advantage that Purchasing may utilize; in the event the sole source/brand justification is rejected.

Rather than merely a shift of the review burden, this process acknowledges the significant effort a department may undertake when identifying a vendor or brand, and provides you with the method by which to make your requisitioning efforts more efficient under sole source/brand conditions.

It will also remain our responsibility to advise you when a particular competitive review process may both serve the City better and/or be required by the City's governing ordinance.

In order for Purchasing to accept a request for sole source/sole brand, the certification form referenced herein, must be made a part of your justification and be signed by authorized department representative(s). The form will remain on file for audit purposes.

B. PROCEDURE

Sole source/brand procurements are an exception to the normal procurement function and require a detailed justification. In processing sole source/sole brand requests for supplies, services and/or equipment, Purchasing adheres to and is governed by the principles set forth in City of Milpitas Municipal Code Section I-2-3.09 Sole Source Procurement as approved by the City Council.

If you are requesting a particular vendor, brand or product, you must make this fact clear on your requisition. Your request will then be restrictive and non-competitive, and will fall into a sole source/sole brand category.

Such a request should not be made unless you are confident that your request is reasonable and appropriately justified to meet the City's requirements and withstand any possible audit. The City's requirements and the format for submitting such requests are contained herein. Please make copies of the Sole Source/Brand Request form for your future use.

The following factors **DO NOT** apply to sole source/brand requests and should not be included in your sole source/brand justification. They will not be considered and only tend to confuse the evaluation process.

1. Personal preference for product or vendor.
2. Cost, vendor performance, and local service (these are generally considered award factors in competitive bidding).
3. Features which exceed the minimum department requirements.
4. Explanation of the need and/or basic use for the equipment, unless the information relates to a request for "unique factors" (refer to question 3 from the Sole Source/Brand Request form). In other words don't say you want a tree trimmer so you can trim trees, instead explain why this particular trimmer with these exact performance specifications is the only one that will meet your need.
5. A request for "no substitution" submitted without justification. This is just a sole source/brand request without justification.