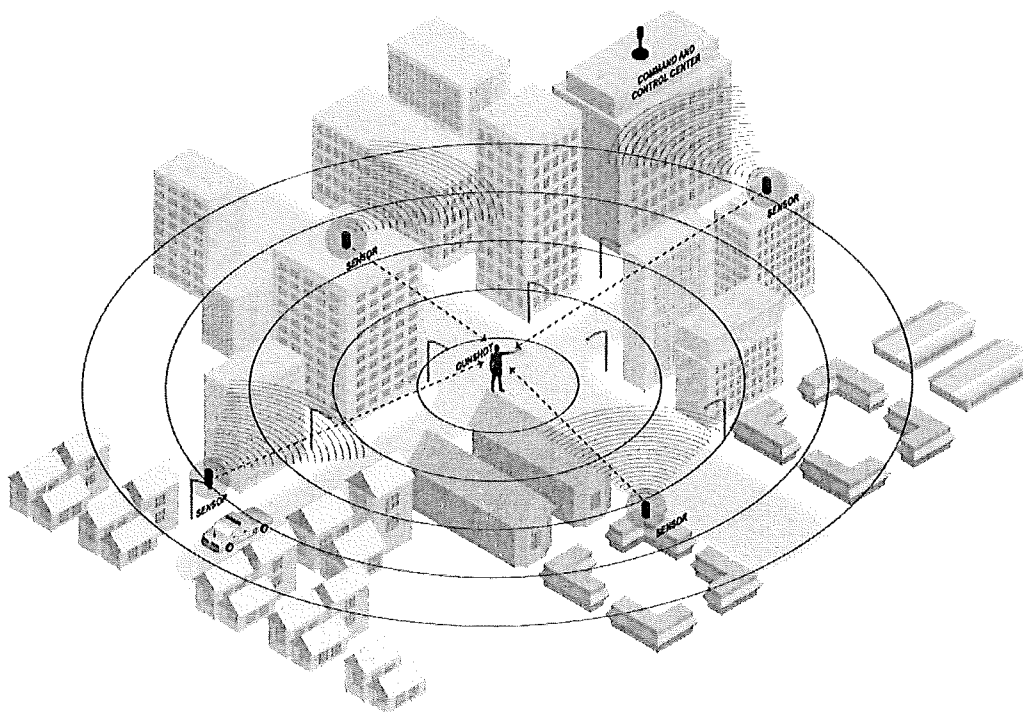


**Proposal to Convert to a
ShotSpotter FlexSM Gunfire Location, Alert and Analysis Service**

**Proposal ID: RIVBCHFLF10072013
Prepared on October 7, 2013
for: Riviera Beach Police Department**



Submitted by:

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SST Reviewer Alert Service

When ShotSpotter Flex detects gunfire, detailed incident data is instantly sent to the SST Operations Center, our secure data processing and alert qualification facility. Immediately, a SST gunfire and acoustic expert analyzes the data, qualifies the incident and sends a validated alert to the dispatch center or other Public Safety Answer Points (PSAP) and even directly to mobile and field personnel. Qualified Alerts include critical situational awareness such as number of shots fired, shooter position, speed and direction of travel (of a moving shooter) and the exact time of gunfire.

The highly trained and specialized team of gunfire detection experts at the SST Operations Center has analyzed thousands of gunfire events captured by SST solutions. Their dedicated 24x7x365 expertise provides an instant assessment of all potential incidents, freeing up time that dispatchers and officers would otherwise spend analyzing alerts and giving agencies the level of data qualification they need to have complete confidence when dispatching based on alerts from ShotSpotter Flex. Drawing on their experience, SST experts are often able to add important situational intelligence to alerts, such as the possibility of multiple shooters and other critical data that can help personnel respond more safely and successfully.

Scope of Services

The purpose of this proposal is to provide pricing and corresponding terms and conditions for the conversion of the City's ShotSpotter system to the ShotSpotter FlexTM subscription offering including:

- Document Network, VPN and Server configurations
- Based on current configuration and VPN capacity, design network to forward sensor data to SST Hosting Center
- Evaluate work stations and mobiles for speed and latency requirements to run the various web based application with low latency etc.
- Work with the City and Police Department to resolve any issues.
- May recommend different VPN configuration based on analyses
- Configure VM server, storage and switching equipment at the hosting center.
- Finalize plan to "point" sensor communications to the hosting facility.
- Train City and Police personnel on the new interfaces (very straight forward & friendly interfaces)
- Acquire City and Police personnel user names and passwords
- Arrange for service window to cut over sensor traffic.
- Test end to end system operation on all console types

- Activate user names and passwords
- System go live, reviewed alerts activated
- Provide secure storage of customer data (minimum of 2 years online, 5 years offline)
- Monitor system & resolve any issues

ShotSpotter Flex capabilities

- Qualified reviewed alerts for gunfire
- Incident types (e.g., fireworks) that do not explicitly generate alerts will be logged and retained in the system's database, and as such will be available for reporting, analysis, and mining. In addition, the basic reports provided with the system will summarize gunfire and fireworks activity, even if (as an example) receipt of fireworks is disabled.
- SST hosted, secured, monitored and maintained infrastructure (server farm, storage, sensor networks)
- Allocation of Alert Console clients among different roles (call-taker, dispatcher, or mobile) is configurable at the discretion of the customer.
- Accessible and searchable alert history for two (2) years (additional years for a fee)
- One (1) Program Development and Subscription Orientation session
- Training Program that consists of: best practices, recommended TTPs, administrator training, end-user documentation, and end-user training
- High-level summary report and basic incident reports
- Reasonable support with Detailed Forensic Reports
- Standard customer support

Pricing, Terms, Conditions

Convert ShotSpotter OnSiteTM System to ShotSpotter FlexSM Service \$ 0

TOTAL	\$ 0
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***IMPORTANT:** Flex service is contingent upon the City remaining current on their ShotSpotter OnSiteTM Maintenance & Support Agreement and all payments are current.

Accompanying Exhibit

An exhibit specifying the item listed below is incorporated herein by reference and constitutes an integral part of this proposal. Unless specifically so-stated above, should there be any question of precedence between the exhibit and this proposal, then the exhibit, a single consolidated document shall be superior to the proposal itself. Items addressed within the consolidated document are:

- SST Flex Service Addendum

SST™ **ShotSpotter** FLEX Services Agreement – Addendum to Riviera Beach Support and Maintenance Contract

This is an addendum to the ShotSpotter Annual Support and Maintenance Agreement signed by ShotSpotter, Inc. (“ShotSpotter”, “SST”, “we”, “the Company” or “us”) and the City of Riviera Beach, FL (“Customer” or “you”), effective June 1, 2010. This Addendum is effective as of the last date listed below.

1. SERVICES. In consideration of the parties’ mutual undertakings set forth in the Purchase Documents and in this Agreement, you and we agree as follows:

For purposes of this Agreement, the Service shall consist of (i) providing access by the Customer to Reviewed Alerts delivered via a password-protected internet portal (“Alert Console”) and user interface supplied by SST (together the Alert Console and interface shall be called the “Software”) (ii) providing access to historical Reviewed Alerts and incident information via the Software; and (iii) other services as specified in the Purchase Documents.

Reviewed Alerts consist of data for gunfire incidents, detected by the ShotSpotter Gunshot Location System and reviewed by a SST incident reviewer employee (see Exhibit A).

SST will install or convert the ShotSpotter Gunshot Location System in the coverage area specified in the Purchase Document. SST will host the Service and may update the functionality and Software of the Service from time to time in its sole discretion and in accordance with this Agreement.

Except in the circumstances where a system has been previously purchased and is being converted, SST shall retain ownership of, and all rights to, all components of the ShotSpotter Gunshot Location System, including hardware components, Software and firmware. Under this Agreement the Customer is only licensing rights to access the incident information detected by the ShotSpotter Gunshot Location System.

2. LICENSE. The following sets forth the terms and conditions of your non-exclusive, non-transferable and terminable license to use the Service, Software and Data (as those terms are defined herein).

This License creates important legal rights and obligations, so please read it carefully before using the Service. This License constitutes an offer by us to you. **By manifesting electronically your assent to these terms, using the service, or by issuing a purchase order or signing a purchase agreement, you agree to be bound by the terms and conditions of this license.** If you do not agree to be bound by the terms of this License, do not issue or execute a Purchase Document, or use the Service.

A. RIGHTS IN DATA. All Data created, generated, modified, compiled, stored, kept or displayed by SST through the Subscription Service in the course of providing the Subscription Service and related Services to Customer, remains the sole and exclusive property of SST. Subject to subparagraph (ii) below, SST expressly reserves the rights to copy, publish, display, adapt, modify, translate, perform

Copyright © 2013 SST, Inc™. All rights reserved. ShotSpotter Flex™, ShotSpotter®, ShotSpotter Gunshot Location System® and the ShotSpotter logo are trademarks of SST, Inc™. SST and ShotSpotter technology is protected by one or more issued U.S. and foreign patents, with other domestic and foreign patents pending.

publicly, make works derived from, transfer, sell, offer for sale, and to use any and all Data for any purpose. Notwithstanding the foregoing sentence and although SST owns the Data with respect to the Subscription Service, SST will provide reasonable notice if any Data to be released is specific forensic or law enforcement sensitive incident information – For discussion that may pertain to any active investigation or prosecution. At no time, either in a non-exclusive or exclusive data ownership, does SST release, sell, license, or otherwise distribute the gunfire alert Data to the press or media without the prior express consent, which shall not be unreasonably withheld.

If the customer purchases the exclusivity option, then SST will not distribute to any third party any Data related to or generated by ShotSpotter Gunshot Location System in Customer’s coverage area, unless in response to a valid order or subpoena issued by a court or other governmental body, or as otherwise required by law.

SST expressly reserves the rights to copy, publish, display, adapt, modify, translate, perform publicly, make works derived from, transfer, sell, offer for sale, and to use any and all Data (including, without limitation, Reviewed Alerts) for any purpose, and to authorize, license, and sublicense others to do any or all of the same.

B. RESTRICTIONS. The Software and Data are our proprietary products, may incorporate components supplied to us under license by third-party suppliers, and may be protected by United States patent, trade secret, copyright law and international treaty provisions. All such rights in and to Software and Data and any part thereof are the property of us or our suppliers. By virtue of this License, you acquire only the right to use the Software and Data in accordance with this Agreement, but otherwise acquire no license, title or ownership rights, express or implied, in or to the Software or Data, or any right to use or practice any of our patents, copyrights, trademarks, or trade secrets, all of which rights are reserved expressly by us or our suppliers. You may not make any copies of the written materials or documentation that accompanied any component of the Software, or use them, or any other information concerning the Service that we have designated as confidential, for any purpose other than bona fide use of the Service or Software for the specific purposes contemplated herein, nor allow anyone else to do so. You shall not, without our express written consent, which may be withheld or conditioned in our sole discretion: (i) modify, adapt, alter, translate, copy, perform or display (publicly or otherwise) or create compilations, derivative, new or other works based, in whole or in part, on the Software or Data, or on the Service; (ii) merge, combine, integrate or bundle the Software or the Data, in whole or in part, with other software, hardware, data, devices, systems, technologies, products, services, functions or capabilities; (iii) transfer, distribute, make available the Service, Data, or Software to any person other than the specific end-user customer identified to SST in the Purchase Documents, sell, resell, sublicense, lease, rent, or loan the Service, Data, or Software, in whole or in part, or (iv) provide use or permit



ShotSpotter Services Agreement – Addendum to Riviera Beach Support and Maintenance Contract

operation of any of the Service, Software or Data by any person other than the original end-user customer designated in the Purchase Documents, nor in or through any application service provider, service bureau, rental or time-sharing arrangement; (v) disassemble, decompile, or otherwise reverse engineer or attempt to reconstruct, derive, or discover, any source code, underlying ideas, algorithms, formulae, routines, file formats, data structures, programming, routines, interoperability interfaces, drawings, or plans from the Data or Software, or any data or information created, compiled, displayed, or accessible through the System, in whole or in part; or (vi) remove, modify or obscure any identification or proprietary or restrictive rights markings or notices from the Data, Software or any component thereof.

SST and its licensors retain all ownership of all intellectual property rights in and to all Data, Software, all computer programs, related documentation, technology, knowhow and methods and processes embodied in or made available to you in connection with the Service, including, without limitation, all patent rights, copyrights, trade secret rights, trademarks and service marks. All rights not expressly granted to you herein are reserved by SST. You shall take all reasonable measures to protect SST's intellectual property rights in the Service and Software, including providing assistance and measures as are reasonably requested by SST from time to time.

You are hereby placed on notice that alteration or removal of copyright management information (including, without limitation, licensor's name and other identifying information, name of the Service, the terms and conditions of this License, and identifying numbers or symbols) embodied in or associated with the Service is prohibited, because such conduct may cause others to infringe our rights in and to the system, Service and/or Software. You may also not obscure or remove any confidentiality, patent, trademark or copyright notices on any component of the Service, or any documentation.

C. TERMINATION. You agree that your right to use the Service, Software and Data will terminate automatically if you violate any of the terms of this License, or fail to timely pay any sums you owe to us or resellers or integrators of our Service, or fail to renew the Service upon expiration of the Service term. In the event of termination, your access to the Data and Software will be terminated, and SST will cease delivering Reviewed Alerts, and disable your access to the Data. Customer agrees that SST shall not be liable to Customer nor to any third party for any suspension of the Service resulting from Customer's nonpayment of fees as described in this section.

D. MODIFICATION TO OR DISCONTINUATION OF THE SERVICE. SST reserves the right at any time and from time to time to modify, temporarily or permanently, the Service (or any part thereof). In the event that SST modifies the Service in a manner which removes or disables a feature or functionality on which Customer materially relies, SST, at Customer's request, shall use commercially reasonable efforts to restore such functionality to

Customer. In the event that SST is unable to substantially restore such functionality, Customer shall have the right to terminate the Agreement and receive a pro-rata refund of the annual Service fees paid under the Agreement for use of the Service which was paid for by Customer but not yet furnished by SST as of the date of such termination. Customer acknowledges that SST reserves the right to discontinue offering the Service at the conclusion of Customer's then current term. Customer agrees that SST shall not be liable to Customer or to any third party for any modification of the Service as described in this section.

E. OTHER RESTRICTIONS. You acknowledge and agree that the source code and internal structure of the Software, Data and Service, as well as documentation, operations manual and training material are our confidential property, and trade secrets, the value of which would be destroyed by disclosure to the public. Use by anyone other than you of the Service, documentation, and Data is prohibited, unless pursuant to a valid assignment under this Agreement.

3. LIMITED EXCLUSIVE WARRANTY. Provided that you comply with your obligations under the terms and conditions stated herein, we warrant that the Software (as defined herein) will be free of defects in workmanship which materially impair the functioning of the Service and Software in substantial conformity with the specifications documentation accompanying the Service.

The Software covered under this limited exclusive warranty consists exclusively of ShotSpotter Alert Console software and user interface, installed and operated locally on customer's computers and devices supplied by SST for your use by on and in connection with a ShotSpotter System, subject to the terms and conditions of the License between you and us.

A. REVIEWED ALERT SERVICE LEVELS. As regards to sonic event review and alert services, subject to the Customer's compliance with its obligations hereunder, we agree to provide the service levels forth in Exhibit A, attached hereto.

B. SYSTEM CONFIGURATION AND SERVICE LEVELS.

As regards to System configuration, subject to the Customer's compliance with its obligations hereunder, and to the disclaimers and limitations, we agree to provide the service levels set forth in Exhibit B, attached hereto.

C. OTHER WARRANTY. SST warrants that the Service, Data and Software shall be free of viruses, Trojan horses, worms, spyware, or other malicious code or components.

The limited exclusive warranties expressly set forth in this Agreement are the only warranties made to you and are provided in lieu of any other warranties (if any) created by any documentation or packaging, or otherwise express or implied. These limited exclusive warranties give you specific legal rights, and you may also have other rights which vary by jurisdiction.



ShotSpotter Services Agreement – Addendum to Riviera Beach Support and Maintenance Contract

4. SST SUPPORT. During the term of the Services, SST will make commercially reasonable efforts to promote Customer's successful utilization of the Service, including but not limited to providing Customer with user guides, online help, online training presentation, and online training sessions (as available). SST will provide reasonable efforts to respond via email to requests for support relating to incident classification within 8 hours of the request.

In addition, SST will use commercially-reasonable efforts to respond to other support requests within 24 hours of receipt of the request during the period of 8am to 5 pm Monday through Friday. The e-mail support specialist shall be responsible for receiving Customer reports of missed incidents, or errors in the Service, and, to the extent practicable over email or telephone, making commercially-reasonable efforts to assist the Customer in resolving the Customer's reported problems. In the event the problem cannot be resolved telephonically, then SST will use commercially-reasonable efforts to restore functionality of the Service to Service specifications within 72 business hours of receipt of the report.

A. FORENSIC REPORTS. SST, at the specific request of the customer, will produce and provide a maximum of two (2) detailed incident forensic reports per mile, per year, for any ShotSpotter detected incidents, including Reviewed Alerts, if such information is deemed by the customer to be valuable to the customer for investigation follow-up, prosecutorial requirements, or after action review.

Such reports must be requested a minimum of 5 days in advance of when needed, and all such requests must be in writing and addressed to the SST Customer Service Department. Customer should expect delivery of these reports within 5 days after receipt of the request. Additional reports are available within 72 hours of the receipt of an approved purchase order in the amount of \$3,500 per additional report. This benefit shall only be available to Customer if Customer is fully current with payments due under this Agreement. In the case that Customer is not current with their payments, then forensic reports shall not be generated nor provided to Customer until Customer becomes current with its payment obligations.

B. EXPERT WITNESS SERVICES. SST offers reasonable expert witness services. The Customer will be responsible for all travel and per diem reimbursement. At the specific request of the customer, SST will provide individual(s) for the purposes of expert witness testimony for any ShotSpotter detected incidents, including Reviewed Alerts, for which the incident information is deemed by the customer to be valuable to the customer's prosecutorial requirements. Customer understands that SST undertakes to provide individuals whose qualifications are sufficient for such services, but does not warrant that any person or his or her opinion will be accepted by every court. SST requires at least fourteen (14) days prior notice of such a requirement in writing from the Customer. Customer must include dates, times, specific locations and a point of contact for SST personnel. Due to the nature of legal proceedings, SST

cannot guarantee that its services described in this section shall produce the outcome, legal or otherwise, which Customer desires. Payment for expert witness services described shall be due and payable when services are rendered regardless of the outcome of the proceedings.

5. TERM, RENEWAL

A. TERM AND COMMENCEMENT. The Service term shall be specified in the Purchase Document and will commence on the date that the Service is available to the Customer via the Alert Console.

B. RENEWAL. The Service may be renewed for successive periods of one year each, in accordance with the following procedure. Not later than thirty (30) days prior to the expiration of the Service term then in effect, Customer shall issue a purchase order and tender payment in full for the next annual renewal (unless otherwise agreed in writing by SST), and the term shall be renewed for another year. SST shall provide Customer with renewal fees, terms and conditions for the next successive renewal term upon

Customer's request but no later than 90 days from the expiration date. Customer acknowledges that the Service fees, terms and conditions and service levels hereunder are subject to change and that such fees, terms and conditions, and service levels may vary from those applicable to this Agreement in successive renewal terms.

If Customer fails to renew in a timely manner and hence allows the Service term to expire then the Service will terminate in accordance with Section 2. C. At its discretion, SST may remove the ShotSpotter Gunshot Location System and any components from the coverage area at that time. If SST does not remove the ShotSpotter Gunshot Location System from the coverage area, Customer may reinstate the Service at a later date by renewing, however Customer will not have access to any Reviewed Alerts that they would have had access to during the lapsed period.

6. REQUIREMENTS

A. COMMERCIAL CARRIER DATA SERVICES. The ShotSpotter Gunshot Location System may use wired, wireless or cellular wireless acoustic sensor communications which necessitates the existence of a real-time data communications channel from each sensor to the hosted servers via a commercial carrier. The unavailability or deterioration of the quality of such wired, wireless or wireless cellular communications may impact the ability of SST to provide the Service. In such circumstances SST will use commercially reasonable efforts to obtain alternate wired or wireless cellular communications or adjust the coverage area as necessary. In the event SST is unable to do so, SST will terminate the Service and refund a pro-rata portion of the annual Service fee to Customer.



ShotSpotter Services Agreement –
 Addendum to Riviera Beach Support and Maintenance Contract

B. CUSTOMERS MUST HAVE INTERNET ACCESS.


In order to use the Service, Customer must have or must obtain access to the World Wide Web to enable a secure https connection from the customers work station to SST's hosted services. , either directly or through devices that access Web-based content. Customer must also provide all equipment necessary to make such (and maintain such) connection.

C. CUSTOMERS MUST PROVIDE ACCESS.

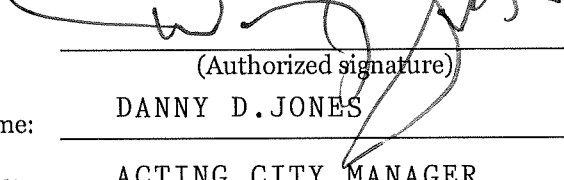
Customer may designate up to the number of users under Customer's account which corresponds to the number of Seats purchased by Customer, and Customer may provide and assign unique passwords and user names for each Seat purchased. Customer will be responsible for the confidentiality and use of Customer's password and user names, and agrees that sharing passwords and/or user names with unauthorized users is prohibited.

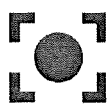
IN WITNESS THEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives on the date(s) shown below.

SHOTSPOTTER, INC.

By: 
 (Authorized Signature)
 Name: Sonya Strickler
 Title: VP Finance & Controller
 Date: 1/29/14

CITY OF RIVIERA BEACH, FL

By: 
 (Authorized signature)
 Name: DANNY D. JONES
 Title: ACTING CITY MANAGER
 Date: JANUARY 22, 2014



SST™

ShotSpotter Services Agreement –

Addendum to ShotSpotter FLEX™ Riviera Beach Support and Maintenance Contract

EXHIBIT A - Reviewed Alert Service Levels

The ShotSpotter Flex System detects loud impulsive incidents, classifies them as gunfire, fireworks, or other, and sends them to the SST Incident Review Center. Within 15 seconds of receiving the incident audio download, SST review personnel will begin analysis of the incident, which will include observing sensor audio wave files and listening to sensor audio. The outcome of this review is intended to confirm or change the System's classification of the incident type, and, depending on the reviewer's confidence level that the incident is or may be gunfire, will result in an alert ("Reviewed Alert") sent to the Customer's **Alert Console**, based on the following criteria:

<u>Incident Type</u>	<u>Action</u>
High confidence incident is gunfire	Reviewed Gunfire Alert sent to Customer Alert Console
Uncertain if incident is gunfire or not	Reviewed Possible Gunfire Alert sent to Customer Alert Console
Low confidence incident is gunfire	No alert will be sent; incident available for customer review in the incident history available through the Customer Alert Console

Reviewed Alerts are sent to the Customer Alert Console. Information in a Reviewed Alert will include the location of the incident, the reviewer's qualitative assessment of the confidence level that the incident is or may be gunfire, along with other pertinent information and data.

Specifically, information provided in a Reviewed Alert may include any or all of the following:

- "Dot on the map" and closest parcel address denoting the location of the incident
- Qualitative Confidence that the incident is gunfire: High or Uncertain
- Qualitative Severity: Single shot, multiple shots, drive by shooting, full automatic
- Comments (if any)

The majority of incidents will be processed within 45 seconds of the System notifying the SST Incident Review Center of an incident and 90% of the incidents will be processed in less than 60 seconds. In the unlikely event that the review center loses connection to the hosting facility or the review center is unable to process the incident within approximately 60 seconds for some reason, the system will automatically route unreviewed incidents directly to the customer based on the systems classification of the incident. In the event the reviewed incident data reveals information that will aid in responder situational awareness, SST may (but is not obligated to) include this information as Comments in the Reviewed Alert.

During major holidays such as in the case of New Years Eve, Independence Day, and Cinco de Mayo, most communities experience a large increase in firework activity. During these periods, usually at least 48 hours in advance of the holiday, during the holiday and 48 hours following the holiday, SST will put the system into fireworks suppression mode so that the reviewers can focus their response to incidents classified as gunfire. SST will inform the customer prior to the system being placed in fireworks suppression mode and when fireworks suppression mode is disabled. The actual timing of fireworks suppression mode being active is determined by the review center based on the level of fireworks being discharged. While in fireworks suppression mode, fireworks incident alerts are not sent to the reviewer nor the customer alert console, however all firework incidents continue to be stored in the data base should any of this information be needed at a later time.

 **SST**™  **ShotSpotter** Services Agreement –
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The purpose of the Reviewed Alert Service is to provide incident data to the Customer, reviewed, analyzed and classified in the manner described above, in situations where the analyst's qualitative confidence that an incident is or may be gunfire meets the criteria set forth above. However, it is the sole responsibility of the Customer to interpret the data provided, and to determine any appropriate follow-up reaction or response, including whether or not to dispatch emergency responder resources based on a Reviewed Alert. SST does not undertake any obligation, duty or responsibility for reaction, response, or dispatch decisions, which are solely and exclusively the responsibility of Customer, or for the consequences or outcomes of any decisions made or not made by the Customer in reliance, in whole or in part, on any services provided by SST.

The Incidents & Reports Portal provides the Customer with full and immediate access to all incident history including the same information SST uses in its internal review process. This information includes, among other things, the initial incident classification and any reclassifications of an incident, incident audio wave forms, and incident audio files. This enables the Customer to perform its own incident reviews and run various reports. This data access is available as long as the Customer is under active subscription.

EXHIBIT B - System Configuration and Service Levels

SST will deploy or have deployed a ShotSpotter Flex system over the agreed upon coverage area. The system will be designed to detect at least 80% of the unsuppressed outdoor gunfire, with a location accuracy to the shooter's location within 25 meters, after sensor calibration. These performance levels are predicated on the deployment of sensors at all such sites, the foregoing performance levels may be compromised.

The sensors send incident information to a server in a SST hosting facility via third party cellular, wireless or wired networks. SST is not responsible for outages on the third party networks. SST will be responsible for installation and maintenance of the sensors and cost of the sensor communications to the hosted location server. The hosted server infrastructure (exclusive of communications networks) shall be maintained at 99.9% application availability exclusive of scheduled maintenance that SST will make reasonable efforts to coordinate with the customer.

The connection between the reviewer's console and the Customer's Alert Console is secured using a secure message protocol over http connection, where individual messages are encrypted using the same Public Key Infrastructure ("PKI") as a secure VPN connection.

Providing local access to the internet for the Alert Console is the responsibility of the Customer, as is providing a work station with access to the internet. The Customer may choose to set up multiple sessions of Alert Consoles as a form of redundancy.