

**PROFESSIONAL SERVICES AGREEMENT
BY AND BETWEEN
COUNTY OF HUMBOLDT
AND
TRACK GROUP, INC., A DELAWARE CORPORATION
FOR FISCAL YEARS 2018-2019 THROUGH 2020-2021**

This Agreement, entered into this ___day of January, 2019, by and between the County of Humboldt, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and Track Group, Inc., A DELAWARE CORPORATION whose headquarters is 200 E. 5th Ave. Suite 100 Naperville, IL 60563, Electronic Monitoring Business, hereinafter referred to as "CONTRACTOR," is made upon the following considerations:

WHEREAS, COUNTY, by and through its Humboldt County Probation Department, desires to retain the services of a qualified professional to provide electronic monitoring products and services; and

WHEREAS, such work involves the performance of professional, expert and technical services of a temporary and occasional character; and

WHEREAS, COUNTY has no employees available to perform such services and is unable to hire employees for the performance thereof for the temporary period; and

WHEREAS, CONTRACTOR represents that it is adequately trained, skilled, experienced and qualified to perform the services required by COUNTY.

NOW THEREFORE, the parties hereto mutually agree as follows:

1. DESCRIPTION OF SERVICES:

CONTRACTOR agrees to furnish the services described in Exhibit A – Scope of Services, which is attached hereto and incorporated herein by reference. In providing such services, CONTRACTOR agrees to fully cooperate with Shaun Brenneman, Chief Probation Officer or designee thereof, hereinafter referred to as Adult Division Director.

2. TERM:

A. This Agreement shall begin upon execution by both parties and shall remain in full force and effect until June 30, 2021 unless sooner terminated as provided. COUNTY has the option to extend this Agreement upon the same terms and conditions for two (2), 1-year terms. Said options may be exercised by COUNTY giving CONTRACTOR written notice of its intent to extend the Agreement. The notice shall be in writing and shall be given to CONTRACTOR Thirty (30) days prior to the end of the initial term of the Agreement.

B. For the purposes of cooperative purchasing, The COUNTY agrees to allow other governmental agencies to purchase from this contract following the same terms and conditions. Other governmental agencies and the CONTRACTOR have the ability to negotiate specific pricing and product terms depending on volume.

3. TERMINATION:

- A. Breach of Contract. If, in the opinion of COUNTY, CONTRACTOR fails to adequately perform the services required hereunder within the time limits specified herein, or otherwise fails to comply with the terms of this Agreement, or violates any ordinance, regulation or other law applicable to its performance herein, COUNTY may terminate this Agreement immediately, upon notice.
- B. Without Cause. COUNTY may terminate this Agreement without cause upon thirty (30) days advance written notice. Such notice shall state the effective date of the termination.
- C. Insufficient Funding. COUNTY's obligations under this Agreement are contingent upon the availability of local, state and/or federal funds. In the event such funding is reduced or eliminated, COUNTY shall, at its sole discretion, determine whether this Agreement shall be terminated. COUNTY shall provide CONTRACTOR seven (7) days advance written notice of its intent to terminate this Agreement due to insufficient funding.
- D. Compensation Upon Termination. In the event this Agreement is terminated, CONTRACTOR shall be entitled to compensation for uncompensated services rendered hereunder through and including the effective date of such termination. However, this provision shall not limit or reduce any damages owed to COUNTY due to a breach of this Agreement by CONTRACTOR.

4. COMPENSATION:

- A. Maximum Amount Payable. The maximum amount payable by COUNTY for services rendered, and costs and expenses incurred, pursuant to the terms and conditions of this Agreement is Seven Hundred Fifty Thousand Dollars (\$750,000.00). CONTRACTOR agrees to perform all services required by this Agreement for an amount not to exceed such maximum dollar amount. However, if local, state or federal funding or allowance rates are reduced or eliminated, COUNTY may, by amendment, reduce the maximum amount payable for services provided hereunder, or terminate this Agreement as provided herein.
- B. Schedule of Rates. The specific rates and costs applicable to this Agreement are set forth in Exhibit B – Payment Agreement, which is attached hereto and incorporated herein by reference.
- C. Additional Services. Any additional services not otherwise provided for herein shall not be provided by CONTRACTOR, or compensated by COUNTY, without written authorization by COUNTY. All unauthorized costs and expenses incurred above the maximum payable amount set forth herein shall be the responsibility of CONTRACTOR. CONTRACTOR shall notify COUNTY, in writing, at least six (6) weeks prior to the date upon which CONTRACTOR estimates that the maximum payable amount will be reached.

5. PAYMENT:

CONTRACTOR shall submit to COUNTY [monthly] invoices itemizing all services rendered, and costs and expenses incurred, pursuant to the terms and conditions of this Agreement. Invoices shall be in a format approved by, and shall include backup documentation as specified by, Legal Office Business Manager and the Humboldt COUNTY Auditor-Controller. CONTRACTOR shall submit a

final invoice for payment within thirty (30) days following the expiration or termination date of this Agreement. Payment for services rendered, and costs and expenses incurred, pursuant to the terms and conditions of this Agreement will be made within thirty (30) days after the receipt of approved invoices. All invoices submitted by CONTRACTOR shall be sent to COUNTY at the following address:

COUNTY: Humboldt County Probation Department
Attention: Elisha Hardison, Legal Office Business Manager
2002 Harrison Ave
Eureka, CA 95501

6. NOTICES:

Any and all notices required to be given pursuant to the terms of this Agreement shall be in writing and either served personally or sent by certified mail, return receipt requested, to the respective addresses set forth below. Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

COUNTY: Humboldt County Probation Department
Attention: Coral Sanders, Adult Division Director
555 H Street
Eureka, CA 95501

CONTRACTOR: Track Group, Inc.
Attention: Peter Poli, Chief Financial Officer
200 E. 5th Ave. Suite 100
Naperville, IL 60563

7. REPORTS:

CONTRACTOR agrees to provide COUNTY with any and all reports that may be required by local, state and/or federal agencies for compliance with this Agreement. Reports shall be submitted no later than fifteen (15) days after the end of each calendar quarter using the format required by the State of California as appropriate.

8. RECORD RETENTION AND INSPECTION:

A. Maintenance and Preservation of Records. CONTRACTOR agrees to timely prepare accurate and complete financial, performance and payroll records, documents and other evidence relating to the services provided pursuant to the terms and conditions of this Agreement, and to maintain and preserve said records for at least three (3) years from the date of final payment hereunder, except that if any litigation, claim, negotiation, audit or other action is pending, the records shall be retained until completion and resolution of all issues arising therefrom. Such records shall be original entry books with a general ledger itemizing all debits and credits for the services provided pursuant to the terms and conditions of this Agreement.

B. Inspection of Records. Pursuant to California Government Code Section 8546.7, all records, documents, conditions and activities of CONTRACTOR, and its subcontractors, related to the services provided pursuant to the terms and conditions of this Agreement, shall be subject to the examination and audit of the California State Auditor and any other duly authorized agents of the State of California for a period of three (3) years after the date of final payment

hereunder. CONTRACTOR hereby agrees to make all such records available during normal business hours to inspection, audit and reproduction by COUNTY and any other duly authorized local, state and/or federal agencies. CONTRACTOR further agrees to allow interviews of any of its employees who might reasonably have information related to such records by COUNTY and any other duly authorized local, state and/or federal agencies. All examinations and audits conducted hereunder shall be strictly confined to those matters connected with the performance of this Agreement, including, without limitation, the costs of administering this Agreement.

- C. Audit Costs. In the event of an audit exception or exceptions related to the services provided pursuant to the terms and conditions of this Agreement, the party responsible for not meeting the requirements set forth herein shall be responsible for the deficiency and for the cost of the audit. If the allowable expenditures cannot be determined because CONTRACTOR's documentation is nonexistent or inadequate, according to generally accepted accounting practices, the questionable cost shall be disallowed by COUNTY.

9. MONITORING:

CONTRACTOR agrees that COUNTY has the right to monitor all activities related to this Agreement, including, without limitation, the right to review and monitor CONTRACTOR's records, programs or procedures, at any time, as well as the overall operation of CONTRACTOR's programs, in order to ensure compliance with the terms and conditions of this Agreement. CONTRACTOR will cooperate with a corrective action plan, if deficiencies in CONTRACTOR's records, programs or procedures are identified by COUNTY. However, COUNTY is not responsible, and will not be held accountable, for overseeing or evaluating the adequacy of CONTRACTOR's performance hereunder.

10. CONFIDENTIAL INFORMATION:

- A. Disclosure of Confidential Information. In the performance of this Agreement, CONTRACTOR may receive information that is confidential under local, state or federal law. CONTRACTOR hereby agrees to protect all confidential information in conformance with any and all applicable local, state and federal laws, regulations, policies, procedures and standards, including, but not limited to: California Welfare and Institutions Code Sections 827, 5328, 10850 and 14100.2; California Health and Safety Code Sections 1280.15 and 1280.18; the California Information Practices Act of 1977; the California Confidentiality of Medical Information Act ("CMIA"); the United States Health Information Technology for Economic and Clinical Health Act ("HITECH Act"); the United States Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and any current and future implementing regulations promulgated thereunder, including, without limitation, the Federal Privacy Regulations contained in Title 45 of the Code of Federal Regulations ("C.F.R.") Parts 160 and 164, the Federal Security Standards contained in 45 C.F.R. Parts 160, 162 and 164 and the Federal Standards for Electronic Transactions contained in 45 C.F.R. Parts 160 and 162, all as may be amended from time to time.
- B. Continuing Compliance with Confidentiality Laws. The parties acknowledge that local, state and federal laws, regulations and standards pertaining to confidentiality, electronic data security and privacy are rapidly evolving and that amendment of this Agreement may be required to ensure compliance with such developments. Each party agrees to promptly enter into negotiations concerning an amendment to this Agreement embodying written assurances

consistent with the standards and requirements of HIPAA, the HITECH Act, the CMIA and any other applicable local, state and federal laws, regulations or standards.

11. NON-DISCRIMINATION COMPLIANCE:

- A. Professional Services and Employment. In connection with the execution of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate in the provision of professional services or against any employee or applicant for employment because of race, religion or religious creed, color, age (over forty (40) years of age), sex (including gender identity and expression, pregnancy, childbirth and related medical conditions), sexual orientation (including heterosexuality, homosexuality and bisexuality), national origin, ancestry, marital status, medical condition (including cancer and genetic characteristics), mental or physical disability (including HIV status and AIDS), political affiliation, military service, denial of family care leave or any other classifications protected by local, state or federal laws or regulations. Nothing herein shall be construed to require the employment of unqualified persons.
- B. Compliance with Anti-Discrimination Laws. CONTRACTOR further assures that it, and its subcontractors, will abide by the applicable provisions of: Title VI and Title VII of the Civil Rights Act of 1964; Section 504 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975; the Food Stamp Act of 1977; Title II of the Americans with Disabilities Act of 1990; the California Fair Employment and Housing Act; California Civil Code Sections 51, et seq.; California Government Code Sections 4450, et seq.; California Welfare and Institutions Code Section 10000; Division 21 of the California Department of Social Services Manual of Policies and Procedures; United States Executive Order 11246, as amended and supplemented by United States Executive Order 11375 and 41 C.F.R. Part 60; and any other applicable local, state and/or federal laws and regulations, all as may be amended from time to time. The applicable regulations of the California Fair Employment and Housing Commission implementing California Government Code Section 12990, set forth in Chapter 5, Division 4 of Title 2 of the California Code of Regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full.

12. NUCLEAR FREE HUMBOLDT COUNTY ORDINANCE COMPLIANCE:

CONTRACTOR certifies by its signature below that it is not a Nuclear Weapons Contractor, in that CONTRACTOR is not knowingly or intentionally engaged in the research, development, production or testing of nuclear warheads, nuclear weapons systems or nuclear weapons components, as defined by the Nuclear Free Humboldt County Ordinance. CONTRACTOR agrees to notify COUNTY immediately if it becomes a Nuclear Weapons Contractor as defined above. COUNTY may immediately terminate this Agreement if it determines that the foregoing certification is false or if CONTRACTOR subsequently becomes a Nuclear Weapons Contractor.

13. DRUG-FREE WORKPLACE CERTIFICATION:

By executing this Agreement, CONTRACTOR certifies that it will comply with the requirements of the Drug-Free Workplace Act of 1990 (California Government Code Sections 8350, et seq.) and will provide a drug-free workplace by doing all of the following:

- A. Drug-Free Policy Statement. Publish, as required by California Government Code Section 8355(a)(1), a Drug-Free Policy Statement which notifies employees that the unlawful

manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited, and specifies the actions to be taken against employees for violations.

- B. Drug-Free Awareness Program. Establish, as required by California Government Code Section 8355(a)(2), a Drug-Free Awareness Program which informs employees about the following:
 - 1. The dangers of drug abuse in the workplace;
 - 2. CONTRACTOR's policy of maintaining a drug-free workplace;
 - 3. Any available counseling, rehabilitation and employee assistance programs; and
 - 4. Penalties that may be imposed upon employees for drug abuse violations.
- C. Drug-Free Employment Agreement. Ensure, as required by California Government Code Section 8355(a)(3), that every employee who provides services pursuant to the terms and conditions of this Agreement will:
 - 1. Receive a copy of CONTRACTOR's Drug-Free Policy Statement; and
 - 2. Agree to abide by CONTRACTOR's Drug-Free Policy as a condition of employment.
- D. Effect of Noncompliance. Failure to comply with the above-referenced requirements may result in suspension of payments under this Agreement and/or termination thereof, and CONTRACTOR may be ineligible for award of future contracts if COUNTY determines that the foregoing certification is false or if CONTRACTOR violates the certification by failing to carry out the above-referenced requirements.

14. INDEMNIFICATION:

- A. Hold Harmless, Defense and Indemnification. CONTRACTOR shall hold harmless, defend and indemnify COUNTY and its agents, officers, officials, employees and volunteers from and against any and all claims, demands, losses, damages, liabilities, expenses and costs of any kind or nature, including, without limitation, attorney's fees and other costs of litigation, arising out of, or in connection with, CONTRACTOR's negligent performance of, or failure to comply with, any of the duties and/or obligations contained herein, except such loss or damage which was caused by the sole negligence or willful misconduct of COUNTY.
- B. Effect of Insurance. Acceptance of the insurance required by this Agreement shall not relieve CONTRACTOR from liability under this provision. This provision shall apply to all claims for damages related to CONTRACTOR's performance hereunder regardless of whether any insurance is applicable or not. The insurance policy limits set forth herein shall not act as a limitation upon the amount of indemnification or defense to be provided hereunder.

15. INSURANCE REQUIREMENTS:

This Agreement shall not be executed by COUNTY, and CONTRACTOR is not entitled to any rights hereunder, unless certificates of insurance, or other proof that the following provisions have been complied with, are filed with the Clerk of the Humboldt COUNTY Board of Supervisors.

- A. General Insurance Requirements. Without limiting CONTRACTOR's indemnification obligations provided for herein, CONTRACTOR shall, and shall require that all subcontractors hereunder, take out and maintain, throughout the entire period of this Agreement, and any extended term thereof, the following policies of insurance, placed with insurers authorized to do business in the State of California with a current A.M. Bests rating of no less than A: VII or its equivalent against personal injury, death and property damage which may arise from, or in connection with, the activities of CONTRACTOR and its agents, officers, directors, employees, licensees, invitees, assignees or subcontractors:
1. Comprehensive or Commercial General Liability Insurance at least as broad as Insurance Services Office Commercial General Liability Coverage (occurrence form CG 0001), in an amount of One Million Dollars (\$1,000,000.00) per occurrence for any one (1) incident, including, but not limited to, personal injury, death and property damage. If a general aggregate limit is used, such limit shall apply separately hereto or shall be twice the required occurrence limit.
 2. Workers' Compensation Insurance, as required by the Labor Code of the State of California, with statutory limits, and Employers Liability Insurance with a limit of no less than One Million Dollars (\$1,000,000.00) per accident for bodily injury or disease. Said policy shall contain, or be endorsed to contain, a waiver of subrogation against COUNTY and its agents, officers, officials, employees and volunteers.
- B. Special Insurance Requirements. Said policies shall, unless otherwise specified herein, be endorsed with the following provisions:
1. The Comprehensive or Commercial General Liability Policy shall provide that COUNTY, and its agents, officers, officials, employees and volunteers, are covered as additional insured for liability arising out of the operations performed by, or on behalf of, CONTRACTOR. The coverage shall contain no special limitations on the scope of protection afforded to COUNTY or its agents, officers, officials, employees and volunteers. Said policy shall also contain a provision stating that such coverage:
 - a. Includes contractual liability.
 - b. Does not contain exclusions as to loss or damage to property caused by explosion or resulting from collapse of buildings or structures or damage to property underground, commonly referred to as "XCU Hazards."
 - c. Is the primary insurance with regard to COUNTY.
 - d. Does not contain a pro-rata, excess only and/or escape clause.
 - e. Contains a cross liability, severability of interest or separation of insureds clause.
 2. The above-referenced policies shall not be canceled, non-renewed or materially reduced in coverage without thirty (30) days prior written notice being provided to COUNTY in accordance with the notice provisions set forth herein. It is further understood that CONTRACTOR shall not terminate such coverage until COUNTY receives adequate proof that equal or better insurance has been secured.

3. The inclusion of more than one (1) insured shall not operate to impair the rights of one (1) insured against another insured, and the coverage afforded shall apply as though separate policies had been issued to each insured, but the inclusion of more than one (1) insured shall not operate to increase the limits of the insurer's liability.
4. For claims related to this Agreement, CONTRACTOR's insurance is the primary coverage to COUNTY, and any insurance or self-insurance programs maintained thereby are excess to CONTRACTOR's insurance and will not be used to contribute therewith.
5. Any failure to comply with the provisions of this Agreement shall not affect coverage provided to COUNTY or its agents, officers, officials, employees and volunteers.
6. CONTRACTOR shall furnish COUNTY with certificates and original endorsements effecting the required coverage prior to execution of this Agreement. The endorsements shall be on forms approved by the Humboldt COUNTY Risk Manager or COUNTY Counsel. Any deductible or self-insured retention over One Hundred Thousand Dollars (\$100,000.00) shall be disclosed to, and approved by, COUNTY. If CONTRACTOR does not keep all required policies in full force and effect, COUNTY may, in addition to other available remedies, take out the necessary insurance, and CONTRACTOR agrees to pay the cost thereof. COUNTY is also hereby authorized with the discretion to deduct the cost of said insurance from the monies owed to CONTRACTOR under this Agreement.
7. COUNTY is to be notified immediately if twenty-five percent (25%) or more of any required insurance aggregate limit is encumbered, and CONTRACTOR shall be required to purchase additional coverage to meet the above-referenced aggregate limits.

C. Insurance Notices. Any and all insurance notices required to be given pursuant to the terms of this Agreement shall be sent to the addresses set forth below in accordance with the notice provisions described herein.

COUNTY: County of Humboldt
 Attention: Risk Management
 825 Fifth Street, Room 131
 Eureka, California 95501

CONTRACTOR: Track Group, Inc.
 Attention: Peter Poli, Chief Financial Officer
 200 E. 5th Ave. Suite 100
 Naperville, IL 60563

16. RELATIONSHIP OF PARTIES:

It is understood that this Agreement is by and between two (2) independent entities and is not intended to, and shall not be construed to, create the relationship of agent, servant, employee, partnership, joint venture or any other similar association. Both parties further agree that CONTRACTOR shall not be entitled to any benefits to which COUNTY employees are entitled, including, but not limited to, overtime, retirement benefits, leave benefits or workers' compensation. CONTRACTOR shall be solely responsible for the acts or omissions of its agents, officers, employees, assignees and subcontractors.

17. COMPLIANCE WITH APPLICABLE LAWS AND LICENSURE REQUIREMENTS:

CONTRACTOR agrees to comply with any and all local, state and federal laws, regulations, policies and procedures applicable to the services provided pursuant to the terms and conditions of this Agreement. CONTRACTOR further agrees to comply with any and all applicable local, state and federal licensure and certification requirements.

18. PROVISIONS REQUIRED BY LAW:

This Agreement is subject to any additional local, state and federal restrictions, limitations, or conditions that may affect the provisions, terms or funding of this Agreement. This Agreement shall be read and enforced as though all legally required provisions are included herein, and if for any reason any such provision is not included, or is not correctly stated, the parties agree to amend the pertinent section to make such insertion or correction.

19. REFERENCE TO LAWS AND RULES:

In the event any law, regulation or standard referred to in this Agreement is amended during the term hereof, the parties agree to comply with the amended provision as of the effective date thereof.

20. SEVERABILITY:

If any provision of this Agreement, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this Agreement.

21. ASSIGNMENT:

Neither party shall delegate its duties nor assign its rights hereunder, either in whole or in part, without the other party's prior written consent. Any assignment by CONTRACTOR in violation of this provision shall be void, and shall be cause for immediate termination of this Agreement. This provision shall not be applicable to service agreements or other arrangements usually or customarily entered into by either party to obtain supplies, technical support or professional services.

22. AGREEMENT SHALL BIND SUCCESSORS:

All provisions of this Agreement shall be fully binding upon, and inure to the benefit of, the parties and to each of their heirs, executors, administrators, successors and permitted assigns.

23. WAIVER OF DEFAULT:

The waiver by either party of any breach or violation of any requirement of this Agreement shall not be deemed to be a waiver of any such breach in the future, or of the breach of any other requirement of this Agreement. In no event shall any payment by COUNTY constitute a waiver of any breach of this Agreement or any default which may then exist on the part of CONTRACTOR. Nor shall such payment impair or prejudice any remedy available to COUNTY with respect to any breach or default. COUNTY shall have the right to demand repayment of, and CONTRACTOR shall promptly refund, any funds disbursed to CONTRACTOR which COUNTY determines were not expended in accordance with the terms of this Agreement.

24. NON-LIABILITY OF COUNTY OFFICIALS AND EMPLOYEES:

No official or employee of COUNTY shall be personally liable for any default or liability under this Agreement.

25. AMENDMENT:

This Agreement may be amended at any time during the term of this Agreement upon the mutual consent of both parties. No addition to, or alteration of, the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto.

26. STANDARD OF PRACTICE:

CONTRACTOR warrants that it has the degree of learning and skill ordinarily possessed by reputable professionals practicing in similar localities in the same profession and under similar circumstances. CONTRACTOR's duty is to exercise such care, skill and diligence as professionals engaged in the same profession ordinarily exercise under like circumstances.

27. TITLE TO INFORMATION AND DOCUMENTS:

It is understood that any and all documents, information and reports concerning the subject matter of this Agreement prepared and/or submitted by CONTRACTOR shall become the property of COUNTY. However, CONTRACTOR may retain copies of such documents and information for its records. In the event this Agreement is terminated, for any reason whatsoever, CONTRACTOR shall promptly turn over all such information, writings and documents to COUNTY without exception or reservation.

28. JURISDICTION AND VENUE:

This Agreement shall be construed in accordance with the laws of the State of California. Any dispute arising hereunder, or relating hereto, shall be litigated in the State of California and venue shall lie in the County of Humboldt unless transferred by court order pursuant to California Code of Civil Procedure Sections 394 or 395.

29. ADVERTISING AND MEDIA RELEASE:

All informational material related to this Agreement shall receive approval from COUNTY prior to being used as advertising or released to the media, including, but not limited to, television, radio, newspapers and internet. CONTRACTOR shall inform COUNTY of all requests for interviews by the media related to this Agreement before such interviews take place; and COUNTY shall be entitled to have a representative present at such interviews. All notices required by this provision shall be given to Shaun Brenneman.

30. SUBCONTRACTS:

CONTRACTOR shall obtain prior written approval from COUNTY before subcontracting any of the services to be provided pursuant to the terms and conditions of this Agreement. Any and all subcontracts shall be subject to all applicable terms and conditions of this Agreement, including, without limitation, the licensing, certification and confidentiality requirements set forth herein.

CONTRACTOR shall remain legally responsible for the performance of all terms and conditions of this Agreement, including work performed by third parties under subcontracts, whether approved by COUNTY or not.

31. ATTORNEYS' FEES:

If either party shall commence any legal action or proceeding, including an action for declaratory relief, against the other by reason of the alleged failure of the other to perform or keep any provision of this Agreement to be performed or kept, the party prevailing in said action or proceeding shall be entitled to recover court costs and reasonable attorneys' fees, including the reasonable value of services rendered by the Humboldt County Counsel's Office, to be fixed by the court, and such recovery shall include court costs and attorneys' fees on appeal, if applicable. As used herein, "prevailing party" means the party who dismisses an action or proceeding in exchange for payment of substantially all sums allegedly due, performance of provisions allegedly breached, or other considerations substantially equal to the relief sought by said party, as well as the party in whose favor final judgment is rendered.

32. SURVIVAL:

The duties and obligations of the parties set forth in Section [3D] – Compensation Upon Termination, Section [8] – Record Retention and Inspection, Section [10] – Confidential Information and Section [14] – Indemnification shall survive the expiration or termination of this Agreement.

33. CONFLICTING TERMS OR CONDITIONS:

In the event of any conflict in the terms or conditions set forth in any other agreements in place between the parties hereto and the terms and conditions set forth in this Agreement, the terms and conditions set forth herein shall have priority.

34. INTERPRETATION:

This Agreement, as well as its individual provisions, shall be deemed to have been prepared equally by both of the parties hereto, and shall not be construed or interpreted more favorably for one (1) party on the basis that the other party prepared it.

35. INDEPENDENT CONSTRUCTION:

The titles of the sections, subsections and paragraphs set forth in this Agreement are inserted for convenience of reference only, and shall be disregarded in construing or interpreting any of the provisions of this Agreement.

36. FORCE MAJEURE:

Neither party hereto shall be liable or responsible for delays or failures in performance resulting from events beyond the reasonable control of such party and without fault or negligence of such party. Such events shall include, without limitation, acts of God, strikes, lockouts, riots, acts of war, epidemics, acts of government, fire, power failures, nuclear accidents, earthquakes, unusually severe weather, acts of terrorism or other disasters, whether or not similar to the foregoing.

37. ENTIRE AGREEMENT:

This Agreement contains all of the terms and conditions agreed upon by the parties hereto and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind either of the parties hereto. In addition, this Agreement shall supersede in their entirety any and all prior agreements, promises, representations, understandings and negotiations of the parties, whether oral or written, concerning the same subject matter. Any and all acts which may have already been consummated pursuant to the terms and conditions of this Agreement are hereby ratified.

38. AUTHORITY TO EXECUTE:

Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement. Each party represents and warrants to the other that the execution and delivery of this Agreement and the performance of such party's obligations hereunder have been duly authorized.

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the first date written above.

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; AND
- (2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR TREASURER.

TRACK GROUP, INC. A DELAWARE CORPORATION:

By: _____

Date: _____

Name: _____

Title: _____

By: _____

Date: _____

Name: _____

Title: _____

COUNTY OF HUMBOLDT:

By: _____

Date: _____

Shaun Brenneman
Chief Probation Officer, Humboldt County Probation

INSURANCE AND INDEMNIFICATION REQUIREMENTS APPROVED:

By: _____
Risk Management

Date: _____

LIST OF EXHIBITS:



- Exhibit A – Scope of Services
- Exhibit B – Payment Agreement


**EXHIBIT A
SCOPE OF SERVICES
PROFESSIONAL SERVICES AGREEMENT
BY AND BETWEEN
COUNTY OF HUMBOLDT
AND
TRACK GROUP, INC.**

This Agreement is for an approximate quantity of 22 devices, which will be billed at the elected monitoring service level (specified in Exhibit B), as activated by COUNTY via normal offender activation processes for each offender.


Electronic monitoring devices and services to include: ReliAlert, Shadow, BACtrack, EMPOWER DV App, InTouch Smartphone Monitoring App, and optional Data Analytics.


1. CONTRACTOR’S Equipment and services descriptions follow:


Product	Product Description
<p>ReliAlert™ One Piece GPS Device</p> 	<p>The only one-piece GPS Device that offers voice communication with offenders. Additional ability to communicate with offender through vibrate and audible alerts. Features on-board processing of violations (sampling every 2 seconds) for near real-time notification of violations. Adaptive Reporting that switches to 30 second tracking when in violation condition. Device can be paired with optional Home Beacon.</p>
<p>Shadow GPS Device</p> 	<p>The latest development in GPS offender monitoring. The Shadow device is the smallest and lightest one piece GPS device on the market. Its advanced features include a GPS point once every minute, audio and vibration alerts, and simplified charging via magnetic charger with USB plug-in capability. The device can be paired with an optional home beacon for areas in which ranges needed to be shortened (i.e. smaller homes, apartments, etc.)</p>

Product	Product Description
<p>BACtrack Alcohol Device <small>Accurate. Mobile. Discreet.</small></p> 	<p>BACtrack integrates a smartphone app and police-grade breathalyzer to bring blood-alcohol content (BAC) wirelessly to an offender/agency provided smartphone device. It features Bluetooth connectivity, innovative tracking, video verification, and violation alerts</p>

<p>Domestic Violence App (To be paired with our ReliAlert™ Device or Shadow Device)</p>	<p>When paired with our ReliAlert™ XC or Shadow Active GPS device with our patented SecureCuff™, our Domestic Violence App is installed on a victim's existing smart phone in order to provide the ultimate protection for the victim. A mobile proximity can be set on the victim's cell phone which can detect if an</p>
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	<p>abuser comes within a definable range of the victim. The victim can be alerted via text message or voice call by our 24/7 Monitoring Center representatives of any violations that occur. Additionally, the victim can press a "panic" or "dispatch" button on the phone that can automatically contact to predefined telephone numbers (i.e. 911 dispatch, our monitoring center, agency contact, etc).</p>
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<p>InTouch Smartphone Monitoring</p> 	<p>InTouch is a smartphone monitoring and supervision application specifically designed for the Criminal Justice market to compliment traditional electronic Monitoring solutions; offering a ‘step-up’/’step-down’ option from location monitoring bracelets for community supervised populations.</p>
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<p>Track Group Analytics</p> 	<p>Track Group Analytics is the latest development in GPS offender monitoring. Our software automatically analyzes GPS tracking data to determine habits and patterns of offender behavior, this eliminating the need to manually review tracking data. This software feature is a valuable time and cost reduction for agencies managing GPS offender caseloads.</p>
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2. SCHEDULE:

COUNTY will be provided with all necessary install/removal and maintenance equipment, plus implementation quantities of consumables items, and will be trained at a mutually agreed upon implementation schedule.

3. DELIVERABLES:

3.1. Monitoring Service. CONTRACTOR agrees that during the Term it shall (a) maintain twenty-four (24) hour, seven (7) days per week monitoring of offenders through the central host computer system owned and operated by CONTRACTOR; such host computer which communicates with The Equipment, which is properly installed and has not been tampered with or altered, through cellular service where available, and based upon the data provided by COUNTY to CONTRACTOR for each offender, as described in Section 3.2 below; such communication from the Equipment to the host computer shall be provided as indicated in the Track Group Order Form; (b) subject to the minimum equipment and system requirements required to be satisfied by COUNTY to access the web-based user interface, provide COUNTY’S authorized personnel twenty-four (24) hour, seven (7) days per week access to CONTRACTOR’S user interface for the purpose of directly monitoring Clients based on the Equipment; (c) provide notification of Alert Conditions as described in Section 3.3 below to those authorized personnel of COUNTY identified in writing by COUNTY to CONTRACTOR as being authorized to receive such information, which information is to be provided to COUNTY pursuant to the predefined notification protocols to be delivered by COUNTY to CONTRACTOR pursuant to Section 3.2 below; and (d) document

and maintain Alert Conditions and Equipment status information for each Client properly enrolled during the Term.

3.2. Notification Options. CONTRACTOR shall notify COUNTY of any Alert Conditions based upon predefined notification protocols available and specified by COUNTY in writing and delivered to CONTRACTOR on or before the commencement of the monitoring of any specific Client. COUNTY is solely responsible for notifying the CONTRACTOR in writing of any changes to the Alert Conditions.

3.3. Alert Conditions. For purposes of this Agreement, "Alert Conditions" means an alert notification condition as specified by COUNTY, including daily curfew, movement restrictions, inclusion and exclusion zone restriction violations, tamper alerts and Equipment status alerts that the monitoring system is able to identify based on the CONTRACTOR's available protocols, and about which CONTRACTOR agrees to notify COUNTY based on protocols available and specified by COUNTY in writing and delivered to CONTRACTOR on or before the commencement of the monitoring of any specific Client.

3.4. Training of Authorized Personnel. CONTRACTOR agrees that it shall provide COUNTY reasonably necessary training for its authorized personnel who shall be monitoring offenders, so that such personnel may properly use the user interface and maintain target stock levels for the purposes of monitoring offenders as set forth herein. Internet based training or onsite training will be provided to COUNTY, the determination as to which training is to be provided is at the discretion of the CONTRACTOR. COUNTY acknowledges that COUNTY's access to the user interface shall generally be limited to password-controlled Internet access and that no software shall actually be delivered to COUNTY. COUNTY shall bear all responsibility for providing its own computer hardware, software and internet access meeting CONTRACTOR's minimum requirements for access to the monitoring service.

3.5. Customer Support. CONTRACTOR shall provide customer service to COUNTY as reasonably necessary to provide assistance to and to update COUNTY on any changes or updates to The Equipment, Monitoring Services and overall operation of the monitoring system with respect to The Equipment and consumables which may affect COUNTY's reasonable use thereof.

4. **Ordering and Delivery of Equipment and Consumables.**

1.1.1. Ordering. CONTRACTOR shall coordinate with COUNTY to deliver the Equipment to COUNTY pursuant to the Shipping terms described below. CONTRACTOR shall supply to COUNTY the necessary consumables for the Equipment. Additional consumables shall be subject to such additional charges as are set forth in attached Equipment and Consumables Schedule.

1.1.2. Account Management. COUNTY agrees that the CONTRACTOR has the right to request the return of any devices over the allowed shelf level; if the requested Equipment is not returned within 14 days of the request the COUNTY will be charged the full cost to replace the device as outlined in the attached schedule(s). In order to maintain shelf levels the COUNTY agrees to comply with the use of the following forms, including but not limited to; Track Group Order Form, Track Group RMA Request Form, Track Group Lost and

Stolen Form. CONTRACTOR reserves the right to reject any form if not submitted as outlined in the provided training.

1.1.2.1. Lost, Stolen, Damaged. At the CONTRACTOR's discretion, if the COUNTY is not in default of any portion of this agreement, CONTRACTOR will allow a credit for lost equipment, provided that, the lost equipment is returned within 3 (three) months from the date the equipment was reported missing. It is the COUNTY's sole responsibility to notify the CONTRACTOR of any damaged, lost or stolen equipment. Damaged or missing reports must be provided via written notice. Damage includes, without limitation, damage to the casings or other components of the Equipment and any other damage which inhibits any part of the Equipment's ability to function properly or at all. If the Equipment is irreparably damaged, lost or stolen while in COUNTY's possession, COUNTY agrees to pay CONTRACTOR the full cost to repair or replace such Equipment based on the rates set forth in the attached schedules. The determination as to whether the Equipment must be repaired or replaced shall be made by CONTRACTOR in CONTRACTOR's sole discretion.

5. REPORTING REQUIREMENTS:

All reporting options available to agency can be pulled on an as-needed basis.

6. PLACE OF PERFORMANCE:

Humboldt County

7. COUNTY RESPONSIBILITIES:

Installation and removal of equipment, data entry enrollment of offenders.

**EXHIBIT B
PAYMENT AGREEMENT**

**PROFESSIONAL SERVICES AGREEMENT
BY AND BETWEEN
COUNTY OF HUMBOLDT
AND
TRACK GROUP, INC., A DELAWARE CORPORATION**

1. The maximum amount payable by COUNTY for services rendered, and costs and expenses incurred, pursuant to the terms and conditions of this Agreement is Seven Hundred Fifty Thousand Dollars (\$750,000.00). COUNTY has the option to extend this Agreement upon the same terms and conditions for two (2), 1-year terms.
2. CONTRACTOR agrees to perform all services required by this Agreement for an amount not to exceed such maximum dollar amount. The maximum payment amount includes CONTRACTOR'S training costs related to this Agreement, if any, and any applicable travel expenses in an amount allowed by the Humboldt County travel policy.
3. CONTRACTOR'S Consumables and Rate Schedules are set forth as follow:

CONSUMABLES AND SERVICES RATES SCHEDULE

Type	Details			Comments
	Price Per Unit Per Day		Idle Rate* Per Unit Per Day	
ReliAlert Premium – 1 Minute	\$4.00		\$1.00	
ReliAlert Standard – 1 Minute	\$3.05		\$1.00	
ReliAlert Passive	\$2.90		\$1.00	
Shadow Premium – 1 Minute	\$3.00		\$1.00	
BACtrack	\$3.50		\$1.00	
DV App (EMPOWER)	\$2.50		n/a	
InTouch Smartphone App	\$2.00		n/a	
Analytics (Monthly Flat Rate)	\$2,500/month		n/a	At volume over 200 daily active offenders, special rate addendum is required.

***Idle Rate:** An idle rate, of \$1.00 per unit/per day, will be charged on devices over the allowed 1 unit minimum or 30% on idle active units, whichever is greater.

Allowances: Allowances are provided at the discretion of CONTRACTOR.

EQUIPMENT & CONSUMABLE RATE SCHEDULE	
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ReliAlert Cuffs	\$45.00	Shadow AC Adapter	\$6.00
ReliAlert Strap	\$10.00	Shadow Cable	\$3.00
Power Cord/Break Away	\$0	Shadow Locking Pins	\$0.25
Break Away Cable	\$0	Shadow Strap	\$6.00
Tamper Caps	\$0	BacTrack	\$130.00
Measuring Tool	\$1.00	BacTrack Mouthpiece	\$5.00
Torque Driver	\$33.00	Shadow Strap Cutting Tool	\$35.00
Torque Driver Adapter	\$9.65	BACtrack Cell Phone	\$100.00
Driver Bit	\$10.00	BACtrack Power Adapter	\$5.00
ReliAlert Device	\$975.00		
Device Shell	\$100.00		
Beacon	\$105.00		
Shadow Device	\$600.00		

CONTRACTOR shall submit to COUNTY monthly invoices itemizing all services rendered, of costs and expenses incurred, pursuant to the terms and conditions of this Agreement. Invoices shall be in a format approved by, and shall include backup documentation as specified by, Legal Office Business Manager and the Humboldt COUNTY Auditor-Controller.

CONTRACTOR shall submit a final invoice for payment within thirty (30) days following the expiration or termination date of this Agreement.

CONTRACTOR shall submit invoices to:

County of Humboldt Probation Department
 Attention: Elisha Hardison, Legal Office Business Manager
 2002 Harrison Ave., Eureka, CA 95501