“SOLE SOURCE” PROCUREMENT JUSTIFICATION

Sole source purchases are goods and services available from only one vendor. There may be just one vendor because of patents or copyrights or simply because the vendor is the only one which supplies the good or service. Using Department must provide a written explanation as to why only this particular product/service is acceptable and why no other will be suitable or acceptable to meet the need. A quote must accompany this form.

Department name: Sheriff’s Department

1. Name of product or service: Strongwatch Freedom on the Move (FOTM)

2. Name of product manufacturer: Strongwatch Corp.

3. Name of “sole” product supplier or service provider: Strongwatch Corp.

4. Describe in general terms the product/service you are requesting and the intended application.

The Doña Ana Sheriff’s Department (DASO) purchased the “Freedom on the Move” (FOTM) forward looking infrared camera system in 2013 from Strongwatch Corporation. DASO has recently been approved through the Operation Stonegarden Grant to purchase substantial upgrades to this camera system. These upgrades will significantly enhance the capabilities of the system. This system will be utilized to provide increased public safety through crowd over-watch, Bomb Squad call-outs, Special Response Team call-outs, missing person cases, border security projects, and all manner of law enforcement uses where the ability to provide a high-resolution infra-red camera system is a benefit.

5. Describe the unique features/capabilities/characteristics that distinguish it from other products/services.

Because DASO has already purchased the existing system manufactured by Strongwatch Corporation, the requested upgrades and enhancements are proprietary to Strongwatch. These upgrades cannot be made by any other existing manufacturer.

6. How did you determine there was only one source for the product or service? Provide information on the research that was performed to locate suppliers for this product(s) or service(s). (Please furnish names, addresses and other documentation).

See answer to number 5 above.
7. What product supplier or service provider has your Department used until now to satisfy similar requirements?

For approximately three (3) years DASO has utilized the existing Strongwatch FOTM System.

Signature of Department Head

Date

(Attach Quote and Use Additional Sheets As Necessary)

**This form is used by Purchasing Department to determine if a “Sole Source” procurement criterion is met. Completing this form does not guarantee approval of this type of procurement.**
To Whom It May Concern,

This letter is being written to verify that the services proposed in quote # E1506-67 (dated 03/09/2016) can only be completed by Strongwatch Corporation (SWC). These services include software and hardware that is proprietary to SWC, and therefore, must be furnished by SWC directly.

If there are any questions pertaining to this matter, please don’t hesitate to contact me directly (contact info below).

Thank you in advance for your time and efforts regarding this transaction.

Best Regards,

William “Drew” Dodds  
Director of Sales  
Strongwatch Corporation  
3/9/2016
Dona Ana County Sheriff  
Attn: Angie Guerrero, Grants  
845 N Motel Blvd  
Las Cruces, NM 88007

Angie,

Attached please find the proposal for the Freedom On-The-Move (FOTM) system upgrades, customized for your operational requirements. It includes:

- All work completed at Strongwatch installation facility,
- Complete operator training,
- One full year of manufacturer's warranty (on upgrade work / components)

I thank you in advance for the opportunity to serve you and your team.

Best Regards,

William "Drew" Dodds  
Director of U.S. Sales, Mobile Surveillance  
Strongwatch Corporation
## Strongwatch Corporation
3721 E Technica Drive
Suite 9
Tucson, Arizona 85713

**Proposal**

Date: March 9, 2016  
QUOTE #: E1506-67  
Customer ID: Dona Ana County Sheriff  
Valid Through: May 8, 2016

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### REPRESENTATIVE
POWELL  
Dona Ana County Sheriff  
END USER  
SEE PAGE 3 BELOW  
LEAD TIME  
8 WEEKS

<table>
<thead>
<tr>
<th>ITEM</th>
<th>ITEM NUMBER</th>
<th>FREEDOM ON-THE-MOVE CONFIGURATION DESCRIPTION</th>
<th>PRICE</th>
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<tbody>
<tr>
<td>Sensor Payload</td>
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<tr>
<td>Color Sensor</td>
<td>CS002</td>
<td>HIGH DEFINITION COLOR, LOW LIGHT CAMERA</td>
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<tr>
<td>Thermal Infrared Sensor</td>
<td>TS003</td>
<td>THERMAL IMAGER (MWIR - COOLED)</td>
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<td>TL001</td>
<td>CONTINUOUS ZOOM LENS 15-105MM - UNCOOLED</td>
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<td><strong>Subtotal</strong></td>
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<tr>
<td>Cab Video &amp; Control</td>
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<td></td>
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<tr>
<td>Rugged PC, HCU, DVR, Wireless</td>
<td>CP001</td>
<td>RUGGEDIZED PC / MONITOR W/ SSD DVR</td>
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<tr>
<td>Modem</td>
<td>MO001</td>
<td>INDUSTRIAL-GRADE 4G / LTE MODEM (NOTE: DOES NOT INCLUDE MONTHLY DATA SERVICE)</td>
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Quotation prepared by: Mike Powell  
This is a quotation subject to the purchase terms and conditions detailed on page 3 (attached)

Subtotal: $156,142.00  
Discount: $17,392  
Sales Tax (0.000%): $0.00  
Total: $138,750.00

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Strongwatch Confidential  
3/9/2016  
Page 3
STRONGWATCH PURCHASE TERMS AND CONDITIONS

1. Acceptance. Each sale of products or services (collectively, “Products”) by Strongwatch Corporation (“SWC”) to any other party (“Purchaser”) is subject to the following terms and conditions (“Terms”) unless agreed to in writing by SWC.

2. Prices. All prices for Products are F.O.B. point of shipment. Prices may not include taxes, duties or other fees (“Fees”).

3. Payment Terms. All payments to SWC are due and payable 30 (Thirty) days from date of invoice. As an incentive, payment in full within 10 days (Net 10) will result in a discount to customer of 1.5% (of total purchase price). Any amounts due to SWC that are not paid on the due date shall bear interest, from the date due until paid in full, at a rate equal to the lower of 1-1/2 percent (1.5%) per month. SWC shall retain a purchase money security interest in all Products until the purchase price for such Products is paid in full.

4. Acceptance and Cancellation of Orders. All orders for Products must be presented in writing. Orders shall not be considered accepted unless SWC expresses its acceptance in writing or ships the Products. SWC reserves the right to refuse any order, in whole or in part, or to specify an alternate delivery schedule if orders for any product or service from all sources exceed SWC’s inventory or ability to deliver. SWC may allocate available inventory and resources in its sole discretion. Accepted orders may be cancelled only with the written consent of SWC.

5. Delivery. Delivery shall be F.O.B. point of shipment, with all transportation, freight and similar charges, including taxes and import duties paid by Purchaser. Risk of loss shall pass to Purchaser upon issuance of the carrier’s bill of lading at the point of shipment. SWC shall not be responsible for any delays or damages in shipment via a common carrier. Shipping and related data provided to Purchaser are estimates only, and shall not be considered binding. Upon receipt of Products, Purchaser shall inspect and accept or reject Products within thirty (30) days. If Purchaser fails to notify SWC in writing of its rejection within such time period, Purchaser shall be deemed to have accepted such Products and waived any right to later reject any Products.

6. Right of Setoff. SWC shall have the right to setoff against any sum otherwise due to any Purchaser by SWC or any of its affiliates any sums or amounts then due from such Purchaser and/or its affiliates to SWC and/or its affiliates.

7. Force Majeure. Neither party shall be liable or responsible for any failure of performance or delay in performance of any obligation hereunder if such failure or delay is due to a cause beyond its control for the period of such failure or delay.

8. Proprietary Information. Any information marked or identified as “confidential” that one party supplies to the other is the confidential information of the disclosing party. The party receiving the information has no rights or interests of any kind in such information, except as otherwise expressly agreed to in writing by the parties. The party receiving the information shall not disclose such information to others or allow others to use such information, except with the expressed written consent of the disclosing party.

9. Compliance with Laws. Except to the extent otherwise specifically agreed to in writing by the parties, Purchaser shall be solely responsible for the receiving, installation, use and maintenance of all Products, and SWC shall have no obligation or responsibility of any kind with respect thereto. Purchaser shall comply with all laws and regulations governing the purchase or license, installation or use of Products, including, without limitation, obtaining all licenses, permits and registrations.

10. Patent, Trademark and Copyright Infringement. SWC shall have no liability for any claim of infringement to the extent that such claim is based on (i) Products used for any purposes other than those specified by SWC, (ii) Products manufactured to Purchaser’s design or specifications, or (iii) Products used in combination with any other software, hardware or data where in the absence of such combination the Product would not have been infringing.