

STATEMENT OF WORK BETWEEN COBAN TECHNOLOGIES, INC. and CITY OF DURHAM

1.0 INTRODUCTION

This Statement of Work ("SOW") has been made and entered into by and between COBAN Technologies, Inc. ("COBAN"), a corporation organized and existing under the laws of Texas, and CITY OF DURHAM ("CLIENT") for the purchase of the COBAN Digital In-Car Video Solution ("DICVS") and its supporting information and services.

1.1 Purpose and Intent

CLIENT states, and COBAN understands and agrees, that CLIENT's purpose and intent for entering into this SOW is for CLIENT to obtain from COBAN deliverables, which used solely in conjunction with CLIENT's existing systems and equipment, and systems and equipment which CLIENT specifically agrees to purchase or provide pursuant to the terms of this SOW, will reliably produce audio/video, of a quality that CLIENT reasonably believes it may use for its administrative and evidentiary purposes, which CLIENT can digitally upload wirelessly, store, search, retrieve, download and copy.

1.2 Entire Agreement

The following attachments are made a part of this SOW:

- Appendix I Sub-Server Specifications consisting of 1 page
- Appendix II COBAN Price Quote consisting of 3 pages
- Appendix III Deliverable Acceptance Form consisting of 1 page
- Appendix IV Warranty consisting of 4 pages
- Appendix V Software License Agreements and Warranties/Support consisting of 3 pages

In case of a conflict between an attachment and the text of this SOW excluding the attachment, the text of this SOW shall control.

This SOW contains the entire agreement between the parties. There are no promises, agreements, conditions, inducements, warranties or understandings, written or oral, expressed or implied, between the parties, other than as set forth or referenced in this SOW.

1.3 Complete Work Without Extra Cost

Except to the extent otherwise specifically stated in this contract, COBAN shall obtain and provide, without additional cost to CLIENT, all labor, materials, equipment, transportation, facilities, services, permits, and licenses necessary to perform its obligations pursuant to this SOW.

1.4 Principles of Interpretation and Definitions

In this SOW, unless the context requires otherwise:

- References to statutes or regulations include all statutory or regulatory provisions consolidating, amending or replacing the statute or regulation.
- References to this SOW include all amendments to it.
- The term "business day," whether or not capitalized, means Monday through Friday from 8:00 a.m. – 5:00 p.m. Central Standard Time excluding federal holidays.
- The term COBAN-ASC means a COBAN Authorized Service Center physically located within 30 miles of Durham Police Headquarters, 505 W. Chapel Hill Street, Durham, North Carolina and which provides Work pursuant to this SOW no less than Monday – Friday from 8:00 a.m. - 5:00 p.m. Eastern Standard Time.
- The term COBAN Software means all COBAN manufactured, created or designed software, including but not limited to COBAN Digital Video Management Solution software, COBAN Digital Video Management Solution Enterprise software, COBAN Digital Video Management Solution Client

software, COBAN Backup Utility, and COBAN Mobile Start software, as well as third party software not otherwise licensed by a specific end user license agreement, delivered or provided to CLIENT by COBAN pursuant to this SOW. COBAN Software also includes any associated media whether printed or electronic, tech support kits for, and updates or upgrades to, the aforementioned software.

- The phrase "correct any deficiencies," means ensuring that all deliverables work in conjunction with each other as well as with CLIENT's existing equipment, network and systems to provide to CLIENT a digital in-car video solution which fulfills CLIENT's purpose and intent and operates in accordance with all other requirements of this SOW.
- The term "Day," whether or not capitalized, means calendar day.
- The term "Person," whether or not capitalized, includes natural persons, firms, companies, associations, partnerships, trusts, corporations, governmental agencies and units, and other legal entities.
- The term "Product," whether or not capitalized, means COBAN manufactured Edge Systems, including all standard and optional components, parts, and accessories of the Edge Systems identified in Section 2.2.
- The terms "Statement of Work", "SOW," "contract" and "agreement", whether or not capitalized, are synonymous and refer to this instrument.
- The term "System Record Triggers," whether or not capitalized, means any device with a digital signature that automatically initiates a recording by an Edge System.
- The term "Work," whether or not capitalized, means all of the services that COBAN is required to perform pursuant to this agreement and all of COBAN's duties that arise out of this agreement.

1.5 Project Location

Work shall be performed at the following locations or as otherwise mutually agreed upon by the parties to this SOW:

Durham Police Headquarters
505 W. Chapel Hill Street
Durham, NC 27701

Durham Police Department Sub-Station 1
915 Holloway Street
Durham, NC 27701

Durham Police Department Sub-Station 3
8 Consultant Place
Durham, NC 27707

Durham Police Department Sub-Station 4
2310 Presidential Drive
Suites 133-136
Durham, NC 27703

Piedmont Communications
1519 Camden Avenue
Durham, NC 27704

1.6 Notice

Except to the extent otherwise specifically stated in this SOW or as agreed upon by the parties, all notices and other communications required by this SOW shall be given either by personal delivery, fax, electronic mail, or certified United States mail, return receipt requested, directed to the following project managers:

CLIENT Project Manager

COBAN Project Manager

Kathryn Salyers
Business Analyst
505 W. Chapel Hill Street
Durham, NC 27701
Telephone: (919)560-4304 ext. 29144
Fax: (919) 560-4938
Email: Kathryn.Salyers@durhamnc.gov

Cindy Chang
Project Services
12503 Exchange Drive, Suite 536
Stafford, TX 77477
Telephone: (281) 277-8288 ext. 160
Fax: (281) 277-8256
Email: cindyc@cobantech.com

CLIENT Technical Service and Support

Officer Mark Sherman
Technical Project Officer
505 W. Chapel Hill Street
Durham, NC 27701
Telephone: (919) 560-4304 ext. 29187
Fax: (919) 560-4938
Email: Mark.Sherman@durhamnc.gov

COBAN Technical Service and Support

Chris Patten
Field Application Engineer
12503 Exchange Drive, Suite 536
Stafford, TX 77477
Telephone: (281) 881-6387
Fax: (281) 277-8256
Email: chrisp@cobantech.com

CLIENT Pricing and Billing Contact:

Deborah Chelette
Fiscal Manager
505 W. Chapel Hill Street
Durham, NC 27701
Telephone (919) 560-4322 ext. 29141
Fax: (919) 560-4971
Email: Deborah.Chelette@durhamnc.gov

Invoices shall be sent to:

ACCOUNTING SERVICES DIVISION
CITY OF DURHAM
101 City Hall Plaza (ANNEX)
Durham, NC 27701

Payments shall be sent to:

COBAN Technologies, Inc.
Accounts Receivable
12503 Exchange Drive, Suite 536
Stafford, TX 77477

A change of person, address, telephone number, fax number, or email may be made by either party by written notice to the other party. Any notice or other communication under this SOW shall be deemed given at the time of actual delivery, if personally delivered or sent by fax or email. If the notice or other communication is sent by United States mail, it shall be deemed given upon the third calendar day following the day on which such notice or other communication is deposited with the United States Postal Service or upon actual delivery, whichever first occurs.

1.7 Performance of Work by CLIENT

If COBAN fails to perform the Work in accordance with this SOW, CLIENT may, in its discretion, perform or cause to be performed some or all of the Work, and in doing so shall not waive any of the CLIENT's rights and remedies. Before doing so, CLIENT shall give COBAN 30 days notice of its intention. COBAN shall reimburse CLIENT for additional costs incurred by the CLIENT in exercising its right to perform or cause to be performed some or all of the Work pursuant to this section.

2.0 DELIVERABLES

COBAN will provide to CLIENT the following deliverables:

2.1 Manuals, Guides and Presentations

Within seven (7) days of receiving this fully executed SOW, COBAN will deliver to CLIENT's Technical Service and Support Contact via email the following documents. Documents may not exceed 10M per email. Unless otherwise agreed upon by COBAN, CLIENT may print and reproduce said documents for use by its employees only.

- Detailed Equipment List (PDF)
- Digital Video Management Solution User's Guide (PDF)
- In-Car Hardware Guide (PDF)
- Mobile Recorder User's Guide (PDF)
- Mobile Recorder Quick Reference (PDF)
- In-Car Installation Manual and relevant addendum(s) (PDF)
- Digital Video Management Solution Training Presentation (PPT)
- Edge Training Presentation (PPT)

2.2 In-Car Hardware

- 38 Edge Systems, each system consisting of :
 - 5.7" touch screen monitor
 - CPU Module
 - Windows XP Pro
 - Smart Power Module
 - Sony Digital CCD camera
 - 40 GB removable mobile hard drive with USB 2.0 interface
 - Wireless microphone receiver and transmitter (each including Li-ion battery 110mA, leather pouch, car charger cable, and wall charger cable)
 - 12 ft. in-car covert microphone
- 38 GPS
- 38 Detached wide angle IR cameras
- 38 Edge standard mountings
- 100 Wireless Transmitter packages
- 76 2.4 Ghz and 4.9 Ghz 802.11N antennas

2.3 In-Car Software

- 38 COBAN Digital Video Management Solution software licenses

2.4 Back Office Hardware

- Sub-servers
 - Three (3) – 2.79TB sub-server as specified in Appendix I
- 3 Single hard drive upload cradles

2.5 Back Office Software

- 3 COBAN Digital Video Management Solution Enterprise software licenses

2.6 Existing Mobile Video Camera System De-Installation

On such dates and times mutually agreed upon by the parties, the CLIENT will deliver up to thirty-eight (38) vehicles to a COBAN-ASC which will remove from said vehicles all components of existing mobile video camera systems. Unless otherwise agreed upon by the CLIENT, removal of existing mobile video camera systems will be completed from each vehicle, and said vehicle will be available for pick-up by the CLIENT if CLIENT so chooses, within 24 hours after the agreed upon date and time of delivery of the vehicle to the COBAN-ASC. Major components will be salvaged by COBAN-ASC for auction by the CLIENT. Wires and cables are considered expendable and will not be salvaged. Salvaged components will be packaged by and stored at COBAN-ASC. Within 3 business days of receiving notice from the COBAN-ASC, CLIENT shall retrieve all packaged salvaged components.

COBAN shall be liable for any and all damages caused to CLIENTS' vehicles and existing systems and equipment during the removal process excluding actual salvaged components. Repair or replacement of damaged property shall be at the discretion and per the specifications of the CLIENT.

2.7 In-Car Hardware/Software Delivery and Installation

On such dates and times mutually agreed upon by the parties, the CLIENT will deliver up to thirty-eight (38) vehicles to a COBAN-ASC which will install and configure in each vehicle, in accordance with the specifications detailed in the COBAN In-Car Installation Manual and its relevant addendum(s), the following in-car hardware: an Edge System installed with COBAN Digital Video Management Solution software; GPS; detached wide angle IR camera; Edge standard mounting; and two (2) antennas (the aforementioned deliverables are more fully described in Section 2.2 In-Car Hardware). Applicable in-car hardware will be installed and configured for light bar and other system record triggers as defined by CLIENT.

If a specified vehicle is unavailable on the date and time agreed upon by the parties, CLIENT will provide a similar vehicle for the installation process. Delays due to a vehicle, or substitute vehicle, not being available at agreed upon dates and times may result in additional fees to the CLIENT. If the COBAN-ASC determines that a vehicle is not properly prepared for installation, such as a battery not being properly charged or not properly holding a charge, the issue shall be reported immediately to the CLIENT for resolution and a date and time for future installation shall be agreed upon by the parties. Upon completion of installation and configuration, at the COBAN-ASC, COBAN will systematically test all installed and configured in-car hardware and software to ensure that ALL functions of the hardware and software are fully operational and that any deficiencies are corrected. Unless otherwise agreed upon by the CLIENT, installation, configuration, testing, and the correction of any deficiencies will be completed in each vehicle accepted for installation, and said vehicle will be available for pick-up by the CLIENT if CLIENT so chooses, within 48 hours after the agreed upon date and time of delivery of the vehicle to the COBAN-ASC.

COBAN shall be liable for any and all damages caused to CLIENTS' vehicles and existing systems and equipment during the installation and configuration process. Repair or replacement of damaged property shall be at the discretion and per the specifications of the CLIENT.

Within 30 days of the date on which CLIENT retrieves CLIENT's vehicle from the COBAN-ASC, said vehicle having been installed and configured with tested and fully and properly operational in-car hardware and software identified above, CLIENT shall submit to COBAN a Deliverable Acceptance Form (Appendix IV) indicating acceptance or denial of the installed and configured in-car hardware and software and its installation and configuration process. Acceptance or denial of said deliverables shall be in accordance with and subject to the provisions of Section 6.1 below.

Within seven (7) days of receiving a request from CLIENT, COBAN will deliver to CLIENT's Technical Contact one hundred (100) Wireless Transmitters packages.

2.8 Back Office Hardware/Software Delivery and Installation

2.8.1 Work Stations

In addition to a wireless upload system, CLIENT will be utilizing a removable hard drive upload solution which means that recorded video may be uploaded from the Edge Systems to work stations via removable hard drives and docking cradles. Videos uploaded in this manner will remain on a sub-server until CLIENT schedules a video push utility sending the videos to the main server.

CLIENT will provide work stations for the aforementioned purpose which meet or exceed the following minimum requirements:

- OS which is Windows XP Professional with SP2 or above
- Core 2 DUO 2.2GHz
- 2GB RAM
- 64 MB graphics card
- USB 2.0 port for upload cradle (for Mobile HDD upload and download)
- Windows Media Player 9.0
- Active Ethernet Connection 100 base-T

- MPEG2 Codec installed

The specifications listed above only apply to work stations that the CLIENT will use to upload, view and export recorded videos to and from the storage array. Work stations that the CLIENT will use only to view videos and run reports from the Digital Video Management Solution software need only Windows XP Pro, MPEG II Codec, and have an active Ethernet connection.

On such dates and times as mutually agreed upon by the parties, COBAN will deliver to CLIENT three (3) single hard drive upload cradles, and using such deliverables will install and configure for Client three (3) work stations. Each installation and configuration shall include a MPEG2 Codec player which will allow CLIENT to view video at each workstation. COBAN will test the connectivity and operability from the upload cradles to the sub-server and correct any deficiencies. A representative from CLIENT's Information Technology Services Division must be present during said installation, configuration, and testing.

2.8.2 Sub-Servers

On such dates and times as mutually agreed upon by the parties, COBAN will deliver to CLIENT, and install and configure into CLIENT's existing network, three (3) 2.79TB sub-servers installed with COBAN Digital Video Management Solution Enterprise software. COBAN will test the connectivity and operability from the sub-servers to the main server and correct any deficiencies. Prior to installation and configuration of the sub-servers, CLIENT agrees to have upgraded its existing 10 Mbps pipeline to 100Mbps to achieve optimal transfer rate between the sub-servers and the main server. A representative from CLIENT's Information Technology Services Division must be present during said installation, configuration, and testing.

2.8.3 Time Frame

For each of CLIENT's locations at which back office hardware/software is to be installed, unless otherwise agreed upon by the CLIENT, installation, configuration, testing and the correction of any deficiencies for that location's back office hardware and software will be completed within five (5) business days from the time at which installation of the first back office hardware or software component, at that location, begins.

2.8.4 Acceptance by CLIENT

For each of CLIENT's locations at which back office hardware/software is installed, within 30 days of the date on which that location's back office hardware and software installation, configuration, testing and the correction of any deficiencies is complete, CLIENT shall submit to COBAN a Deliverable Acceptance Form (Appendix III) indicating acceptance or denial of each back office hardware and software deliverable. Acceptance or denial of said deliverables shall be in accordance with and subject to the provisions of Section 6.1 below. Once CLIENT has accepted the COBAN Digital Video Management Solution Enterprise software via a Deliverable Acceptance Form, the Digital Video Management Solution Enterprise software may be loaded on to additional work stations by the CLIENT with no additional license fees incurred from COBAN.

2.9 Wireless Upload System Configuration and Testing

On such dates and times mutually agreed upon by the parties, COBAN will configure into CLIENT's existing network eighteen (18) wireless access points and four (4) wireless LAN controllers. COBAN will test the connectivity and operability of all wireless upload system hardware, software and cabling from the in-car Edge Systems via the wireless access points and wireless control system to the sub-server, and correct any deficiencies. The system shall perform in such a manner that it is capable of uploading 2GB of data off of fifteen (15) in-car camera systems simultaneously within a twenty (20) minute window of time. A representative from CLIENT's Information Technology Services Division must be present during installation, configuration and testing.

For each of CLIENT's locations at which wireless access points and wireless LAN controllers are to be configured, unless otherwise agreed upon by the CLIENT, configuration, testing and the correction of any

deficiencies for that location's wireless access points and wireless LAN controllers will be completed within five (5) business days from the time at which configuration, at that location, first begins.

For each of CLIENT's locations at which wireless access points and wireless LAN controllers are configured, within 30 days of the date on which that location's wireless access points' and wireless LAN controllers' configuration, testing, and the correction of any deficiencies is complete, CLIENT shall submit to COBAN a Deliverable Acceptance Form (Appendix III) indicating acceptance or denial of each wireless upload system configuration deliverable. Acceptance or denial of said deliverables shall be in accordance with and subject to the provisions of Section 6.1 below.

2.10 Training

COBAN will provide all necessary training to COBAN-ASC(s) for the installation and configuration services described in Sec. 2.7.

2.11 Project Management Fee

Client will pay to COBAN up to 38 hours at \$150.00 per hour for administrative management of this project.

2.12 New Technology and Products

COBAN may replace or add product lines to this SOW if the line is replacing or supplementing deliverables to be provided pursuant to this SOW and the replacement or additional products are superior to the original deliverables offered, and/or if the replacement or additional products meet the requirements and provide the benefits of this SOW and add no additional cost to the contract.

3.0 GENERAL RESPONSIBILITIES

3.1 Security Settings

CLIENT is responsible for making certain that any and all security settings (port openings, firewall settings, antivirus software, etc.) are made prior to the installation, configuration and testing of the aforementioned deliverables. COBAN is not liable for network breach, data interception, or loss of data due to misconfigured firewall settings or virus / Trojan infection except to the extent that such virus or infection is caused, in whole or in part, by defects in the deliverables. It is highly recommended that the CLIENT's Information Technology Services Division maintain a "remote" connection to the server for the remote support of the server by COBAN software engineers. This connection need not be a "constant" or "always live" type, but one that can be established easily as needed. COBAN is not liable for loss, deletion, alteration, modification, or damage to CLIENT's existing equipment, systems, software or data during the installation, configuration and testing process except to the extent that such loss, deletion, alteration, modification or damage is caused directly or indirectly by COBAN.

3.2 Schedule Changes

Each party shall notify the other at least fourteen (14) days in advance of any changes to agreed upon dates and times of Work to be performed pursuant to this SOW.

3.3 Security Clearance and Access

COBAN will provide to CLIENT a list of COBAN employees, agents or representatives which require access to CLIENT's facilities in order to perform Work pursuant to this SOW. COBAN will ensure that each employee, agent or representative has been informed of and consented to a criminal background investigation by CLIENT for purposes of being allowed access to CLIENT's facilities. For each employee, agent or representative identified, COBAN will provide to Client at least 21 days prior to access to CLIENT's facilities, said person's: first, middle and last names; a photocopy of a government issued picture identification bearing the person's name; title; focus area; date of birth; and social security number. CLIENT, in its sole discretion, may deny access to its facilities based upon the results of said background investigations and COBAN will provide a different employee, agent or representative who meets CLIENT's requirements for security clearance and access to its facilities to perform Work pursuant to this SOW. COBAN employees, agents or representatives who are provided security clearance by CLIENT will be provided a laminated visitor badge with attached clip which must be visibly displayed on their clothing.

Persons not visibly displaying a visitor or CLIENT approved badge may be removed from CLIENT's facilities. COBAN employees, agents or representatives who are provided security clearance by CLIENT will be provided with parking privileges at, and escorted access to, CLIENT's facilities, as well as passwords to CLIENT's systems and equipment to the extent necessary to perform Work pursuant to this SOW.

4.0 General Terms and Conditions

4.1 Force Majeure

Neither party hereto shall be liable for delays or failure to perform with respect to this agreement due to (i) causes beyond the party's reasonable control and not avoidable by diligence, (ii) acts of God, epidemics, war, riots, or delays in transportation which are beyond the party's reasonable control and not avoidable by diligence, or (iii) inability for causes beyond its control and not avoidable by diligence to obtain necessary labor, materials, or manufacturing facilities, or delays caused by subcontractors due to similar causes. In the event of any such delay, the date of performance shall be extended for a period equal to the time lost by reason of the delay.

4.2 Indemnification

To the maximum extent allowed by law, COBAN shall defend, indemnify, and save harmless the CLIENT, its officers, officials, independent contractors, agents, and employees, excluding COBAN, from and against all claims, judgments, costs, damages, losses, demands, liabilities, duties, obligations, fines, penalties, royalties, settlements and expenses, including without limitation interest and reasonable attorneys' fees assessed as part of any such item, that arise in any manner from, in connection with, or out of this SOW as a result of acts or omissions of COBAN or subcontractors or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable.

4.3 Choice of Law and Forum

This contract shall be deemed made in Durham County, North Carolina. This contract shall be governed by and construed in accordance with the laws of North Carolina. The exclusive forum and venue for all actions arising out of this contract shall be the North Carolina General Court of Justice in Durham County. Such actions shall neither be commenced in nor removed to federal court. This section shall not apply to subsequent actions to enforce a judgment entered in actions heard pursuant to this section.

4.4 Waiver

No action or failure to act by either party shall constitute a waiver of any of its rights or remedies that arise out of this contract, nor shall such action or failure to act constitute approval of or acquiescence in a breach thereunder, except as may be specifically agreed in writing.

4.5 Severability

If any provision of this contract shall be unenforceable, the remainder of this contract shall be enforceable to the extent permitted by law.

4.6 Successors and Assigns

Unless CLIENT otherwise agrees in writing, COBAN and all assignees shall be subject to all of CLIENT's defenses and shall be liable for all of COBAN's duties that arise out of this contract. Without granting COBAN the right to assign, it is agreed that the duties of COBAN that arise out of this contract shall be binding upon it and its heirs, personal representatives, successors, and assigns.

4.7 No Third Party Rights Created

This contract is intended for the benefit of CLIENT and COBAN and not any other person.

4.8 Compliance with Law

In performing all of the Work, COBAN shall comply with all applicable federal, state and local laws and codes.

4.9 Modifications

A modification to this SOW is not valid unless executed by both parties and otherwise in accordance with the requirements of law.

4.10 City Manager's Authority

To the extent, if any, CLIENT has the power to suspend or terminate this SOW or COBAN's services thereunder, that power may be exercised by CLIENT's City Manager or a deputy or assistant City Manager without City Council action.

4.11 Termination for Convenience

Without limiting any party's right to terminate for breach, the City may, without cause, and in its discretion, terminate this contract for convenience by giving COBAN written notice that refers to this section. Termination for convenience shall be effective at the time indicated in the notice.

Upon termination for convenience, all obligations that are still executory on both sides are discharged except that any right based on prior breach or performance survives, and the indemnification provisions shall remain in force. In case of termination for convenience, COBAN shall follow the City's instructions as to which subcontracts to terminate.

The City shall pay COBAN an equitable amount for the costs and charges that accrue because of the City's decisions with respect to the subcontracts, but excluding profit for COBAN. Within 20 days after termination for convenience, the City shall pay COBAN for all Work performed except to the extent previously paid for. Work shall be paid for in accordance with the method to be used for payment had the Work been completed except to the extent it would be inequitable to either party, and if Work was to be paid for on a lump sum basis, the City shall pay the part of the lump sum that reflects the percentage of completion attained for that Work. COBAN shall not be entitled to any payment because of termination for convenience except as stated in this section, whether on the basis of overhead, profit, damages, other economic loss, or otherwise.

5.0 SPECIAL TERMS AND CONDITIONS

5.1 Effect on Vehicle's Safety-Related Design

The CLIENT acknowledges and understands that the installation of after-market equipment in motor vehicles can compromise a vehicle's safety-related design characteristics, including but not limited to:

- Airbags, including but not limited to, potential obstruction of airbag deployment;
- Passenger compartment, including but not limited to potential for ergonomic problems, physical obstacles, etc.;
- Trunk/gas tank protection, including but not limited to the potential for trunk-mounted equipment to exacerbate tank vulnerability in a rear collision.

By agreeing to this SOW and to the performance contemplated thereby, the CLIENT expressly assumes the risks outlined above with respect to the equipment and the installation of said equipment hereunder. To this end, the CLIENT agreement on the mechanical placement of after-market, in-vehicle equipment during installation hereunder constitutes CLIENT's acceptance that these minimum safety requirements have been met.

COBAN shall bear no liability whatsoever for any claims, expenses, losses or costs relating to the safety of any equipment provided hereunder or the safety of any installations thereof.

5.2 Security and Privacy Issues

The CLIENT acknowledges and understands that the CLIENT is solely responsible for developing, implementing and maintaining appropriate security and privacy policies and operating procedures for the system(s) described in this SOW, and ensuring on-going compliance with them. COBAN shall bear no liability for, and the CLIENT hereby releases COBAN and its successors and assigns harmless from, any security- or privacy-related claims, expenses, losses, or costs relating to the CLIENT's use of the materials,

system or services provided by COBAN hereunder, including any security- or privacy-related claims based on the content of any information captured on any video recorder provided hereunder, except to the extent that such security- or privacy-related claims, expenses, losses or costs are caused, in whole or in part, by defects in the deliverables.

5.3 Requests or Orders for Testimony or Evidence

The CLIENT acknowledges and agrees that COBAN's performance hereunder does not include any obligation to provide testimony or other evidence of any kind in any legal, regulatory, administrative or other proceeding excluding lawfully issued subpoenas or orders issued by a judge or court of law. In the event that COBAN is requested by the CLIENT to be the expert witness to provide testimony or any evidence of any kind in connection with its performance hereunder, the CLIENT agrees to pay COBAN's actual expenses incurred in the provision of such testimony or evidence.

6.0 PRICING AND BILLING

6.1 Acceptance of Deliverables

To ensure that CLIENT's purpose and intent for entering into this agreement are met, certain deliverables have been identified in this SOW as requiring CLIENT's completion and submission to COBAN of a Deliverable Acceptance Form (Appendix III), and said deliverables shall not be deemed accepted by CLIENT until CLIENT indicates acceptance on said form. CLIENT is under no obligation to accept any such deliverable, in whole or in part, which CLIENT does not reasonably believe is in accordance with its purpose and intent as stated in Section 1.1 of this SOW. If CLIENT denies acceptance of a deliverable pursuant to the Deliverable Acceptance Form, COBAN shall have 30 days, or such time as is otherwise agreed upon by CLIENT, from receipt of the Deliverable Acceptance Form to provide replacement good(s) and/or service(s) to CLIENT which CLIENT deems acceptable.

CLIENT's indication of acceptance, pursuant to a Deliverable Acceptance Form, of any deliverable, in whole or in part, does not relieve COBAN of any warranties provided pursuant to this SOW, nor claims by CLIENT for breach of contract.

6.2 Pricing

Deliverables shall be charged to CLIENT at the rates specified on the COBAN Price Quote (Appendix II).

6.3 Shipping

All costs of initial packaging, shipping, insurance and delivery of goods identified in Section 2.0 shall be pre-paid and then invoiced by COBAN to CLIENT. The amount to be paid by CLIENT for said packaging, shipping, insurance and delivery shall not exceed the amounts identified for such services in Appendix II COBAN Price Quote. Unless otherwise agreed upon by the parties, the aforementioned shipment and delivery shall be via United Parcel Service (UPS) or Federal Express (FedEx) insured ground. COBAN shall be responsible for goods until accepted by CLIENT. CLIENT is not responsible for any costs associated with packaging, shipping, insurance and delivery between COBAN, a COBAN-ASC, or their employees, agents or representatives

6.4 Billing

For those deliverables subject to CLIENT's acceptance via the Deliverable Acceptance Form, COBAN shall invoice CLIENT within 30 days of receipt of a completed Deliverable Acceptance Form on which CLIENT has indicated acceptance of the deliverable(s). For all other deliverables, COBAN shall invoice CLIENT within 30 days of delivery to the CLIENT. Each invoice shall include, at a minimum: date of invoice issuance; description of deliverable; units of goods or number of services provided; date of delivery; if applicable, date of acceptance by CLIENT via Deliverable Acceptance Form; price per deliverable; total invoice amount; if applicable, vehicle number; if applicable, name of service provider; and such other information as may be reasonably requested by CLIENT. Invoices shall be sent to CLIENT's address as indicated in Section 1.6. CLIENT shall not be obligated to pay COBAN any payments, fees, expenses or compensation other than that authorized by this section.

6.5 Payments

The CLIENT shall make payment within 30 days following the receipt of an invoice for all undisputed amounts contained in the invoice. Payments shall be mailed to the address indicated in Section 1.6.

7.0 PROJECT AUTHORIZATION AND NOTICE TO PROCEED

By signing below, CLIENT and COBAN agree to the scope and terms and conditions identified in this SOW. Notice to proceed is constituted by an executed SOW and signed Purchase Order.

Agreed to and Accepted by:

CITY OF DURHAM

By: _____

Attest

By: _____

Pre-Audit Certification

By: _____

COBAN TECHNOLOGIES, INC.

David Hinojosa 2/9/2012

Seller Signature Date

David Hinojosa

Printed Name

VP of Sales

Title

&

Organization

Appendix I – Server and Storage Specifications

Sub Server Specification

RAW: 4TB

Usable : 1.8TB

MS Server OS Included

MS SQL NOT Included

PowerEdge R310 Chassis, Up to 4 Hot Plug Hard Drives and LCD diagnostics

Windows Server 2008 R2 SP1, Standard Edition, Includes 5 CALS

Shipping for PowerEdge R310

8GB Memory (4x2GB), 1333MHz Single Ranked UDIMM

Intel® Xeon® X3430, 2.4 GHz, 8M Cache, Turbo

HD Multi-Select

PERC H700 Adapter, Internal RAID Controller 512MB Cache for Hot Plug Hard Drive Configuration

On-Board Dual Gigabit Network Adapter

Baseboard Management Controller

DVD-ROM Drive, SATA

Electronic System Documentation and OpenManage DVD Kit

RAID 5 - Add-in H700 (SAS/SATA Cntrlr), 3-4 Hot Plug Hard Drives

Sliding Ready Rails with Cable Management Arm

3 Year ProSupport and NBD On-site Service

Power Supply, Redundant, 400W



Appendix III – COBAN Price Quote



COBAN Technologies, Inc.
 11375 W. Sam Houston Pkwy S., Suite 800
 Houston, TX 77031
 TEL: 281-277-8288, FAX: 281-277-8256

SALES QUOTE

Quote No.: 00007188
 Date: 11/21/2011
 Page: 1 of 3

Bill to: Attn: Accounting Services Division
 City Of Durham
 101 City Hall Plaza (Annex)
 Durham, NC 27701
 Phone:

Ship to: Attn: Durham Police Dept - Grants
 City Of Durham
 505 W Chapel Hill St
 Durham, NC 27701
 Phone: 919-560-4322

Account No.: 0000002626	Your P/O No.:	Terms: Net 30
Sales Rep : DH	Shipping Via:	Due Date: 12/21/11

Line	Item Number	Description	Quantity	Unit Price	Extended
1	SYSED-02	EDGE 5.7" SYSTEM	38	4,550.00 /KT	172,900.00
2	SCOPT-01	OPTION- GPS	38	/KT	(Included)
3	SCOPT-09	OPTION- DETACHED WIDE ANGLE CAMERA	38	150.00 /KT	5,700.00
4	SCOPT-21	OPTION- 302 11AG SHARKFIN	76	150.00 /KT	11,400.00
5	WLIC-01	LICENSE- COBAN DVMS	38	250.00 /KT	9,500.00
6	WMAIN-110	COBAN DVMS ANNUAL SUPPORT DVMS 2nd and 3rd Year Maintenance	38	500.00 /KT	19,000.00
7	LFEE-05	FEE- SHIPPING 30 TopCam Systems shipping and insurance	38	75.00 /KT	2,850.00
8	BSVR-02T	SERVER 2TB	3	4,800.36 /KT	14,071.08

1/11/2012 8:44 AM



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Line	Item Number	Description	Quantity	Unit Price	Extended
		RAW 4TB /Usable : 1.8TB / OS Included / SQL NOT Included PowerEdge R310 Chassis, Up to 4 Hot Plug Hard Drives and LCD diagnostics Windows Server 2008 R2 SP1, Standard Edition, Includes 5 CALS Shipping for PowerEdge R310 8GB Memory (4x2GB), 1333MHz Single-Ranked UDIMM Intel® Xeon® X3430, 2.4 GHz, 8M Cache, Turbo HD Multi-Select PERC H700 Adapter, Internal RAID Controller 512MB Cache for Hot Plug Hard Drive Configuration On-Board Dual Gigabit Network Adapter Baseboard Management Controller DVD-ROM Drive, SATA Electronic System Documentation and OpenManage DVD Kit RAID 5 - Add-in H700 (SAS/SATA Contr), 3-4 Hot Plug Hard Drives Sliding Ready Rails with Cable Management Arm 3 Year ProSupport and NBD On-site Service Power Supply, Redundant, 400W 2x Power Cord, NEMA 5-15P to C13, wall plug, 10 feet Keyboard and Optical Mouse, USB, Black, English, with 17" LCD Monitor (4) 1TB 7.2K RPM Near-Line SAS 6Gbps 3.5in Hotplug Hard Drive			
9	BMIS-13	MIS - G4 UPLOAD CRADLE 1 Per District - Dist 1 - Dist 3 - Dist 4	3	275.00 /K/T	825.00
10	LFEE-05	FEE- SHIPPING Back office equipment shipping with insurance.	1	700.00 /K/T	700.00
11	WLIC-02	LICENSE- COBAN ENTERPRISE DVMS	3	1,000.00 /K/T	3,000.00
12	LINST-04	INSTALLATION- DE-INSTALL	38	75.00 /K/T	2,850.00

1/11/2012 8:44 AM



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Sales Rep : DH	Shipping Via:	Due Date: 12/21/11

Line	Item Number	Description	Quantity	Unit Price	Extended
13	LINST-01	INSTALLATION- IN CAR	38	400.00 /KT	15,200.00
14	LSET-01	SETUP- DVMS CLIENT WORKSTATION CONFIG 1 Per District - Dist 1 - Dist 3 - Dist 4	3	250.00 /KT	750.00
15	LSET-02	SETUP- SERVER HW & SW CONFIG Config and Setup 3 Sub Servers	3	2,500.00 /KT	7,500.00
16	LSET-12	SETUP- WIRELESS CONFIG Wireless Configuration / Station plus HQ	4	2,000.00 /KT	8,000.00
17	LSET-07	SETUP- DVMS WIRELESS CONFIG DVMS Wireless Configuration per Server	4	2,500.00 /KT	10,000.00
18	LSPV-03	SERVICE- PROJECT MANAGEMENT FEE	38	150.00 /KT	5,700.00
19	SCPKE-03	MIC- G3 MIC PKG B	100	325.00 /KT	32,500.00

Sub Total 322,448.08
 Sales Tax
 Total Amount 322,448.08

Balance:	322,448.08
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Appendix III - Deliverable Acceptance Form

Department Name:	PO Number:	PO Date:
Authorized Representative:	Title:	
Contact Number:		

Deliverable	# Delivered	# Accepted	Acceptance/Denial Date	Reason for Denial	Signature
In-Car Hardware / Software / Delivery & Installation					
Edge Systems					
GPS					
Wide Angle IR camera					
Edge mounting					
Antennas					
COBAN Digital Video Management software license					
In-car hardware/software installation, configuration and testing					
Back Office Hardware / Software / Delivery & Installation					
Single hard drive upload cradles					
Workstation installation, configuration and testing					
2TB sub-server					
Sub-server installation, configuration and testing					
COBAN Digital Management Solution Enterprise software license					
Wireless Configuration and Testing					

Appendix IV – Warranty & Support Statements

MANUFACTURERS' WARRANTIES

All Back Office Hardware identified in Section 2.4 comes with a manufacturer's premium one (1) year material warranty providing next business day on-site service. Upon CLIENT's payment to COBAN for extended warranty coverage, the aforementioned warranties shall be extended by COBAN for CLIENT for an additional two (2) year period; the extended warranty periods shall begin immediately upon expiration of the preceding warranty period.

Upon CLIENT's payment to COBAN for applicable manufacturer extended warranty coverage, COBAN shall obtain for CLIENT three (3) years of manufacturer's basic hardware warranty 4 hr 5x10 for the Dell Power Edge R210.

COBAN will assign to CLIENT all benefits of the aforementioned manufacturers' warranties, support agreements, or any other manufacturer guarantee which may apply to same. COBAN guarantees that the benefits of said manufacturers' warranties, support agreements, and guarantees shall begin on the date CLIENT is invoiced by COBAN, in accordance with this SOW, for the applicable deliverable. CLIENT is responsible for obtaining goods, services or other benefits as a result of a manufacturer's warranty, support agreement or guarantee directly from the manufacturer unless otherwise guaranteed by COBAN.

PRODUCT WARRANTY

GENERAL PROVISIONS

COBAN warrants Product against defects in material, workmanship, functionality and operability under normal use and service, and that Product is fit for CLIENT's purpose and intent as set forth in Section 1.1, for a period of one (1) year; such warranties shall begin for each Product on the date the Product is invoiced to CLIENT by COBAN in accordance with this SOW.

During the warranty period, to correct Product defects and to ensure fitness for CLIENT's purpose and intent, at no charge to CLIENT, COBAN will repair the Product with new or reconditioned parts, replace the Product with the same or equivalent Product using new or reconditioned Products, or refund CLIENT its purchase price for the Product. The choice of repair, replacement or refund is within COBAN's discretion. COBAN shall perform repairs and replacements in the manner and within the timeframes specified in the service and support procedures detailed below. Product repairs and replacements shall be performed at CLIENT's facilities or a COBAN-ASC. Product repair and replacement shall include all labor, de-installation of existing parts and equipment as necessary, installation of any new parts or equipment, and configuration and testing equivalent to any such services that accompanied installation of the original part or equipment pursuant to Section 2.7 of this SOW. Each repaired or replaced Product is warranted for the remaining term of the Product's original warranty period. Unless otherwise agreed upon by CLIENT, a Product refund shall be received by CLIENT no later than 45 business days from the date on which CLIENT initially submitted a service and support request for the Product via COBAN's Main Tech Support Line or COBAN's Customer Support Web Portal.

In no event shall COBAN be liable for any loss of use, loss of time, inconveniences, commercial loss, lost profits, or savings or other incidental, special, indirect, or consequential damages arising out of the use or inability to use the Product to the full extent that may be disclaimed by law.

This warranty is extended by COBAN to CLIENT for purposes of governmental use only, and is not assignable or transferable to any other party. This is the complete warranty for the Product manufactured by COBAN and as such sets forth the extent of COBAN's responsibilities regarding the Product.

CLIENT'S RESPONSIBILITIES

CLIENT must notify COBAN within the applicable warranty period for service and support of warranted Product(s). If requested, proof of invoice demonstrating that the Product is within the warranty period must be

presented to obtain warranty service.

CLIENT should remove all third party hardware, software, features, parts, options, alterations, and attachments not warranted by COBAN prior to sending the Product to COBAN or a COBAN-ASC for service. COBAN is not liable for any loss or damage to these items.

It is CLIENT's responsibility to upload (offload) the contents of Product hard drives, including any data that may have been stored or software that may have been installed on said hard drives. It is possible that the contents of the hard drive will be lost, deleted, altered or modified in the course of service. Should such loss, deletion, alteration, or modification to programs, data or other information stored on the Product hard drive occur, COBAN will not be held liable for same but will return or replace Product to CLIENT with the original manufacturer's configuration provided applicable software is reasonably available. Unless otherwise provided in this SOW, CLIENT will perform any and ALL data recovery and restoration to Product. It is HIGHLY recommended that CLIENT create a valid disk "image" after final installation is completed. This image should be updated by CLIENT as changes are made to the units and kept safe by the CLIENT for data recovery purposes. COBAN assumes no liability or responsibility in developing a disaster recovery policy for CLIENT.

PATCHES and UPDATES

COBAN will test Microsoft or Anti-Virus patches and upgrades internally to ensure that COBAN Software is supported by Microsoft Server on an ongoing basis.

Periodically, COBAN will provide COBAN Software updates and patches. Prior to the release of said updates and patches, COBAN will send release notes to CLIENT for review.

SERVICE and SUPPORT PROCEDURES

Warranty service and support of the Product shall be handled as follows:

CLIENT's employees, agents or representatives utilizing the Product shall report all service and support issues to CLIENT's Technical Service and Support contact or his or her designee.

Before contacting COBAN, CLIENT's Technical Service and Support Contact, or his or her designee, shall have the following information available, as applicable:

- Product invoice number(s)
- Model type(s)
- Serial number(s)
- Vehicle number(s) or VIN(s)
- Description of the problem(s), including any error messages received, the date and approximate time received, a description of what CLIENT was doing when the error message occurred, and any troubleshooting steps CLIENT has already taken

It is strongly recommended that CLIENT not remove any components of the Product prior to contacting COBAN.

All initial Service and Support requests MUST be called into COBAN's Main Tech Support Line (866-812-6226 option 3) or submitted electronically via COBAN Customer Support Web Portal (<http://customer.cobantech.com>). During the term of this SOW, and during any extended warranty periods purchased by CLIENT pursuant to or related to this SOW, COBAN will maintain either an operational toll free Main Tech Support Line or Customer Support Web Portal which may be utilized by CLIENT for the aforementioned purposes. COBAN will notify CLIENT's Technical Service and Support Contact within one business day of any changes to COBAN's Main Tech Support Line number or COBAN Customer Support Web Portal address. Only registered users may submit service and support requests via the COBAN Customer Support Web Portal. CLIENT may register an unlimited number of users.

Upon CLIENT's submission of a service and support request, COBAN will provide CLIENT a tech support ticket number. This ticket number will be used by COBAN's Tech Support Agent to locate and research the issues associated with it, so CLIENT should record this number to expedite the service and support process and provide it to COBAN's Tech Support Agent in any and all communications regarding the issues associated with it. Once a tech support ticket number has been assigned for a service and support request, CLIENT shall not submit another service and support request for the same issue via COBAN's Customer Support Web Portal thereby generating a second or subsequent tech support ticket number. Once the issue has been resolved, the tech support ticket will be closed by COBAN.

COBAN will be available to provide immediate service and support for service and support requests received via COBAN's Main Tech Support Line Monday through Friday from 8:00 a.m. – 5:00 p.m. Central Standard Time excluding federal holidays. Therefore, CLIENT should call from a location where CLIENT personnel will have physical access to the Product if needed during phone based troubleshooting. For electronic submissions of service and support requests, COBAN will contact CLIENT within one business day of CLIENT's electronic submission to provide service and support. If CLIENT is unavailable at this time to engage in phone based service and support, COBAN will schedule a date and time with CLIENT which, unless otherwise agreed upon by CLIENT, will be within one business day, to provide phone based service and support of the Product.

COBAN reserves the right to advance an issue through the following service and support levels without requiring or completing prior level service and support procedures.

Level 1. Initial Problem Discovery and Diagnostics.

A COBAN engineer will go through a series of standardized troubleshooting steps over the phone with the CLIENT to diagnose and remotely resolve the issue(s). CLIENT agrees to cooperate with and follow the instructions provided by COBAN. If the issue(s) is not resolved by this initial call, and unless CLIENT agrees to further phone based service and support, COBAN will immediately escalate the issue to Level 2.

Level 2. Repair and Component Replacement.

Within 2 business days of CLIENT's service and support request being designated as Level 2, COBAN will authorize CLIENT to contact a COBAN-ASC for repair and/or replacement of Product. Unless otherwise agreed upon by CLIENT, the COBAN-ASC will schedule repair and/or replacement service to begin within 2 business days of CLIENT's contact for said service. Unless otherwise agreed upon by CLIENT, repair of the Product, including any component replacement, and all accompanying services such as configuration and testing, shall be completed within 10 business days of the date on which said repair and/or replacement service was scheduled to begin. If the issue(s) is not resolved by CLIENT re-imaging the Product, or COBAN-ASC repair and/or component replacement services, COBAN will immediately escalate the issue to Level 3.

Level 3. Product Replacement.

Within 2 business days of CLIENT's service and support request being designated as Level 3, COBAN will authorize CLIENT to contact a COBAN-ASC for a complete Product replacement. Unless otherwise agreed upon by the CLIENT, the COBAN-ASC will schedule replacement service to begin within 7 business days of CLIENT's contact for said service. Unless otherwise agreed upon by CLIENT, replacement of the Product and all accompanying services such as configuration and testing, shall be completed within 5 business days of the date on which said replacement service was scheduled to begin.

PARTS OWNERSHIP

All Products removed for replacement by COBAN must be relinquished by CLIENT to COBAN or a COBAN-ASC within ten (10) days of removal. All Products removed for replacement by COBAN become the property of COBAN. CLIENT will be obligated to pay COBAN at the current retail price(s) for any Products removed for replacement by COBAN and retained by CLIENT.

REPORTING REQUIREMENTS

COBAN shall document all service and support requests from CLIENT specifying, at a minimum: the nature of the service and support request, the date of submission of the request by CLIENT to COBAN via

COBAN's Tech Support Line or COBAN's Customer Support Web Portal, any applicable Vehicle Number, any applicable Product serial number, the date(s) of any service and support provided by COBAN to CLIENT, description(s) of the type(s) of service and support provided, name(s) of any COBAN employee, agent or representative providing service and support, the diagnosis or reason identified for any defect or malfunction, and any other information as may be reasonably requested by CLIENT. Such records shall be provided to CLIENT within 3 business days of request.

ITEMS NOT COVERED UNDER THIS WARRANTY

- Periodically consumed Product components (defined as batteries, wires and cables) which are beyond the customarily accepted life of the component
- 3rd party systems and equipment unless otherwise provided in this SOW
- Customization of end CLIENT MS Window desktop
- Normal and customary wear and tear
- Loss or damage due to power surges, or connection to a voltage supply that is outside the 9V-19V range unless connection made by, at direction of, or with authorization by, COBAN, its employees, agents or representatives
- Products on which the factory applied serial number or tamper evident labels have been damaged, altered or removed
- Loss or damage due to abuse, neglect or improper usage for purposes other than those for which the Product was designed and configured.
- Loss or damage resulting from external causes such as dropped Product or collision with other object
- Loss or damage due to dirt, sand, debris, water or liquid of any type (excluding atmospheric humidity), fire, hail, windstorms, earthquakes, or exposure to weather conditions other than temperatures, humidity and other atmospheric conditions customary to CLIENT's location
- Unauthorized opening of the Product module or monitor, or unauthorized forced removal of Product components
- Loss or damage from unauthorized Product installation alterations, testing, operation, maintenance, repairs, modifications, disassemblies or removals
- Products affected by virus, security breach or other similar network related occurrences, or the installation of 3rd party software which results in inability to properly use the Product
- Products which, due to illegal or unauthorized alteration of the software / firmware in the Product, do not function in accordance with COBAN published specifications or with the FCC type acceptance labeling in effect for the Product at the time the Product was initially distributed from COBAN
- Scratches or other cosmetic damages to Product surfaces that do not affect the operation of the Product.

EXTENDED WARRANTY

Upon CLIENT's payment to COBAN for extended maintenance of the Product, the Product Warranty terms set forth above shall remain in effect for each additional year of extended maintenance purchased by CLIENT, each period beginning immediately upon expiration of the preceding warranted period.

**Appendix V –
Software License Agreements and
Warranties/Support**

COBAN SOFTWARE

GRANT OF LICENSE

COBAN Software is licensed, not sold.

This LICENSE grants CLIENT the following rights:

Product Use. CLIENT may install, or cause to be installed, and use one copy of the COBAN Digital Video Management Solution software per Product.

Storage/Network Use. CLIENT may install, or cause to be installed, and use the COBAN Digital Video Management Solution Enterprise software on their existing internal local area network as provided in this SOW.

Back-up Copy. A back-up copy of the COBAN Digital Video Management Solution Software is included with the purchase of Product(s). CLIENT may use the back-up copy solely for test environment, back-up, disaster recovery and archival purposes.

DESCRIPTION OF OTHER RIGHTS & LIMITATIONS

Copyright. Copyright laws and international copyright treaties, as well as other intellectual property laws and treaties protect the COBAN Software. The CLIENT may not reproduce or make unauthorized copies of the COBAN Software without the express written consent of COBAN.

Limitation on Reverse Engineering. CLIENT may not modify, reverse engineer, de-compile, or disassemble the COBAN Software in whole or in part without the express consent of COBAN. Failure to obtain consent may void any and all warranties.

Single Product. COBAN Digital Video Management Solution software is licensed with the Product as a single integrated product. COBAN Digital Video Management Solution software may only be used with the Product. Its component parts may not be separated for use on more than one Product.

Rental. CLIENT may not rent or lease COBAN Software.

Software Transfer. COBAN Software licenses are NOT transferable.

Termination. Without prejudice to any other rights, COBAN may terminate its software licenses with CLIENT if CLIENT fails to comply with the terms and conditions of this Software License agreement. In such event, the CLIENT must destroy or return to COBAN all copies of COBAN Software and all of its component parts.

PROHIBITION ON EXPORTATION

EXCEPT FOR EXPORT TO CANADA AND AUSTRALIA, COBAN SOFTWARE AND ANY UNDERLYING TECHNOLOGY MAY NOT BE EXPORTED OUTSIDE THE UNITED STATES OR TO ANY FOREIGN ENTITY OR "FOREIGN PERSON" AS DEFINED BY U.S. GOVERNMENT REGULATION, INCLUDING WITHOUT LIMITATION, ANYONE WHO IS NOT A CITIZEN, OR LAWFUL PERMANENT RESIDENT OF THE UNITED STATES. CLIENT AGREES THAT BY DOWNLOADING OR USING COBAN SOFTWARE, THEY ARE AGREEING TO THE FOREGOING AND THEY ARE WARRANTING THAT THEY ARE NOT A "FOREIGN PERSON" OR UNDER THE CONTROL OF OR ACTING ON BEHALF OF A FOREIGN ENTITY.

CLIENT may use COBAN Software only in connection with the use of the Product. By installing, copying, downloading or otherwise using COBAN Software, CLIENT agrees to be bound by the terms of this Software License. If CLIENT does not agree to the terms of this Software License, the CLIENT should promptly contact COBAN for instruction on return of the entire Product and all COBAN Software for a refund. A 15% restocking charge will be applied.

SOFTWARE WARRANTY

COBAN warrants COBAN software against defects in material, workmanship, functionality or operability under normal use and service, and that said software is fit for CLIENT's purpose and intent as set forth in Section 1.1, for a period of one (1) year; such warranties shall begin on the date the software license is invoiced to CLIENT by COBAN in accordance with this SOW, or on the date on which the particular software is delivered or provided to CLIENT, whichever occurs later. During the warranty period, to correct software defects and to ensure fitness for CLIENT's purpose and intent, at no charge to CLIENT, COBAN will repair the software or replace the software with new or equivalent software. The choice of repair or replacement is within COBAN's discretion. Repair may require CLIENT to conduct phone based support and maintenance with COBAN. Unless otherwise agreed upon by CLIENT, all repair and replacement shall be completed to CLIENT's reasonable satisfaction within 10 business days from the date on which CLIENT initially provided COBAN with notice of the issue, defect or problem. Repair and replacement shall include all labor, de-installation of affected software, installation of any new software, configuration and testing equivalent to any such services that accompanied installation of the original software pursuant to Section 2.9 or 2.10 of this SOW. All repaired or replaced software is warranted for a new term equivalent to the term of the software's original warranty period, or 90 days, whichever is greater.

COBAN is not responsible for any software, hardware or equipment not furnished by or through COBAN which is used in connection with the COBAN Software and all such software, hardware and equipment is expressly excluded from this warranty, unless installation, service or use of the COBAN Software either indirectly or directly resulted in the malfunction, damage or destruction of such software, hardware or equipment. Repair or replacement of damaged property shall be at the discretion and per the specifications of the CLIENT.

In no event shall COBAN be liable for any loss of use, loss of time, inconveniences, commercial loss, lost profits, or savings or other incidental, special, indirect, or consequential damages arising out of the use or inability to use COBAN Software to the full extent that may be disclaimed by law.

This warranty is extended by COBAN to CLIENT for purposes of governmental use only, and is not assignable or transferable to any other party. This is the complete warranty for the COBAN Software manufactured by COBAN and as such sets forth the extent of COBAN's responsibilities regarding the COBAN Software.

EXTENDED WARRANTY

Upon CLIENT's payment to COBAN for extended maintenance of COBAN Software, the Warranty terms set forth above shall remain in effect for each additional year of extended maintenance purchased by CLIENT, each period beginning immediately upon expiration of the preceding warranty period.

NON-COBAN SOFTWARE

THIRD PARTY END-USER LICENSE AGREEMENTS

Software distributed to CLIENT, either in conjunction with COBAN Software or otherwise pursuant to this SOW, with separate end-user software license agreements ("Third Party EULA"), including but not limited to Windows® operating system provided by Microsoft Corporation and the Cisco Wireless Control System, shall be covered by respective Third Party EULAs as applicable.

THIRD PARTY WARRANTIES/SUPPORT

Upon CLIENT's payment to COBAN for applicable manufacturer's support services, COBAN shall obtain for CLIENT 3 years of manufacturer's application support for the 50 wireless control system base licenses for APs.

COBAN will assign to CLIENT all benefits of the aforementioned support agreement, or any other manufacturer warranty or guarantee which may apply to same. COBAN guarantees that the benefits of said manufacturer's support agreement, and any other manufacturer's warranties or guarantees shall begin on the date CLIENT is invoiced by COBAN, in accordance with this SOW, for the applicable deliverable. CLIENT is responsible for obtaining goods, services or other benefits as a result of a manufacturer's support agreement, warranty or guarantee directly from the manufacturer unless otherwise guaranteed by COBAN.