

EMPIRIC SOLUTIONS, INC.
TECHNOLOGY MANAGEMENT AGREEMENT

This Technology Management Agreement (hereinafter referred to as the "Agreement") is made and entered into on the dates shown on the signature page, (hereinafter referred to as "Effective Date") by and between EMPIRIC Solutions, Inc., a Michigan corporation, of 932 Spring Street; Suite 202, P.O. Box 58, Petoskey, Michigan 49770-0058 (hereinafter referred to as "ESI") and CITY OF MACKINAC ISLAND, of 7358 Market Street; PO Box 445, Mackinac Island, Michigan 49757 (hereinafter referred to as "Client").

WITNESSETH THAT:

WHEREAS, Client desires to engage ESI to provide the Services (defined below); and

WHEREAS, ESI is interested in providing such Services; and

WHEREAS, Client and ESI mutually desire to set forth the terms applicable to such Services.

NOW, THEREFORE, it is mutually agreed by and between the parties as follows:

TERM

1. The term of the Agreement shall commence on the 1st day of November 2025 and shall continue through the Last day of December 2026 (hereinafter referred to as "Term"). The Agreement with all terms and conditions set forth herein shall, at the end of the Term, **not** automatically renew. Either party may terminate this Agreement without penalty by providing the other party written notice of the intent to terminate no less than 90 days prior to the effective date of termination.
2. Notwithstanding the foregoing, this Agreement may be terminated by either party, without notice, upon the occurrence of any of the following events: (i) A party's material breach of its obligations hereunder where such breach is not remedied within ten 10 days' notice thereof (ii) subject to applicable law, any assignment by the other party for benefit of creditors, the inability to pay its debts as they fall due, the appointment of a receiver or any execution levied upon all or substantially all of the other party's business or assets, or the filing of any petition for voluntary or involuntary bankruptcy or similar proceeding by or against the other party; or (iii) the other party's dissolution or liquidation.

SERVICES

3. ESI shall provide Client with the services detailed in Exhibit "A" Services (hereinafter referred to as "Services"). These Services are incorporated herein and made a part of this Agreement. ESI shall provide the Services in a workmanlike manner, in accordance with the provisions of this Agreement, applicable law, and all industry standards. Capitalized terms not defined herein shall have the meaning ascribed to such terms in Exhibit "B" Definitions, attached and incorporated herein.
4. Unless otherwise specified in this Agreement, all equipment and software required to provide Services, whether at ESI's premises or at Client's premises and whether owned by ESI (hereinafter referred to as, "ESI's Technology") or Client, shall be configured and managed by ESI during the Term of Agreement. Any of ESI's Technology which is located at Client's premises during the Term of Agreement shall be returned within 30 days of the end of Term or any termination of Agreement or ESI may invoice Client for the reasonable then current value of ESI's Technology. These items shall be listed in Exhibit "D": ESI Technology. Furthermore this list shall be updated by ESI and provided to Client throughout the term of the Agreement.

5. Client grants ESI the authority to self-initiate actions that are consistent with the duties assigned to ESI so long as these actions are in the best interest of the Client.
6. ESI shall not be responsible to provide Services for technology purchased, installed or modified by Client or any third party after the execution of this Agreement until ESI has reviewed the technology and confirmed compatibility with Services.
7. ESI shall not be responsible for any incidental costs incurred by Client as a result of Services, except for costs as may be incurred by Client as a result of ESI's negligence or willful misconduct. ESI does not guarantee continuous or uninterrupted service. Routine maintenance and periodic system repairs, upgrades, and reconfigurations, public emergency or necessity, force majeure, restrictions imposed by law, acts of God, labor disputes, and other situations beyond the reasonable control of ESI, including mechanical or electronic breakdowns may result in temporary impairment or interruption of Services.
8. ESI shall not be responsible for servicing systems that are; end-of-life, unsupported by the vendor/manufacture, without a current vendor/manufacture maintenance contract, or not compatible with Services. Both parties agree that, in cases where it is impossible or impractical for the Client to replace the technology, and where those technologies would normally be included in Services, ESI shall use best efforts to provide Services. ESI has inspected Client's current systems and expressly excludes the systems in Exhibit "D": Excluded Technologies from Services.
9. ESI shall provide standard services between M-F 08:30 to 17:30 Eastern Time as observed in Petoskey, Michigan, except for holidays and unexpected closures due to conditions outside ESI's control.

ESI Holidays are:

- January 1st
 - July 4th
 - Thanksgiving
 - December 24th
 - December 31st
 - Memorial Day
 - Labor Day
 - Friday after Thanksgiving
 - December 25th
10. ESI's shall provide 24/7 service upon a properly received support request from the Client (see Client Requirements). After-hours response times shall be 30 minutes for Clients with the 24/7 Response clause and 3 hours for Clients without the 24/7 Response clause.
 11. ESI shall self-initiate responses to after-hours automated alarms only if the Client has selected the 24/7 Response option as indicated in Exhibit "A" Services.
 12. ESI shall follow Client policies indicated in Exhibit "A" Services.

CLIENT REQUIREMENTS

13. Client agrees that ESI is one of the Client's primary technology vendors and Client shall involve ESI in all technology discussions, decisions, changes and purchases, however final decision making authority with respect to same shall rest solely with the Client.
14. Client shall submit support requests consistent with ESI's Daytime, After-hours, and Escalation Procedures. These procedures will be provided upon execution of this Agreement.
15. Client shall maintain manufacturer/vendor support agreements for primary systems such as but not necessarily limited to: server hardware, server software, application software, switch fabric, router(s), firewall(s), any other shared system.

COMPENSATION

16. Both parties have reviewed Exhibit "A" Services and agree with the Resource Level Index and corresponding Monthly Rate shown in this Exhibit.
17. The purpose of the Resource Level "Index" is to provide an easily understood measurement system to allocate ESI Resources. This Index intentionally parallels the FTE method used by many employers to define staffing levels but only in so far as to simplify this client/vendor relationship. It should be strictly understood that ESI Resources consist of a blend of proprietary technology and labor.
18. Index sizing must consist of at least 1 unit and be scaled in whole numbers. For example, an Index may be 50 or 51 but not 50.5. ESI uses the Index and duties to calculate the Monthly Rate. Therefore, if the Index is adjusted (see below), this will result in a change to the Monthly Rate.
19. Client may resize the Resources by adjusting the Index once every 90 days. This request must be made by providing ESI written notice no less than 90 days prior to the effective date. This change may increase or decrease the allocated Resources. ESI shall review the request and respond with the new Monthly Rate within 30 days. Clients may withdraw the Index change request not less than 45 days prior to the effective date and remain at the existing Index.
20. Both parties may request adding Temporary Resources. If added, these Temporary Resources will be listed as a second Resource Level Index. These Temporary Resources may be used to address any temporary increase in work, such as special projects or short-term increased workloads. Both parties must agree in writing to the temporary increase before it becomes effective. The 2 Indexes shall be combined and used to determine the Monthly Rate. Temporary Resources shall start on the first of a month and continue for a minimum of 1 and a maximum of 3 months. Requesting Temporary Resources shall not affect the Client's 90 day Index change option.
21. ESI is responsible for tracking the Resources used and for providing Client with usage reports. These reports shall be used by both parties for performance evaluations and Service quality assessments. Client may request reports at any time and ESI shall have 7 business days from receipt of the request to provide the information.
22. In this Resource/Service model there are few excluded duties. Both parties recognize there will be months that exceed, and other months that fall short of, using all allocated Resources. Both parties agree to regularly review the usage trends in order to avoid significant or long-term imbalances. At no time shall either party seek financial compensation from the other party for imbalances of a prior month's Services. The following steps shall be used to keep Resources allocation in check:
 - a. Regular Performance Reviews between ESI and Client
 - b. Analysis of Usage Reports and trending Resource allocation
 - c. Assignment of Temporary Resources
 - d. Adjustments to Resource Level Index according to usage trends
 - e. Adjustments to and reassignment of duties
23. The Client's costs will not exceed the active Monthly Rate. This essentially eliminates any financial risk and hidden costs for the Client. In order to provide similar protection for ESI, if Client's utilization of ESI Services significantly exceeds the current Index, both parties will work cooperatively to reallocate resources and prioritize projects to the satisfaction of both parties.
24. ESI shall provide, and Client agrees to pay, monthly invoices. Invoices shall include a reasonable description of Services, as well as any supplies or consumables that may have been provided to Client. Unless otherwise exempt, Client agrees to pay to all federal, state, or local taxes that these authorities may impose on Services during the Term, except that ESI shall be solely responsible to provide any salary or other benefits to its employees and will make all appropriate tax, social security, Medicare and other withholding deductions and

payments and will provide worker's compensation insurance coverage for its employees and make all appropriate unemployment tax payments.

25. Client shall deliver payment to ESI by the first day of each Month in advance of the Month in which Services are provided. Client agrees to pay ESI according to the terms stated on each invoice and ESI may assess a late fee of 1.5% per month on past due balances. Any balance greater than 30 days past due may result in suspension of Services.
26. If Client is in breach of the Agreement, ESI shall be entitled to termination of the Agreement in conformity with Section 2 (i), and payment for all materials supplied to Client and 90 days of the then Current Monthly Fee.
27. If ESI is in breach of the Agreement, Client shall be entitled to termination of the Agreement in conformity with Section 2 (i), and a refund of any advance payments paid to ESI in accordance with Section 25.

CONFIDENTIALITY AND NON-COMPETITION

28. Both parties acknowledge that, in order for ESI to provide Services, ESI will have access to private, confidential and non-public Client information. ESI agrees that it will not, during or at any time after ESI ceases to provide Services, use for itself or others, or disclose or divulge to others, private, confidential and non-public Client information, or any other proprietary Client information without the express written permission of Client, except as required by law or court order or as necessary to provide Services under this Agreement or information which is now, or becomes in the future, public knowledge other than through acts or omissions of ESI.
29. Both parties acknowledge that, in order for Client to receive Services, Client will have access to private, confidential and non-public ESI information consisting of but not necessarily limited to: methods, processes, formulae, systems, techniques, inventions, machines, computer programs, unlisted telephone numbers, ESI passwords, encryption codes, and password change schedules. Client agrees that it will not, during or at any time after Client ceases to receive services, use for itself or others, or disclose or divulge to others, private, confidential and non-public information, or any other proprietary ESI information without the express written permission of ESI, except as required by law or court order or information which is now, or becomes in the future, public knowledge other than through acts or omissions of Client.
30. Client acknowledges that upon discontinuance of Services from ESI, Client shall return to ESI all documents and property of ESI, including but not necessarily limited to: drawings, reports, manuals, correspondence, computer software, computer hardware, and all other materials and all copies thereof relating in any way to ESI's confidential business practices, or in any way obtained by Client during the course of receiving Services from ESI. Client further agrees that they shall not retain copies, notes or abstracts of the foregoing.
31. ESI acknowledges that upon discontinuance of Services to Client, ESI shall return to Client all documents and property of Client, including but not necessarily limited to: drawings, reports, manuals, correspondence, computer software, computer hardware, and all other materials and all copies thereof relating in any way to Client's confidential business practices, or in any way obtained by ESI during the course of providing Services to Client. ESI further agrees that they shall not retain copies, notes or abstracts of the foregoing.
32. Either party will be entitled to obtain an injunction to prevent threatened or continued violation of Sections 28 through 31, but failure to enforce these Sections will not be deemed a waiver of this Agreement.
33. ESI may list Client in ESI promotional materials and on ESI's web site and shall be free to engage in an agreement with, and provide services to, any other client.
34. Client shall not attempt to solicit for employment (or hire) or contract services directly from any employee of ESI during the Term of this Agreement (or for 12 months thereafter) without the express written consent of

ESI. ESI shall not attempt to solicit for employment (or hire) or contract services from any employee of Client during the Term of this Agreement (or for 12 months thereafter) without the express written consent of Client.

CONDITIONS OF USE

- 35. ESI reserves the right to monitor Client's use of Services for the purpose of ensuring security of ESI's systems, managing resources of ESI's network, and compliance with terms of Agreement.
- 36. Client acknowledges that ESI's staff are authorized for unsupervised access to Client facilities and systems for the purposes of providing Services.
- 37. ESI acknowledges and agrees that ESI's use of Client technology shall be solely limited to providing Services to Client and accessing ESI systems for business purposes.
- 38. ESI shall follow strict hiring guidelines to help ensure ESI staff are ethical and trustworthy.

ACCEPTABLE USE

- 39. Both parties agree not to knowingly engage in any activity that would constitute a threat to the security or performance of either Party's systems or services.
- 40. Client acknowledges their sole responsibility to maintain proper software licenses for all software installed on Client's systems. ESI will promptly notify Client of any detected software license violations and provide technical assistance to Client in their efforts to correct any violation. Breach of this section shall be regarded as a material breach of this Agreement. .
- 41. Client may not transfer or sublease any Service, or portion thereof, provided under this Agreement unless stipulated otherwise in attachments hereto.

WARRANTY

- 42. ESI warrants to Client that Services will be carried out in a professional and workman like manner consistent with applicable industry standards. If the Services have not been so performed and ESI receives Client's detailed written request to cure a non-conformance within 30 days of its occurrence, ESI will re-perform those Services and/or correct Services which are non-conforming.

EXCEPT AS REFERENCED AND LIMITED IN THIS SECTION, NEITHER ESI NOR ITS LICENSORS OR SUPPLIERS MAKES ANY OTHER EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES WITH RESPECT TO SERVICE.

EXCLUSIONS

- 43. Except for a breach of its confidentiality obligations under paragraphs Sections 28 through 31 of this Agreement, ESI shall not be responsible for loss or recovery of any Client data, loss of profits, loss of business or goodwill, loss of use of data, interruption of business, or for any special or incidental damages, whether for breach of warranty, breach of contract, tort, negligence, failure to perform, or otherwise, even if ESI has been advised of the possibility of such loss or damage unless ESI is found to have acted negligently or is found to have engaged in willful misconduct in providing Services.

MISCELLANEOUS

44. Neither party may assign its rights and responsibilities under this Agreement without the prior written consent of the other party.
45. The waiver of any breach or default under this Agreement shall not constitute the waiver of any subsequent breach or default.
46. The headings used in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of the Agreement or the intent of any provision thereof.
47. Client represents to ESI that the Client's Representative executing Agreement on behalf of Client is duly authorized to do so, and that Agreement will be a valid and binding obligation of Client upon acceptance by ESI. This Agreement shall not be binding upon ESI until it has been duly executed by ESI's Representative and first month's payment is received by ESI.
48. Client shall indemnify ESI, its affiliates, officers, directors, licensees and licensors from any and all claims and expenses, including, without limitation, reasonable attorney's fees, arising from Client's breach of any provision of Agreement.
49. ESI shall indemnify Client, its boards, officials, employees, and agents from any and all claims and expenses, including, without limitation, reasonable attorney's fees, arising from ESI's breach of any provision of Agreement.
50. Michigan law shall control in the interpretation of this Agreement. In the event that any of the provisions of this Agreement are found by a court or legal authority of competent jurisdiction to be illegal or invalid, said provisions shall be limited or eliminated to the minimum extent possible so that this Agreement shall otherwise remain in full force and effect.
51. The terms and conditions of Agreement shall prevail notwithstanding any inconsistent terms and conditions that may be contained in any purchase order or other document submitted by Client to ESI.
52. Neither party to Agreement shall be responsible to the other party or any third party for failure to fulfill or delay in fulfilling its obligations under Agreement due to causes beyond reasonable control.
53. ESI shall maintain appropriate general liability insurance, workers' compensation insurance, automobile insurance, and professional liability insurance for the duration of this Agreement and will provide a copy of the policy limits and certificates of insurance upon request of Client
54. ESI, as required by law, shall not discriminate against a person to be served or an employee or applicant for employment with respect to hire, tenure, terms, conditions or privileges of employment, or a matter directly or indirectly related to employment that is unrelated to the individual's ability to perform the duties of a particular job or position. ESI shall adhere to all applicable Federal, State and local laws, ordinances, rules, regulations and policies prohibiting discrimination.
55. Both parties agree that the relationship between both parties is that of an independent contractor and in accordance therewith, ESI covenants and agrees to conduct itself consistent with such status and that neither it nor its employees, officers or agents will claim to be an officer, employee or agent of the Client or make any claim, demand or application to or for any rights or privileges applicable to any officer or employee of same, including but not limited to worker's compensation coverage, unemployment insurance benefits, social security coverage, or retirement membership or credit. The parties do not intend the Services provided by ESI to be a joint venture.
56. The agreements, representations, warranties, duties and obligations as set forth in this Agreement, to the extent consistent with the intent and purpose of this Agreement, shall survive the termination of this Agreement.

57. This Agreement may be modified or amended from time to time, but such modifications or amendments shall be in writing and signed by both parties.
58. The parties hereto acknowledge and agree under the Uniform Electronic Transactions Act, MCL 450.832, *et seq.* that this Agreement may be executed with the electronic signature of any person authorized and required to sign on behalf of the parties hereto.
59. Any notice or other communication ("Notice") required or permitted under this Agreement shall be in writing and either delivered personally or sent by e-mail, facsimile, overnight delivery, express mail, or certified or registered mail, postage prepaid, return receipt requested, to the addresses for the parties as shown on Exhibit "C". A Notice delivered personally shall be deemed given only if acknowledged in writing by the person to whom it is given. A Notice sent by facsimile shall be deemed given when acknowledged by recipient, provided that the sender obtains written confirmation that the transmission was sent. A Notice sent by e-mail shall be deemed given only when the recipient acknowledges receipt of same. A Notice sent by overnight delivery or express mail shall be deemed given upon confirmed delivery by the courier used. A Notice that is sent by certified mail or registered mail shall be deemed given on the date delivery is accepted by the recipient. If any time period in this Agreement commences upon the delivery of Notice to any 1 or more parties, the time period shall commence only when all of the required Notices have been deemed given. Either party may designate, by Notice to the other, substitute addressees, addresses or facsimile numbers for Notices, and thereafter, Notices are to be directed to those substitute addresses, or facsimile numbers.

IN WITNESS WHEREOF, the parties hereto have hereunto caused Agreement to be signed and delivered by their duly authorized agents, all as of the dates stated below.

ESI: Empiric Solutions, Inc.

Client: CITY OF MACKINAC ISLAND

X. _____

X. _____

By: Eric D. Seelye

By: _____

Title: President

Title: _____

Date: _____

Date: _____

EXHIBIT "A" **SERVICES**

The following services shall be measured by means of a Resource Level Index ("Index"). The starting Index and the corresponding Monthly Rate are shown as:

Resource Level Index: 17
Monthly Rate: \$3605/month

Upon any Client approved change in the Resource Level Index (see the Compensation section for details on how the Index can be changed) or after any 12 month period where there has been no change in the Resource Level Index, ESI shall be entitled to recalculate the Monthly Rate using its then current Monthly Rate formulas.

Empiric Solutions, Inc. provides technology management through the use of:

- Proprietary Technology
- Labor - Skilled Technology Staff

The term "Resources" throughout this Agreement shall always refer to the above combination items.

These Resources shall be used to provide the Client with technology management in accordance with ESI's network management philosophy and industry best practices.

Since this Agreement is measured by the Client's usage of the above Resources, there are few restrictions. Unless defined through an addendum to this Agreement, ESI shall provide technology management consisting of but not necessarily limited to the following duties:

NETWORK and SYSTEMS ADMINISTRATION

- Network infrastructure management
- Security hardware and software management
- Server management
- Systems software management
- Infrastructure hardware configuration backups (switches, firewalls, routers)

NETWORK TECHNICIAN ASSISTANCE

- End user hardware support
- End user application support
- Helpdesk services
- Server room management
- User account management (on-boarding/off-boarding)
- Printer setup and installation
- Telephone support
- Email support
- Remote screen share support
- Onsite support

TECHNOLOGY CONSULTING

- Project management
- Policy management
- Network auditing
- Pre-purchase consulting
- Engineering of network solutions
- Security assessment and audits

- Disaster and continuous operation planning
- Vendor coordination

AUTOMATION (Proprietary Technologies from ESI)

- 24/7 Network health checks, monitoring, and alarms ☒ with ☐ without after-hours response
- Centralized log consolidation and archiving ☐ Included ☒ Not Included
- Network health and performance monitoring and logging
- Application health and performance monitoring and logging
- Real-Time remote management
- Customized monitoring and alarming ☐ Included ☒ Not Included
- Client accessible monitoring dashboards ☐ Included ☒ Not Included
- Third party alarm notification ☐ Included ☒ Not Included

ADMINISTRATIVE/CLERICAL

- Server/Application backup configuration, monitoring, and remediation
- Network documentation
- Purchase management
- Software asset tracking
- Hardware asset tracking
- Asset life cycle tracking

OTHER

- None

In summary, ESI shall maintain the Client's technology systems according to Client requirements and industry best practices.

Client Policies (List any policies that ESI is required to follow)

- 1) In accordance with FBI CJIS Policy this Agreement must incorporate a security addendum approved by the Attorney General of the United States. The approved security addendum is defined in the FBI CJIS Policy as APPENDIX H SECURITY ADDENDUM (H6-H7) and its text is incorporated entirely within this Agreement by unedited attachment.
- 2) Incorporated by reference and made a part thereof as if fully appearing herein:
 - a. CJIS Security Policy <https://www.fbi.gov/services/cjis/cjis-security-policy-resource-center>
 - b. Management Control Agreement(s)

EXHIBIT "B"
DEFINITIONS

When used in this Agreement, the capitalized terms listed shall have the following meanings:

"Client's Representative" – The individual identified by Client in the Agreement to be responsible for receiving all notices under Agreement and for all administrative matters such as invoices, payments, and amendments.

"ESI's Representative" – The individual identified by ESI in the Agreement to be responsible for receiving all notices under this Agreement.

"Monthly Fee" – The financial obligation of the Client listed on a Monthly Basis. This fee is based on the Resource Level Index combined with the Services requested.

"Resource Level Index" – A value use to determine the Monthly Fee and the corresponding Labor and Proprietary Technology required to perform requested Services.

"Services" – Exhibit "A"

"Temporary Resource" – Additional Labor or Proprietary Technology requested by either party to address the needs of short-term projects and/or emergency work. Temporary Resources are shown by an added Resource Level Index.

EXHIBIT "C"
REPRESENTATIVES

The following designated Representatives shall be responsible for receiving all notices under Agreement and for all administrative matters such as invoices, payments, and amendments or other authoritative communications. Client may change the name of (and all information pertaining to) Client's Representative and ESI may change the name of (and all information pertaining to) ESI's Representative upon written notice being given to the other party.

Client's Representative shall be:

Name: _____
 Company: _____
 Address: _____

 Phone: _____
 E-Mail: _____

Empiric Solutions, Inc Representative shall be:

Name: Eric D. Seelye
 Company: Empiric Solutions, Inc.
 Address: 932 Sprint Street, Ste 202
 Post Office Box 58
 Petoskey, MI 49770-0058
 Phone: +1.231.348.1035

EXHIBIT "D" TECHNOLOGIES

ESI Technologies

-none-

Excluded Technologies

-none-

**FEDERAL BUREAU OF INVESTIGATION
CRIMINAL JUSTICE INFORMATION SERVICES
SECURITY ADDENDUM**

The goal of this document is to augment the CJIS Security Policy to ensure adequate security is provided for criminal justice systems while (1) under the control or management of a private entity or (2) connectivity to FBI CJIS Systems has been provided to a private entity (contractor). Adequate security is defined in Office of Management and Budget Circular A-130 as “security commensurate with the risk and magnitude of harm resulting from the loss, misuse, or unauthorized access to or modification of information.”

The intent of this Security Addendum is to require that the Contractor maintain a security program consistent with federal and state laws, regulations, and standards (including the CJIS Security Policy in effect when the contract is executed), as well as with policies and standards established by the Criminal Justice Information Services (CJIS) Advisory Policy Board (APB).

This Security Addendum identifies the duties and responsibilities with respect to the installation and maintenance of adequate internal controls within the contractual relationship so that the security and integrity of the FBI’s information resources are not compromised. The security program shall include consideration of personnel security, site security, system security, and data security, and technical security.

The provisions of this Security Addendum apply to all personnel, systems, networks and support facilities supporting and/or acting on behalf of the government agency.

1.00 Definitions

1.01 Contracting Government Agency (CGA) – the government agency, whether a Criminal Justice Agency or a Noncriminal Justice Agency, which enters into an agreement with a private contractor subject to this Security Addendum.

1.02 Contractor – a private business, organization or individual which has entered into an agreement for the administration of criminal justice with a Criminal Justice Agency or a Noncriminal Justice Agency.

2.00 Responsibilities of the Contracting Government Agency.

2.01 The CGA will ensure that each Contractor employee receives a copy of the Security Addendum and the CJIS Security Policy and executes an acknowledgment of such receipt and the contents of the Security Addendum. The signed acknowledgments shall remain in the possession of the CGA and available for audit purposes. The acknowledgement may be signed by hand or via digital signature (see glossary for definition of digital signature).

3.00 Responsibilities of the Contractor.

3.01 The Contractor will maintain a security program consistent with federal and state laws, regulations, and standards (including the CJIS Security Policy in effect when the contract is executed and all subsequent versions), as well as with policies and standards established by the Criminal Justice Information Services (CJIS) Advisory Policy Board (APB).

4.00 Security Violations.

4.01 The CGA must report security violations to the CJIS Systems Officer (CSO) and the Director, FBI, along with indications of actions taken by the CGA and Contractor.

4.02 Security violations can justify termination of the appended agreement.

4.03 Upon notification, the FBI reserves the right to:

- a. Investigate or decline to investigate any report of unauthorized use;
- b. Suspend or terminate access and services, including telecommunications links. The FBI will provide the CSO with timely written notice of the suspension. Access and services will be reinstated only after satisfactory assurances have been provided to the FBI by the CGA and Contractor. Upon termination, the Contractor's records containing CHRI must be deleted or returned to the CGA.

5.00 Audit

5.01 The FBI is authorized to perform a final audit of the Contractor's systems after termination of the Security Addendum.

6.00 Scope and Authority

6.01 This Security Addendum does not confer, grant, or authorize any rights, privileges, or obligations on any persons other than the Contractor, CGA, CJA (where applicable), CSA, and FBI.

6.02 The following documents are incorporated by reference and made part of this agreement: (1) the Security Addendum; (2) the NCIC 2000 Operating Manual; (3) the CJIS Security Policy; and (4) Title 28, Code of Federal Regulations, Part 20. The parties are also subject to applicable federal and state laws and regulations.

6.03 The terms set forth in this document do not constitute the sole understanding by and between the parties hereto; rather they augment the provisions of the CJIS Security Policy to provide a minimum basis for the security of the system and contained information and it is understood that there may be terms and conditions of the appended Agreement which impose more stringent requirements upon the Contractor.

6.04 This Security Addendum may only be modified by the FBI, and may not be modified by the parties to the appended Agreement without the consent of the FBI.

6.05 All notices and correspondence shall be forwarded by First Class mail to:

Information Security Officer

Criminal Justice Information Services Division, FBI

1000 Custer Hollow Road

Clarksburg, West Virginia 26306