BS 9/9/26
26-258

INTRADEPARTMENTAL CORRESPONDENCE

August 20, 2026
1.17

TO: The Honorable Board of Police Commissioners

FROM: Chief of Police

SUBJECT: REQUEST FOR APPROVAL OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF LOS ANGELES AND AXON ENTERPRISE, INC. FOR THE LIGHTPOST TEST PILOT PROGRAM

RECOMMENDED ACTION

1. That the Board of Police Commissioners (Board) REVIEW and APPROVE the attached Memorandum of Understanding for the Lightpost Test Pilot Program between the Los Angeles Police Department (LAPD or Department) and Axon Enterprise, Inc. (Axon).

DISCUSSION

This Memorandum of Understanding (MOU) authorizes a no-cost, three-month pilot evaluation of the Axon Lightpost public safety solution, comprising streetlight-mounted hardware and automated license plate recognition (ALPR) software (the Product), to be conducted by Axon Enterprise, Inc. (Axon) for the Los Angeles Police Department (Department). The Product will operate in a live production environment at Department-approved locations, collecting ALPR information during the Testing Period.

The MOU establishes that the City and the Department retain sole and exclusive ownership of all data, images, video, plate reads, metadata, and derived or algorithmic outputs generated through the Product (collectively, LAPD Data). Axon may not assert any ownership, lien, or license interest in LAPD Data, and any residual rights that might otherwise vest in Axon by operation of law are expressly assigned back to the City. The Department retains full control over retention, access, deletion, and export of its own data throughout and after the Testing Period.

All LAPD Data must be stored and processed exclusively within the continental United States in a CJIS-compliant environment, encrypted in transit and at rest, and protected by administrative, technical, and physical safeguards no less protective than the FBI CJIS Security Policy and the NIST SP 800-53 moderate baseline. The MOU further requires role-based access controls, multi-factor authentication, continuous audit logging, and annual independent security testing of all systems that store or process LAPD Data.

Axon is prohibited from selling, sharing, aggregating, or using LAPD Data for any purpose beyond providing the Product to the Department, including any use to train or improve artificial intelligence or analytics models. The Department is not enrolled in, and will not be deemed

enrolled in, any Axon data-sharing or customer network, and the MOU preserves the Department's independent statutory right to share ALPR information with other agencies as authorized by California law.

The Testing Period runs for three months following successful installation and system validation, at no cost to the City, and Deputy City Attorney Sam Petty of the Office of the City Attorney has approved the MOU as to form.

Should you have any questions or require further information, please contact Commander Randy Goddard, Assistant Commanding Officer, Information Technology Bureau, at (213) 486-0370.

Respectfully,

JIM McDONNELL
Chief of Police

BOARD OF POLICE COMMISSIONERS
Approved September 22, 2020
Secretary Rebecca Muñoz

Attachment

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE CITY OF LOS ANGELES, A MUNICIPAL CORPORATION,

ACTING BY AND THROUGH THE LOS ANGELES POLICE DEPARTMENT

AND

AXON ENTERPRISE, INC., A DELAWARE CORPORATION

This Lightpost Test Memorandum of Understanding (this "MOU") is made and entered into by and between the **City of Los Angeles**, a municipal corporation, acting by and through the Los Angeles Police Department ("LAPD"), and **Axon Enterprise, Inc.** ("Axon"), with reference to the following:

WHEREAS, Axon offers the Axon Lightpost public safety solution, comprising streetlight-mounted hardware and related automated license plate recognition ("ALPR") software (collectively, the "Product"), and has proposed a no-cost evaluation of the Product by LAPD;

WHEREAS, LAPD desires to evaluate the Product during a limited testing period pursuant to the Statement of Work for Implementation Services for Lightpost Test ("SOW") attached hereto and incorporated herein;

WHEREAS, the Product will operate in a live production environment and will collect ALPR information subject to California law, and the parties agree that the City's Standard Provisions and the data governance terms outlined in this MOU shall govern such data collection;

NOW, THEREFORE, in consideration of the mutual covenants herein, the parties agree as follows:

SECTION 1.0 — CONTRACT DOCUMENTS; ORDER OF PRECEDENCE

1.1 Contract Documents. This MOU consists of: (i) this body; (ii) Exhibit A — Standard Provisions for City Contracts (Rev. 5/26 [v.1]) (the "Standard Provisions" or "PSC"), incorporated in full; and (iii) Exhibit B, the Statement of Work. Notwithstanding its designation as a memorandum of understanding, this MOU is a binding contract, supported by mutual consideration and enforceable in accordance with its terms. The Standard Provisions apply to this MOU notwithstanding its characterization as a no-cost evaluation, including, without limitation, PSC-17 (Indemnification), PSC-18 (Intellectual Property Indemnification), PSC-19 (Intellectual Property Warranty), PSC-20 (Technology, Data and AI Definitions), PSC-21 (Ownership and License), PSC-22 (Data Protection), PSC-23 (Artificial Intelligence and Automated Processing), PSC-24 (Insurance), PSC-34 (Identity Theft; PCI DSS), and PSC-37 (Confidentiality).

1.2 Order of Precedence. In the event of a conflict, the order of precedence is: (i) Section 5.0 (Data Ownership, Security, and Portability), Section 6.0 (ALPR Statutory Compliance), and Section 7.0 (Security Program, Personnel, Artificial Intelligence, and Additional Requirements) of this body, but only to the extent more protective of LAPD than Attachment A; (ii) Attachment A; (iii) the remainder of this body; and (iv) the SOW. For all subject matter concerning data, data security, ownership, licensing, or intellectual property, the provision most protective of LAPD controls, regardless of the order in which the documents are listed.

1.3 Prior Contract Not Incorporated. The terms and conditions of Contract No. C-127706-2, and of any Axon Master Services and Purchasing Agreement, Axon Cloud Services Terms of Use, Axon Evidence terms, ALPR appendix, hyperlinked terms, click-through terms, or other Axon standard terms, are ***not*** incorporated into this MOU and shall have no application to the Product, the Services, or LAPD data, whether or not referenced in any quote, order form, welcome email, user interface, or onboarding material.

SECTION 2.0 — HARDWARE; TITLE; EVALUATION USE

2.1 Title and Risk. The Product, including any third-party hardware provided for testing, is supplied on a temporary basis for evaluation use. Title to Product hardware remains with Axon or Axon's Authorized Subcontractor (as defined in the SOW). Nothing in this Section transfers, limits, or encumbers LAPD's ownership of LAPD Data under Section 5.0. LAPD shall exercise reasonable care in the storage and maintenance of the Product consistent with the SOW, reasonable wear and tear excepted.

2.2 Changes to Deployed Hardware. Axon and the Authorized Subcontractor may substitute, upgrade, reconfigure, remove, or otherwise modify the Product only with prior written notice of no less than five (5) business days to LAPD's designated point of contact, and shall coordinate scheduling and site access with LAPD. No substitution or modification shall materially alter the categories of data collected, the data flows, the storage location, or the security posture described in Sections 5.0, 6.0, and 7.0 without LAPD's prior written consent.

2.3 Use Restrictions. LAPD shall use the Product solely for evaluation purposes and shall not modify, distribute, or reverse-engineer the Product. LAPD may provide feedback as outlined in the SOW. Such feedback is voluntary, and no provision in this MOU shall assign to Axon any LAPD intellectual property or any LAPD Data in connection with the feedback.

SECTION 3.0 — CONFIDENTIALITY AND PUBLIC RECORDS

3.1 Confidentiality. Each party shall protect the other's non-public information in accordance with PSC-37. LAPD's obligations under this Section are subject in all respects to the California Public Records Act (Gov. Code Section 7920.000 et seq.), the Ralph M. Brown Act, the Los Angeles City Charter, and any other applicable disclosure law, ordinance, or order.

3.2 No Delay of Statutory Disclosure. If LAPD receives a request or demand for records that include Axon non-public information, LAPD will provide Axon such notice as is reasonably practicable. Notwithstanding the foregoing, nothing in this MOU requires or permits LAPD to delay, condition, or withhold any disclosure required by law. LAPD shall have no liability to Axon or the Authorized Subcontractor for disclosures made in good faith in compliance with the law. Any obligation of LAPD to maintain "strict confidentiality" in any prior draft or Axon standard term is superseded by this Section 3.0.

SECTION 4.0 — WARRANTIES; DISCLAIMER LIMITS

4.1 Evaluation Hardware Provided As Is. The Product hardware is provided "as is" for evaluation purposes during the Testing Period, and Axon and the Authorized Subcontractor disclaim implied warranties of merchantability and fitness with respect to hardware performance during the Testing Period only.

4.2 Disclaimer Does Not Reach Core Obligations. Notwithstanding Section 4.1 or any other disclaimer, nothing in this MOU limits, disclaims, or excuses: (i) Axon's data security, data ownership, confidentiality, and data handling obligations under Sections 5.0, 6.0, and 7.0 and PSC-20 through PSC-23; (ii) the intellectual property warranty and indemnity under PSC-18 and PSC-19; (iii) the indemnification obligations under PSC-17; (iv) compliance with applicable law, including Cal. Civ. Code Sections 1798.90.5–.55 and Cal. Penal Code Section 13663; or (v) liability for fraud, willful injury, or violation of law, which may not be exculpated as against LAPD (*Cal. Civ. Code § 1668*).

4.3 Siting. If LAPD directs an Installation Location or camera positioning against the Authorized Subcontractor's documented written recommendation, neither Axon nor the Authorized Subcontractor shall be responsible for degraded image capture quality attributable solely to that direction. This Section is limited to image-capture performance and does not limit any obligation under Sections 3.0, 5.0, 6.0, 7.0, or Attachment A, or any indemnification or insurance obligation.

SECTION 5.0 — DATA OWNERSHIP, SECURITY, AND PORTABILITY

5.1 LAPD Ownership of Data. As between the parties, LAPD is and shall remain the sole and exclusive owner of all data, images, video, footage, plate reads, detections, telemetry, logs, metadata, and other information collected, generated, received, processed, or stored by or through the Product or any related service in connection with this MOU, together with all derived data, analytical results, and algorithmic outputs generated therefrom (collectively, "LAPD Data"). Any reference in any Axon document to "Agency Content" means LAPD Data as defined herein. To the extent any right, title, or interest in LAPD Data vests in Axon or the Authorized Subcontractor by operation of law or otherwise, Axon hereby assigns, and shall cause the Authorized Subcontractor to assign, all such right, title, and interest to LAPD, without further consideration. The storage, processing, transmission, or hosting of LAPD Data on or within Axon's infrastructure shall not create, transfer, or vest in Axon any ownership interest, proprietary right, license, or other

claim. Axon shall not assert any lien, withholding right, setoff, or other encumbrance against LAPD Data. LAPD's ownership of derived data and algorithmic outputs applies regardless of the computational complexity, degree of Axon skill or proprietary methodology, or commercial value involved in their generation. Axon expressly waives any claim of data authorship, data copyright, or other ownership interest in such outputs based on the application of its technology to LAPD Data. Axon does not have the ability to view unless LAPD shares the specific LAPD Data directly with Axon outside of its cloud tenancy or actively manage LAPD Data due to the design of the Product. Axon shall provide LAPD the ability to manage its data in accordance with this MOU, including, but not limited to setting retention policies, defining end users access rights, deleting data, placing legal holds, and transferring LAPD Data electronically at LAPD's sole discretion.

5.2 No Secondary Use. Neither Axon nor any subcontractor shall access, use, share, sell, license, disclose, de-identify, aggregate, or commercially exploit LAPD Data, or use LAPD Data to train, retrain, fine-tune, tune, test, validate, benchmark, or improve any artificial intelligence, machine learning, or analytics model or product, except as strictly necessary to provide the Services to LAPD under this MOU. Without limiting the foregoing, Axon shall not: combine or aggregate LAPD Data with data of any other customer or source (except as strictly necessary to provide the services and subject to written controls preventing unauthorized use or disclosure); share LAPD Data with any parent company, subsidiary, affiliate, investor, or successor without LAPD's prior written authorization; use LAPD Data for any marketing, advertising, promotional, benchmarking, research, product-development, or other commercial purpose; or retain LAPD Data beyond the periods specified in this MOU. LAPD is not enrolled in, and shall not be deemed enrolled in, the Axon Community Engagement and Intelligence Program (ACEIP) or any successor data program. Any other use of LAPD Data requires a separate written agreement executed by LAPD.

5.3 Residency and Security. LAPD Data shall be stored and processed exclusively within the continental United States in a CJIS-compliant environment. It must be encrypted in transit and at rest using FIPS 140-2 (or successor) validated cryptographic modules. Axon shall maintain administrative, technical, and physical safeguards no less protective than PSC-22, the FBI CJIS Security Policy, and NIST SP 800-53 moderate baseline, and shall maintain access and audit logging for all access to LAPD Data, available to LAPD upon request.

5.4 Subcontractors. Ubicquia, Inc. is approved as Authorized Subcontractor solely for physical installation, maintenance, and deinstallation of Product hardware, and shall have no access to LAPD Data except as strictly necessary for those functions. Any other subcontractor or subprocessor with access to LAPD Data (including any cloud hosting provider, which the parties agree is a subprocessor) requires LAPD's prior written approval consistent with PSC-10 and PSC-22(E). Axon remains fully responsible for all subcontractor acts and omissions.

5.5 Data Breaches and Security Incidents. For purposes of this MOU, "Data Breach" means any unauthorized acquisition, access, use, disclosure, exfiltration, loss, theft, destruction, alteration, or compromise of LAPD data, or of its security, confidentiality, or integrity, whether or not the event constitutes a breach under applicable law; and "Security Incident" means any actual

or reasonably suspected event that materially threatens or adversely affects the confidentiality, integrity, availability, or resilience of LAPD Data or the systems used to provide the Services, including malware, ransomware, denial of service, unauthorized access attempts, and material outages, but excluding unsuccessful routine scans, pings, or blocked attacks resulting in no unauthorized access and no material degradation. Axon shall notify LAPD in writing and telephonically of any Data Breach or Security Incident within twenty-four (24) hours of discovery or reasonable belief, provide a written report within seventy-two (72) hours, begin containment and remediation immediately, preserve relevant evidence, and provide status updates at least daily (or more frequently if LAPD requests) until resolution to LAPD's satisfaction. Axon shall conduct an investigation and share the investigation report with LAPD; if directed by LAPD, Axon shall retain an independent third party to conduct the investigation at Axon's sole cost, and LAPD and its authorized agents may, at LAPD's sole discretion, lead or participate in the investigation. Axon shall not notify any third party, regulator, or affected individual, or issue any public statement, regarding any Data Breach or Security Incident involving LAPD Data without LAPD's prior written approval, unless required by law, in which case Axon shall, to the extent legally permitted, consult with LAPD in advance and provide a copy of the proposed notice; where notification of affected individuals is required by law or directed by LAPD, Axon shall perform it with LAPD having final approval of content. Axon shall bear all costs of investigation, containment, remediation, notification, call-center support, credit monitoring and identity-theft protection, forensic services, and data restoration arising from any Data Breach or Security Incident, without limitation, and LAPD may recover such costs by reimbursement or by offset against any Axon invoice. In addition to Axon's other indemnification obligations (including PSC-17), Axon shall fully indemnify, defend, and hold harmless the City and LAPD against any claims relating to any Data Breach or Security Incident, including all costs incurred relating to such claims. This Section supplements, and does not replace, PSC-22(F).

5.6 Open API ("Application Programming Interface") Standards; No Lock-In.

(i) The API access provided under Section 5.6 shall deliver all LAPD Data, metadata, and derived data in open, non-proprietary, machine-readable formats (JSON, CSV, and XML at minimum) without proprietary encoding, compression, or encryption that would prevent standard programmatic access; return complete records without truncation, redaction, or omission of any field accessible within Axon's own user interface or platform; use TLS 1.2 or higher, OAuth 2.0 or an equivalent industry-standard authentication protocol, credential rotation, and access logging; and include a test/sandbox environment on request.

(ii) Axon shall not technically or contractually restrict, throttle, or degrade LAPD's access to, or export or migration of, LAPD data in response to LAPD's exercise of its portability rights, and shall not impose any fee for data access or export. Upon LAPD's written request, Axon shall provide written certification that no data categories accessible through Axon's platform are unavailable through the API.

5.7 Post-Trial Data Return and Deletion. Upon expiration or termination of the Testing Period: (i) API access under Section 5.6 (ii) shall remain available at no cost for one hundred eighty (180) days; (ii) LAPD may retrieve LAPD Data at no cost for three (3) months; and (iii) following LAPD's written confirmation that retrieval is complete (or the expiration of the 3-month window, whichever is earlier), Axon shall permanently delete all LAPD Data from all systems, including subcontractor and backup systems, and deliver a written certification of deletion signed by an officer. Deletion shall not occur before verified retrieval confirmation, and all deletion timelines under this Section are subject to, and tolled by, any preservation obligation or notice under Section 5.11. Notwithstanding the foregoing, to the extent any LAPD Data is held within another Axon product for which LAPD and Axon have entered into an agreement the retention requirements for that LAPD Data will instead be governed by that separate agreement.

5.8 No Suspension of Data Access. Neither Axon nor the Authorized Subcontractor shall suspend, disable, or degrade LAPD's access to LAPD Data during the Testing Period or any retrieval window, for any reason, without thirty (30) days' prior written notice and an opportunity to cure; in all events LAPD shall retain no less than read-only and export access to LAPD Data.

5.9 No Sale. Axon shall not sell, share, or transfer LAPD Data except as expressly permitted by this MOU and applicable law.

5.10 Survival. Sections 5.1 through 5.11, 6.0, and 7.0 survive expiration or termination of this MOU for five (5) years, or such longer period as LAPD Data remains in Axon's or any subcontractor's possession or control, or as any preservation obligation under Section 5.11 remains in effect.

5.11 Evidentiary Integrity and Legal Process. (i) Legal Hold. Upon written notice from LAPD that any LAPD Data is or may be subject to a litigation hold, discovery obligation, subpoena, court order, Public Records Act request, criminal or administrative investigation, or constitutional preservation duty, Axon shall provide LAPD the ability to immediately preserve the identified LAPD Data in its original, unaltered form, and provide LAPD the ability to suspend all deletion, purge, overwrite, and retention-expiration processes (including automated processes and those of subcontractors) as to that data until LAPD provides written release of the hold. Preservation under this Section is at no cost to LAPD and overrides every deletion timeline in this MOU, including Sections 5.7 and 9.2. **(ii) Chain of Custody and Integrity.** Axon shall maintain records sufficient to establish chain of custody for LAPD Data from collection through export or deletion, including system-generated audit trails under Sections 5.3 and 6.3, and shall provide cryptographic hash values (SHA-256 or stronger) upon export sufficient to verify that exported LAPD Data is a true, complete, and unaltered copy of the data as collected. **(iii) Original-Quality Export.** All exports and productions of LAPD Data shall be in native or full original resolution and format, with all associated metadata intact, and without transcoding, compression, watermarking, or other alteration that degrades evidentiary value, unless LAPD directs otherwise in writing.

(iv) Authentication Support. At no charge, Axon shall provide custodian-of-records certifications and declarations sufficient to authenticate LAPD Data as business records (including under Cal. Evid. Code Sections 1560–1561 and 1271) and shall make a knowledgeable records custodian reasonably available for testimony regarding system operation, data collection, and record integrity in any proceeding in which LAPD is a party or the LAPD Data is at issue. **(v) No Alteration.** Axon warrants that neither it nor any subcontractor shall alter, edit, redact, enhance, or delete LAPD Data except as directed by LAPD in writing or as expressly required by this MOU, and that any system process affecting the content of LAPD Data is logged and disclosed.
(vi) Third-Party Legal Process. If Axon receives legal process from any third-party seeking LAPD Data, Axon shall, unless prohibited by law, notify LAPD within forty-eight (48) hours and before any production, and shall reasonably cooperate with LAPD's efforts to contest, narrow, or condition the demand.

5.12 Raw Sensor Data; Native-Resolution Export; Device Configuration.
(i) Where the Product involves sensor-based or automated-recognition collection, Axon shall store and make available for export the raw, unprocessed sensor output at its native sampling resolution — including raw image or video frames, unfiltered read or scan records prior to confidence thresholding, raw classifier outputs prior to post-processing, and associated capture telemetry — prior to any filtering, aggregation, normalization, compression, or downsampling, and shall not substitute processed or downsampled data in satisfaction of its export obligations unless LAPD elects otherwise in writing. Where data is stored in a proprietary or binary encoding, Axon shall decode and deliver it in an open, non-proprietary format (e.g., JSON, CSV) or provide complete decoding specifications and tooling sufficient for LAPD to interpret the data independently.

(ii) All exported sensor data shall preserve original sampling frequency, precise unmodified UTC timestamps (millisecond resolution or finer), and the original sequence and continuity of the data stream and shall be accompanied by or exportable with complete device metadata and configuration state (device identifiers, firmware and software version history, calibration records, threshold and hot-list configurations, and installation and location mapping). Axon shall retain Raw Sensor Data at its original resolution for LAPD's applicable retention period and shall not downsample, compress, or purge such data within that period, nor thereafter, without no less than sixty (60) days' prior written notice and an opportunity for LAPD to perform a full-resolution export.

SECTION 6.0 — ALPR STATUTORY COMPLIANCE (CAL. CIV. CODE Sections 1798.90.5–.55)

6.1 Roles. For purposes of Cal. Civ. Code Sections 1798.90.5 et seq., Axon (together with the Authorized Subcontractor, to the extent applicable) is an "ALPR operator" and LAPD is an "ALPR end-user." Each party shall discharge the obligations applicable to its role, and Axon shall maintain reasonable security procedures and practices to protect ALPR information from unauthorized access, destruction, use, modification, or disclosure, as required by Section 1798.90.51.

6.2 Usage and Privacy Policy. Before activation of any Product camera, each party shall implement, and make available to the public as required, a usage and privacy policy meeting the requirements of Cal. Civ. Code Sections 1798.90.51(b) and 1798.90.53(b), including authorized purposes, access controls, data-sharing restrictions, training, oversight, accuracy and correction, and retention. LAPD's retention schedule governs retention of ALPR information collected during the Testing Period; Axon shall configure the system accordingly.

6.3 Access Logging. Axon shall maintain and make available to LAPD, a record of each access to ALPR information as required by Section 1798.90.52, including date and time, requesting entity, purpose, and data accessed.

6.4 No Sale or Sharing of ALPR Information. Consistent with Section 1798.90.55 and SB 34, ALPR information collected under this MOU shall not be sold, shared, or transferred to any person or entity other than LAPD, except to the extent a public agency transfer is expressly authorized by law and approved in writing by LAPD. Axon shall not make ALPR information available to any other customer, network, or database, including any Axon or third-party inter-agency sharing network, absent LAPD's separate written election.

SECTION 7.0 — SECURITY PROGRAM, PERSONNEL, ARTIFICIAL INTELLIGENCE, AND ADDITIONAL REQUIREMENTS

7.1 Data Minimization. Axon shall collect, access, use, and retain only the minimum LAPD Data reasonably necessary to perform the Services and shall retain LAPD Data only for the duration necessary for the permitted purpose, LAPD's retention schedule under Section 6.2, or as required by law. Any retained LAPD Data remains subject to this MOU until deleted.

7.2 Security Program and Access Controls. Axon shall establish and maintain a formal, documented, company-wide written information security program, incident response plan, and business continuity and disaster recovery capabilities appropriate to the Services, communicated to all personnel in relevant and accessible form and reviewed regularly for operational effectiveness and legal compliance. Axon shall implement, at minimum: (i) logical access controls based on least privilege and unique user identification, with role-based access and separation of duties; (ii) multi-factor authentication for remote access, privileged access, and access to systems hosting LAPD Data; (iii) restriction of administrative credentials for LAPD accounts and Axon systems to personnel whose access is essential, with revocation or modification of user access within twenty-four (24) hours of LAPD's request and automatic disabling of accounts after no more than ten (10) consecutive invalid authentication attempts; (iv) encryption of all passwords, passphrases, and PINs using solutions certified against FIPS 140-2 Level 2 or an equivalent industry standard, with encryption keys and keying material stored separately from associated data; (v) malware protection, endpoint monitoring, timely security patching, and vulnerability management; (vi) logging and monitoring sufficient to detect, investigate, and respond to unauthorized access or use; (vii) secure configuration, secure development, and change management; (viii) secure disposal of media containing LAPD Data; (ix) periodic privacy and

security training for all personnel with access to LAPD Data; and (x) segregation of LAPD Data from the data of other customers through logical or physical separation.

7.3 Vulnerability Management and Testing. At least annually and at Axon's expense, Axon shall perform vulnerability tests and risk assessments of all systems that contain LAPD Data. For Axon's internet-perimeter network and any application that processes LAPD Data, testing shall also include penetration testing (including the use of intercept proxies to identify vulnerabilities not discoverable by automated tools) and code review or other manual verification. Upon written request, Axon shall provide LAPD a vulnerability testing and risk assessment report, including an executive summary of results and the remediation status of material findings.

7.4 Audits, Assessments, and Information Security Policy. Upon LAPD's request, not more than once annually except following a Data Breach, Security Incident, or material change in Axon's security controls, Axon shall provide then-current summaries of independent security assessments, certifications, or audit reports (such as SOC 2 Type II or ISO 27001), together with remediation status for material findings, or, if unavailable, shall complete LAPD's security questionnaire within fourteen (14) days of receipt. Upon at least thirty (30) days' notice, LAPD, itself or through a certified public accounting firm or information security professional, may audit Axon's data privacy and information security program, including on-site during normal business hours, subject to reasonable confidentiality and operational safeguards. Axon shall make its written information security policy, related SOC audits, and information security certifications available for LAPD's review within three (3) business days of request. These rights are in addition to PSC-15 and any other audit rights under this MOU or applicable law.

7.5 Personnel and Location Controls. Axon shall not store, or permit its personnel or contractors to store, LAPD Data on portable devices, except devices used and kept only at Axon's continental United States facilities or data centers, and shall neither access, nor allow any third party to access, systems housing LAPD Data from any location outside the continental United States. Access to LAPD Data is limited to persons approved in advance in writing by LAPD ("Authorized Persons"), whose role and necessity Axon has described in its approval request, who are bound in writing by confidentiality and data protection obligations at least as protective as this MOU, and who access LAPD Data only as necessary to perform the Services. Axon shall cause all Authorized Persons to abide strictly by Axon's obligations under this MOU and industry standards for information security. To the extent permitted by applicable law, LAPD may conduct background checks, at its expense, on Axon personnel, agents, and subcontractors who have or may have access to LAPD Data, and Axon shall reasonably cooperate and provide the information LAPD requires to conduct them. LAPD may request changes to Axon personnel in response to background-check results, and Axon shall accommodate such requests.

7.6 Change in Service. Axon shall notify LAPD reasonably in advance of any change, enhancement, or upgrade to Axon's systems or related software services that could impact the security of the Services or the manner in which LAPD Data is processed. This Section supplements the hardware change-control requirements of Section 2.2.

7.7 Artificial Intelligence and Automated Processing. For purposes of this MOU, "AI System" means any machine-based system, including any generative artificial intelligence, large language model, machine learning model, or algorithmic or automated decision system, that infers from the inputs it receives how to generate outputs such as classifications, scores, predictions, recommendations, or decisions. **(i) Disclosure and Approval.** Axon shall not use, or permit any subcontractor to use, any AI System that processes LAPD Data, generates deliverables for LAPD, interacts with the public or LAPD personnel on LAPD's behalf, or materially informs services or decisions under this MOU, without prior written disclosure to LAPD of the AI System and provider, intended use case, categories of LAPD Data processed, hosting region, retention practices, and material known limitations affecting accuracy, reliability, security, confidentiality, intellectual property, or bias. No AI System or material AI feature may be enabled for LAPD without LAPD's prior written consent if it materially changes how LAPD Data is processed or the risk profile of the Services. **(ii) No Training or Secondary Use.** Use of LAPD Data to train, retrain, fine-tune, validate, benchmark, or improve any AI System is prohibited as provided in Section 5.2; any retention of inputs, outputs, or feedback for abuse monitoring, safety review, or troubleshooting must be disclosed in advance, limited to the minimum necessary, protected as LAPD Data, and not used for model training or generalized product improvement. **(iii) Human Oversight.** Axon remains fully responsible for all Services performed with or through an AI System, including ALPR detection and hot-list alerting, and shall implement documented governance, testing, and change management appropriate to the use case. **(iv) Output and Records.** All output generated by an AI System for LAPD is LAPD Data or Work Product, as applicable. Upon LAPD's reasonable request, Axon shall identify whether a deliverable was materially generated or modified using an AI System and shall maintain and provide records sufficient to identify the AI System used, the material version or model family, the date of use, and the categories of LAPD Data processed. **(v) Changes and Suspension.** Axon shall provide reasonable advance written notice of any material change in an AI System or AI provider reasonably likely to affect LAPD Data, security, confidentiality, functionality, or risk profile, and LAPD may direct Axon to suspend the applicable AI-enabled processing if LAPD reasonably determines it presents a material risk, until remediated to LAPD's reasonable satisfaction. This Section supplements PSC-23.

7.8 Work Product and Intellectual Property. All finished and unfinished works, tangible or intangible, originated and prepared by Axon or its subcontractors specifically for LAPD under this MOU, including documents, reports, analyses, specifications, software, code, configurations, interfaces, databases, and other deliverables (each, a "Work Product"), together with all intellectual property rights therein, are and shall remain the exclusive property of the City for its use in any manner it deems appropriate, and Axon hereby assigns to the City all right, title, and interest worldwide therein and shall execute any documents reasonably necessary to perfect that ownership. To the extent any Work Product or output is generated or assisted by an AI System or is not capable of assignment or exclusive ownership as a matter of law, Axon grants the City a perpetual, irrevocable, worldwide, royalty-free, fully paid-up license, with the right to sublicense

to the City's contractors and service providers acting on its behalf, to use, reproduce, modify, display, perform, distribute, create derivative works from, and otherwise exploit such Work Product or output for any City purpose. Axon retains ownership of its preexisting or independently developed materials not created specifically for LAPD and not developed using LAPD Data ("Axon Materials"); to the extent Axon Materials are incorporated into, delivered with, or reasonably necessary to use any Work Product or receive the benefit of the Services, Axon grants the City a nonexclusive, perpetual, irrevocable, worldwide, royalty-free, fully paid-up license (with the same sublicense right) to use them for that purpose. For any third-party materials delivered to LAPD, Axon shall secure for the City, at no additional cost, all rights necessary for the City's use. This Section supplements PSC-19 and PSC-21.

7.9 Inter-Agency and Multi-Party Data Sharing. LAPD retains the unconditional right to share LAPD Data with other agencies, organizations, criminal justice entities, and authorized governmental or private bodies pursuant to applicable law, court order, inter-agency agreement, or City policy, subject, with respect to ALPR information, to Section 6.4 and Cal. Civ. Code Section 1798.90.55. Axon shall not impose any contractual restriction on LAPD's ability to share LAPD Data with authorized third parties and shall not require that any such party become an Axon customer or enter into any Axon agreement as a condition of receiving LAPD-shared data. Axon shall provide the technical support and documentation reasonably necessary to enable authorized sharing at no additional cost to LAPD or the receiving party and shall cooperate in good faith with the technical personnel of authorized parties to facilitate sharing with multi-agency analytical and operational platforms, including records management systems, computer-aided dispatch systems, fusion centers and joint task force systems, and crime or operations analysis platforms. Without limiting the foregoing, Axon shall not: (i) require that any third-party integration partner be approved, certified, or listed by Axon as a precondition to LAPD's use of the API or any interface for integration; (ii) impose additional fees or licensing costs based on the number of integration partners or the volume of data shared; (iii) impose technical restrictions (such as rate limits, throttling, or format limitations) that disproportionately affect LAPD's ability to integrate with third parties; or (iv) claim any right to review, approve, or veto LAPD's selection of integration partners.

7.10 Privacy-Law Compliance; Amendment to Comply. Axon shall ensure that its performance complies with all applicable local, state, and federal privacy laws and regulations, including laws relating to consent to visual and audio recordings of individuals and to the collection of information from individuals. If this MOU, or any practice employed in its performance, is inconsistent with or does not satisfy any such law or regulation, the parties shall in good faith execute an amendment sufficient to comply, and Axon shall complete and deliver any documents necessary to compliance.

7.11 Equitable Relief. Axon agrees that a monetary remedy for breach of Sections 5.0 through 7.0 may be inadequate, impracticable, or difficult to prove, and that a breach may cause LAPD irreparable harm. LAPD may enforce those Sections by injunctive relief and specific performance,

without any necessity of showing actual damage or irreparable harm, in addition to any other relief to which it may be entitled.

7.12 Flow-Down to Subcontracts. Any subcontract or other agreement entered into by Axon relating to this MOU, including with the Authorized Subcontractor, shall be subject to, and incorporate, the provisions of Sections 5.0 through 7.0, shall preserve and protect LAPD's rights in LAPD Data and Work Product, and shall state that no subcontractor or subprocessor obtains any ownership interest in either.

SECTION 8.0 — INDEMNIFICATION; LIABILITY; INSURANCE

8.1 Indemnification. PSC-17 and PSC-18 govern indemnification, including claims arising from data breach, privacy violations, and AI or automated-processing harms.

8.2 Insurance. Contractor shall procure and maintain the insurance required by PSC-24, including commercial general liability, automobile liability (for installation activities), workers' compensation, and cyber/technology errors-and-omissions coverage, naming the City as additional insured where applicable, with limits as specified by the Office of the City Administrative Officer, Risk Management [Limits to be populated in Form Gen. 146].

8.3 Limitation of Liability. Contractor's cumulative liability to for any loss or damage resulting from any claim, demand, or action arising out of or relating to this Agreement shall not exceed $5,000,000, however caused, whether for breach of warranty or contract, negligence, strict liability, tort or any other legal theory.

SECTION 9.0 — TERM; TERMINATION; DEINSTALLATION

9.1 Term; Testing Period. The term of this agreement begins upon the latter date by which the parties have executed this MOU and the City Attorney has signed as to form and ends upon completion of the Testing Period. The Testing Period commences upon completion of initial installation and successful system validation at the approved Installation Location(s) and continues for three (3) months, unless extended by written amendment (PSC-4) or terminated earlier. Either party may terminate the Testing Period upon written notice; termination rights under PSC-8 are unaffected.

9.2 Transition and Deinstallation. Upon conclusion, LAPD will coordinate with Axon and the Authorized Subcontractor on a transition plan, including equipment removal scheduling and final reporting. All Product hardware shall be deinstalled and returned to the Authorized Subcontractor or decommissioned on site, unless LAPD elects to purchase under a separately negotiated agreement. Decommissioning includes remote deactivation by Axon and physical removal by the Authorized Subcontractor and is subject in all respects to the data return and deletion sequence in Section 5.7 (verification before deletion) and any preservation obligation under Section 5.11.

9.3 No Purchase Obligation. The Product is provided solely for testing. Any purchase of the Product or any successor product is subject to separate negotiation, City approvals, and a separately executed agreement, and nothing in this MOU commits LAPD to any procurement.

SECTION 10.0 — GENERAL

10.1 Governing Law and Venue. This MOU is governed by the laws of the State of California, without regard to conflict-of-laws rules. Venue for any action lies exclusively in the state or federal courts located in the County of Los Angeles, California.

10.2 Amendment; Assignment. This MOU may be amended only by written instrument in accordance with PSC-4. Neither this MOU nor any interest herein may be assigned, including by change of control, without LAPD's prior written consent in accordance with PSC-11.

10.3 Integration. This MOU, including Attachment A and the SOW, is the entire agreement of the parties regarding the evaluation and supersedes all prior drafts, terms, and understandings regarding the subject matter, including the prior Lightpost Test Agreement draft and all Axon standard terms referenced therein.

IN WITNESS WHEREOF, the parties have caused this MOU to be executed by their duly authorized representatives.

THE CITY OF LOS ANGELES,
a municipal corporation, acting by and through the
LOS ANGELES POLICE DEPARTMENT

By: _____
Name: _____
Title: Chief of Police (or authorized designee)
Date: 8-20-26

AXON ENTERPRISE, INC.

By: _____
Name: _____
Title: _____
Date: _____

APPROVED AS TO FORM:
HYDEE FELDSTEIN SOTO, City Attorney

By: _____
Deputy/Assistant City Attorney

Attachments:

EXHIBIT A – STANDARD PROVISIONS FOR CITY CONTRACTS (ATTACHEMENT A, INCLUDING EXHIBIT 1: INSURANCE CONTRACTUAL REQUIREMENTS)

EXHIBIT B – STATEMENT OF WORK FOR IMPLEMENTATION SERVICES FOR LIGHTPOST EVALUATION TEST

EXHIBIT A

STANDARD PROVISIONS FOR CITY CONTRACTS (REV. 5/26 [V.1]) (THE "STANDARD PROVISIONS" OR "PSC"), INCORPORATED IN FULL

ATTACHMENT A

Standard Provisions for City Contracts (Rev. 5/26 [v.1])

STANDARD PROVISIONS FOR CITY CONTRACTS

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STANDARD PROVISIONS FOR CITY CONTRACTS

PSC-1. CONSTRUCTIONS OF PROVISIONS AND TITLES HEREIN

All titles, subtitles, or headings in this Contract have been inserted for convenience, and shall not be deemed to affect the meaning or construction of any of the terms or provisions of this Contract. The language of this Contract shall be construed according to its fair meaning and not strictly for or against **CITY** or **CONTRACTOR**. The word **"CONTRACTOR"** includes the party or parties identified in this Contract. The singular shall include the plural and if there is more than one **CONTRACTOR**, unless expressly stated otherwise, their obligations and liabilities shall be joint and several. Use of the feminine, masculine, or neuter genders shall be deemed to include the genders not used.

As used in this Contract, unless otherwise specified in the Contract, the term "Written Notice" or "Writing" may include correspondence sent via electronic mail, certified mail, or through the United States Postal Service.

PSC-2. APPLICABLE LAW, INTERPRETATION AND ENFORCEMENT

Each party's performance shall comply with all applicable laws of the United States of America, the State of California, and **CITY**, including but not limited to, laws regarding health and safety, labor and employment, wage and hours and licensing. This Contract shall be enforced and interpreted under the laws of the State of California without regard to conflict of law principles. **CONTRACTOR** shall comply with new, amended, or revised laws, regulations, or procedures that apply to the performance of this Contract with no additional compensation paid to **CONTRACTOR**. In any action arising out of this Contract, **CONTRACTOR** consents to personal jurisdiction and venue, and agrees to bring all such actions, exclusively in state or federal courts located in the County of Los Angeles, California.

If any part, term or provision of this Contract is held void, illegal, unenforceable, or in conflict with any federal, state or local law or regulation, the validity of the remaining parts, terms or provisions of this Contract shall not be affected.

PSC-3. TIME OF EFFECTIVENESS

Unless otherwise provided, this Contract shall take effect when all of the following events have occurred:

A. This Contract has been signed on behalf of **CONTRACTOR** by the person or persons authorized to bind **CONTRACTOR**;

B. This Contract has been approved by the City Council or by the board, officer or employee authorized to give such approval;

C. This Contract has been signed on behalf of **CITY** by the person designated by the City Council, or by the board, officer or employee authorized to enter into this Contract; and

D. The Office of the City Attorney has indicated in Writing (including electronic communication), its approval of this Contract as to form.

PSC-4. INTEGRATED CONTRACT/AMENDMENT

This Contract sets forth all of the rights and duties of the parties with respect to the subject matter of this Contract, and replaces any and all previous Contracts or understandings, whether written or oral, relating thereto. This Contract may be amended only in Writing and signed by the duly authorized representatives of both parties, including the Office of the City Attorney as to form.

PSC-5. FORCE MAJEURE/EXCUSABLE DELAYS

Neither party shall be liable for its delay or failure to perform any obligation under and in accordance with this Contract if the delay or failure arises out of a Force Majeure Event. Force Majeure Events include but are not limited to fires, floods, earthquakes, epidemics, quarantine restrictions, strikes, lockouts (other than a lockout by the party or any of the party's Subcontractors), government furloughs, government shutdowns, freight embargoes, terrorist acts, insurrections or other civil disturbances, or other similar and unforeseeable events. For the party to be excused from performance for its delay or failure resulting from a Force Majeure Event, in each case, the delay or failure to perform must have been unforeseeable at the time of contract, and be beyond the control and without any fault or negligence of the party delayed or failing to perform. Notwithstanding the foregoing, **CONTRACTOR** shall not be entitled to terminate this Contract due to a Force Majeure Event in the event that **CONTRACTOR** is engaged to perform services in response to that event.

CONTRACTOR's non-performance shall not be excused by a delay or failure to perform by a Subcontractor resulting from a Force Majeure Event, unless (1) the delay or failure arises out of causes beyond the control of both **CONTRACTOR** and Subcontractor, and without any fault or negligence of either of them and (2) the **CONTRACTOR** establishes that the goods or services to be furnished by the Subcontractor could not have been obtained from other sources in sufficient time to permit **CONTRACTOR** to perform timely. In the event **CONTRACTOR's** delay or failure to perform is a result of a Force Majeure Event, **CONTRACTOR** agrees to use commercially reasonable best efforts to obtain the goods or services from other sources, and to otherwise mitigate the damages and reduce the delay caused by the Force Majeure Event.

PSC-6. WAIVER

A waiver of a default of any part, term or provision of this Contract shall not be construed as a waiver of any succeeding default or as a waiver of the part, term, or provision itself. A party's performance after the other party's default shall not be construed as a waiver of that default.

PSC-7. SUSPENSION

At **CITY's** sole discretion, **CITY** may suspend any or all services provided under this Contract by providing **CONTRACTOR** with written notice of suspension. Upon delivery of the notice of suspension in accordance with the Contract, **CONTRACTOR** shall immediately cease the services suspended and shall not incur any additional obligations, costs or expenses to **CITY** until **CITY** gives written notice to recommence the services.

PSC-8. TERMINATION

A. Termination for Convenience

CITY may terminate this Contract for **CITY's** convenience at any time by providing **CONTRACTOR** notice in Writing, which shall include the effective date of termination. Upon delivery of the notice of termination, **CONTRACTOR** shall immediately take action not to incur any additional obligations, costs or expenses, except as may be necessary to terminate its activities. **CITY** shall pay **CONTRACTOR** its reasonable and allowable costs through the effective date of termination and those reasonable and necessary costs incurred by **CONTRACTOR** to effect the termination, provided that such amounts are approved, in Writing, by **CITY** in advance of the work being performed. Thereafter, **CONTRACTOR** shall have no further claims against **CITY** under this Contract. All finished and unfinished documents and materials procured for or produced under this Contract, including all intellectual property rights **CITY** is entitled to, shall become **CITY** property upon the date of the termination. **CONTRACTOR** agrees to execute any documents necessary for **CITY** to perfect, memorialize, or record **CITY's** ownership of rights provided herein.

B. Termination for Breach of Contract

1. Except as provided in PSC-5, if **CONTRACTOR** fails to perform any of the provisions of this Contract or so fails to make progress as to endanger timely performance of this Contract, **CITY** may immediately terminate this Contract by giving **CONTRACTOR** notice in Writing of the default and termination. Unless otherwise specified in **CITY's** termination notice, termination by **CITY** shall be effective three (3) days after the date of delivery of notice in Writing. Alternatively, in the event of a default, **CITY**, at its sole discretion, may send **CONTRACTOR** a default notice in Writing identifying the default and the time period to cure the default to the sole satisfaction of City. Additionally, **CITY's** default notice may offer **CONTRACTOR** an opportunity to provide **CITY** with a plan to cure the

default, which shall be submitted to **CITY** within the time period allowed by the default notice. At **CITY's** sole discretion, **CITY** may accept or reject **CONTRACTOR's** plan. If: (1) **CITY** rejects **CONTRACTOR's** plan; (2) the default cannot be cured; or (3) **CONTRACTOR** fails to cure within the period allowed by **CITY**, then **CITY** may terminate this Contract due to **CONTRACTOR's** breach of this Contract.

2. If the default under this Contract is due to **CONTRACTOR's** failure to maintain the insurance required under this Contract, **CONTRACTOR** shall immediately: (1) suspend performance of any services under this Contract for which insurance was required; and (2) notify its employees and Subcontractors of the loss of insurance coverage and **CONTRACTOR's** obligation to suspend performance of services. **CONTRACTOR** shall not recommence performance until **CONTRACTOR** is fully insured and in compliance with **CITY's** requirements and provides written evidence to **CITY** that **CONTRACTOR** has obtained the required insurance coverage.

3. A breach of PSC-21, PSC-22, PSC-23, PSC-34, or PSC-37, or any unauthorized use of City Data or AI System, shall be deemed a breach of this Contract. **CITY** may require immediate suspension of the affected processing or services and may terminate this Contract if **CONTRACTOR** fails to cure within the period stated in **CITY's** notice, or immediately if the breach is not reasonably curable or presents an imminent risk to City Data, **CITY** systems, or the health, safety, or legal rights of any person.

4. If **CONTRACTOR** engages in any dishonest conduct related to the performance or administration of this Contract or violates City, state, or federal laws, regulations or policies relating to lobbying, then **CITY** may immediately terminate this Contract.

5. Acts of Moral Turpitude

   a. **CONTRACTOR** shall immediately notify **CITY** if **CONTRACTOR** or any Key Person is informed that it is the target or subject of a local, state, or federal government investigation, or is criminally diverted, charged with, indicted for, convicted of, pleads nolo contendere to, forfeits bail, or fails to appear in court for a hearing, related to any act which constitutes an offense involving moral turpitude under federal, state, or local laws ("Act of Moral Turpitude").

   b. Acts of Moral Turpitude include, but are not limited to: crimes set forth in California Penal Code Section 667.5, California Penal Code Section 1192.7, and California Public Resources Code Section 5164(a)(2) regardless of whether such acts are punishable by felony or misdemeanor conviction.

c. For the purposes of this provision, a Key Person is a principal, officer, or employee assigned to this Contract, or owner (directly or indirectly, through one or more intermediaries) of ten percent or more of the voting power or equity interests of **CONTRACTOR**.

d. **CITY** shall be entitled to terminate this contract for breach due to an Act of Moral Turpitude.

6. In the event **CITY** terminates this Contract as provided in this section, **CITY** may procure, upon such terms and in the manner as **CITY** may deem appropriate, services similar in scope and level of effort to those so terminated, and **CONTRACTOR** shall be liable to **CITY** for all of its costs and damages, including, but not limited to, any excess costs for such services.

7. If, after notice of termination of this Contract under the provisions of this section, it is determined for any reason that **CONTRACTOR** was not in default under the provisions of this section, or that the default was excusable under the terms of this Contract, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to PSC-8(A) Termination for Convenience.

8. The rights and remedies of **CITY** provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

C. In the event that this Contract is terminated, **CONTRACTOR** shall immediately notify all employees and Subcontractors, and shall notify in Writing all other parties contracted with under the terms of this Contract within five (5) calendar days of the termination.

PSC-9. INDEPENDENT CONTRACTOR

CONTRACTOR is an independent contractor and not an agent or employee of **CITY**. **CONTRACTOR** shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of **CITY**.

PSC-10. CONTRACTOR'S PERSONNEL

Unless otherwise approved by **CITY**, **CONTRACTOR** shall use its own employees to perform the services described in this Contract. In the event that **CITY** is dissatisfied with the performance of any **CONTRACTOR** personnel, **CITY** and **CONTRACTOR** shall meet in person, virtually, or telephonically to attempt to resolve such concerns.

CONTRACTOR shall not use Subcontractors to assist in performance of this Contract without the prior written approval of **CITY**. If **CITY** permits the use of Subcontractors, **CONTRACTOR** shall remain responsible for performing all aspects of this Contract and

paying all Subcontractors. **CITY** has the right to approve **CONTRACTOR's** Subcontractors, and **CITY** reserves the right to require replacement of any Subcontractor. **CITY** does not have any obligation to pay **CONTRACTOR's** Subcontractors, and nothing herein creates any privity of contract between **CITY** and any Subcontractor.

Any employee, agent, or Subcontractor with access to City Data or Confidential Information shall be subject to written confidentiality obligations and appropriate privacy and security training. For purposes of this Contract, any third party that hosts, stores, transmits, supports, analyzes, or otherwise processes City Data or provides a material AI System used in performance of this Contract shall be deemed a Subcontractor or Subprocessor subject to **CITY's** prior written approval under this PSC-10.

PSC-11. ASSIGNMENT AND DELEGATION

CONTRACTOR may not, unless it has first obtained the written permission of **CITY**:

A. Assign or otherwise alienate any of its rights under this Contract by operation of law or otherwise, including the right to payment; or

B. Delegate, subcontract, or otherwise transfer any of its duties under this Contract.

For the purposes of this Contract, any change of control of **CONTRACTOR** resulting from an amalgamation, merger, corporate reorganization, arrangement, business sale, or asset shall be deemed an assignment or delegation.

PSC-12. PERMITS

CONTRACTOR and its directors, officers, partners, agents, employees, and Subcontractors, shall obtain and maintain all licenses, permits, certifications, and other documents necessary for **CONTRACTOR's** performance of this Contract. **CONTRACTOR** shall immediately notify **CITY** of any suspension, termination, lapses, non-renewals, or restrictions of licenses, permits, certificates, or other documents that relate to **CONTRACTOR's** performance of this Contract.

PSC-13. CLAIMS FOR LABOR AND MATERIALS/UNEMPLOYMENT

CONTRACTOR shall promptly pay when due all amounts owed for labor and materials furnished in the performance of this Contract so as to prevent any lien or other claim under any provision of law from arising against any **CITY** property (including reports, documents, and other tangible or intangible matter produced by **CONTRACTOR** hereunder), and shall pay all amounts due under the Unemployment Insurance Act or any other applicable law with respect to labor used to perform under this Contract.

PSC-14. CURRENT LOS ANGELES CITY BUSINESS TAX REGISTRATION CERTIFICATE REQUIRED

For the duration of this Contract, **CONTRACTOR** shall maintain valid Business Tax Registration Certificate(s) as required by **CITY's** Business Tax Ordinance, Section 21.00 et seq. of the Los Angeles Municipal Code ("LAMC"), and shall not allow the Certificate to lapse or be revoked or suspended.

PSC-15. RETENTION OF RECORDS, AUDIT AND REPORTS

CONTRACTOR shall maintain all records, including records of financial transactions, pertaining to the performance of this Contract, in their original form or as otherwise approved by **CITY**. Except in circumstances where either federal, state, or local law requires a longer period of retention, these records shall be retained for a period of no less than five (5) years from the later of the following: (1) final payment made by **CITY**, (2) the expiration of this Contract or (3) termination of this Contract ("Retention Period"). The records will be subject to examination and audit by authorized **CITY** personnel or **CITY's** representatives at any time.

CONTRACTOR acknowledges that this is an agreement with the Municipal Corporation of Los Angeles, and, as such, upon request by the Office of the Mayor, City Attorney, or Controller, agrees to provide such entities with access to any information, records, or data related to this Contract. **CONTRACTOR** shall provide any reports requested by **CITY** regarding performance of this Contract. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

Any Confidential Information and protected Personal Information contained in the records during the retention period will remain subject to the obligations and restrictions contained in the Contract**. CONTRACTOR** will not use the retained Confidential Information or Personal Information for any purpose.

In lieu of retaining the records for the term as prescribed in this provision, **CONTRACTOR** may, upon **CITY's** written approval, submit the required information to **CITY** in an electronic format, e.g. USB flash drive, at the expiration or termination of this Contract. At any time prior to or during Retention Period, **CONTRACTOR** shall, upon written request by **CITY**, provide all City Data to **CITY** in an electronic format, e.g. USB flash drive. Within thirty (30) days following the expiration of Retention Period, **CONTRACTOR** shall securely dispose of all City Data in its possession and provide **CITY** with written certification that it has completed secure disposal.

For purposes of this PSC-15, records pertaining to the performance of this Contract include records reasonably necessary to demonstrate **CONTRACTOR's** compliance with PSC-21, PSC-22, PSC-23, PSC-34, and PSC-37, including Subprocessor approvals, security assessments, incident reports, and policies or certifications made available to **CITY**. Retention of City Data itself shall remain subject to PSC-22.

PSC-16. BONDS

All bonds required by **CITY** shall be filed with the Office of the City Administrative Officer, Risk Management for its review and acceptance in accordance with Los Angeles Administrative Code ("LAAC") Sections 11.47 et seq. and any successor sections.

PSC-17. INDEMNIFICATION

Except for the active negligence or willful misconduct of **CITY**, or any of its boards, officers, agents, employees, assigns and successors in interest, **CONTRACTOR** shall defend, indemnify and hold harmless **CITY** and any of its boards, officers, agents, employees, assigns, and successors in interest from and against all lawsuits and causes of action, claims, losses, demands, deficiencies, judgments, settlements, costs, and expenses of any kind, including, but not limited to, attorney's fees (both in house and outside counsel), costs of experts and consultants, damages or liability of any nature whatsoever whether foreseeable or unforeseeable (including, but not limited to, as related to death, personal injury, property damage, or economic loss), relating to or, arising in any manner by reason of the acts, errors, omissions or willful misconduct by **CONTRACTOR,** Subcontractors, or their boards, officers, agents, employees, assigns, and successors in interest. Without limiting the foregoing, such obligations apply to claims, losses, demands, and expenses arising out of or relating to any Security Incident or Data Breach, any unauthorized access to, acquisition, use, disclosure, loss, alteration, or destruction of City Data, any violation of PSC-21, PSC-22, PSC-23, PSC-34, or PSC-37, or any allegation that **CONTRACTOR's** use of an AI System under this Contract caused invasion of privacy, unlawful discrimination, defamation, or other injury, in each case to the extent caused by **CONTRACTOR** or its Subcontractors. The rights and remedies of **CITY** provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract. This provision will survive expiration or termination of this Contract.

PSC-18. INTELLECTUAL PROPERTY INDEMNIFICATION

CONTRACTOR, at its own expense, shall defend, indemnify, and hold harmless the **CITY**, and any of its boards, officers, agents, employees, assigns, and successors in interest from and against all lawsuits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by **CITY**, including but not limited to costs of experts and consultants), damages or liability of any nature arising out of the infringement, actual or alleged, direct or contributory, of any intellectual property rights, including, without limitation, patent, copyright, trademark, trade secret, right of publicity, and proprietary information: (1) on or in any design, medium, matter, article, process, method, application, equipment, device, instrumentation, software, hardware, or firmware used by **CONTRACTOR**, or its Subcontractors, in performing the work under this Contract; or (2) as a result of **CITY's** actual or intended use of any Work Product furnished by **CONTRACTOR**, or its Subcontractors, under this Contract. The rights and remedies of **CITY** provided in this section shall not be exclusive and are in addition to any

other rights and remedies provided by law or under this Contract. This provision will survive expiration or termination of this Contract.

For purposes of this PSC-18, intellectual property and proprietary information claims include claims arising from any software, dataset, AI System, model, training or fine-tuning data, prompt library, or output used or provided by **CONTRACTOR** or its Subcontractors in connection with the services. If any service, Work Product, or deliverable becomes, or in **CONTRACTOR's** reasonable judgment is likely to become, subject to such a claim, **CONTRACTOR** shall, at its expense and in addition to its defense and indemnity obligations, promptly: (1) procure for **CITY** the right to continue using the affected item; (2) replace or modify the affected item so that it becomes noninfringing without materially reducing functionality, security, or performance; or (3) if neither of the foregoing is commercially reasonable, refund the fees allocable to the affected item and assist **CITY** in an orderly transition. **CONTRACTOR** shall have no obligation under this paragraph to the extent a claim arises solely from modifications made by **CITY** other than through **CONTRACTOR**, use of the affected item contrary to the documentation or this Contract after notice by **CONTRACTOR**, or combination with items not supplied or approved by **CONTRACTOR** where the claim would not have arisen but for such combination.

PSC-19. INTELLECTUAL PROPERTY WARRANTY

CONTRACTOR represents and warrants that its performance of all obligations under this Contract does not infringe in any way, directly or contributorily, upon any third party's intellectual property rights, including, without limitation, patent, copyright, trademark, trade secret, right of publicity and proprietary information.

CONTRACTOR further represents and warrants that: (1) **CONTRACTOR** and its Subcontractors have obtained and will maintain all rights, licenses, consents, notices, and permissions necessary for the technologies, datasets, AI Systems, and other materials used to perform this Contract and to grant the rights granted to **CITY** herein, including any required rights relating to voice, image, likeness, biometric, or other protected data; (2) no Contractor Materials, Work Product, or AI-generated deliverable provided to **CITY** is subject to any license, use restriction, or other encumbrance that would require **CITY** to disclose source code, grant rights to third parties, or accept restrictions inconsistent with this Contract, except as expressly disclosed in writing and approved by **CITY**; and (3) **CONTRACTOR** will not use City Data to train or improve any AI System except as expressly permitted under PSC-23.

PSC-20. TECHNOLOGY, DATA AND AI DEFINITIONS

For purposes of these Standard Provisions for City Contracts, the following terms apply:

"AI System" means any machine-based system, including any generative artificial intelligence, large language model, machine learning model, algorithmic or automated decision system, or similar technology, that infers from the inputs it receives how to

generate outputs such as text, images, audio, video, code, classifications, scores, predictions, recommendations, or decisions.

"City Data" means all data, content, records, information, text, audio, video, images, software, documents, Personal Information, credentials, metadata, logs, prompts, inputs, outputs, feedback, configurations, and other information, in any form, that is: (i) provided by or on behalf of **CITY** to **CONTRACTOR**; (ii) made available to **CONTRACTOR** by **CITY's** personnel, residents, users, agents, systems, or devices; or (iii) collected, received, accessed, stored, hosted, transmitted, generated, derived, created, or otherwise processed by **CONTRACTOR** or its Subprocessors in connection with this Contract, in each case where such information identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked to **CITY**, any individual or household, **CITY** operations, or **CITY** systems. City Data includes any data embodied in Work Product and any prompts, inputs, outputs, logs, and evaluation data used or generated in connection with any AI System under this Contract. City Data does not include Contractor Materials, and does not include De-Identified Data solely to the extent **CONTRACTOR** is expressly permitted to use such De-Identified Data under PSC-22.

"Contractor Materials" means preexisting or independently developed materials, services, software, source code, object code, models, algorithms, routines, templates, know-how, tools, methods, documentation, and other intellectual property that were not created specifically for **CITY** under this Contract and were not developed using City Data or **CITY** funding.

"Data Breach" means any unauthorized acquisition, access, use, disclosure, exfiltration, loss, theft, destruction, alteration, or compromise of City Data, or of the security, confidentiality, or integrity of City Data, whether or not such event constitutes a breach under applicable law.

"De-Identified Data" means data that cannot reasonably be used to infer information about, or otherwise be linked to, **CITY**, any individual, household, device, or **CITY** system, and with respect to which **CONTRACTOR** has implemented technical and organizational measures designed to prohibit re-identification and onward disclosure except as permitted by law.

"Personal Information" means any information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular individual or household, and any other data subject to privacy, confidentiality, security, breach notification, consumer protection, identity theft, employment, or similar laws, including sensitive personal information, personally identifiable information, protected health information, payment card data, financial account information, biometric information, credentials, education records, and government-issued identifiers.

"Security Incident" means any actual or reasonably suspected event that materially threatens or adversely affects the confidentiality, integrity, availability, or resilience of City

Data or of the systems used to provide the services, including malware, ransomware, denial of service, unauthorized access attempts, or material outages, but excluding unsuccessful routine scans, pings, or blocked attacks that do not result in unauthorized access to City Data or material degradation of the services.

"Subprocessor" means any subcontractor or other third party, including any cloud, hosting, support, analytics, payment, or AI provider, engaged by **CONTRACTOR** or its Subcontractors to host, access, receive, store, transmit, or otherwise process City Data or to provide a material technology service used in performance of this Contract.

PSC-21. OWNERSHIP AND LICENSE

A. City Data. **CITY** retains all right, title, and interest in and to City Data. No rights in City Data are granted to **CONTRACTOR** except the limited, nonexclusive, nontransferable right to use City Data solely as necessary to perform this Contract and solely in accordance with this Contract and **CITY's** written instructions. **CONTRACTOR** shall not sell, license, rent, disclose, release, transfer, assign, encumber, or otherwise exploit City Data and shall not assert any lien, withholding right, setoff, or other encumbrance against City Data.

B. Work Product. Unless otherwise expressly provided in this Contract, all finished and unfinished works, tangible or intangible, originated and prepared by **CONTRACTOR** or its Subcontractors specifically for **CITY** under this Contract, including, without limitation, documents, reports, analyses, studies, specifications, manuals, software, code, configurations, interfaces, databases, designs, audiovisual materials, websites, domain names, inventions, discoveries, and other deliverables (each, a "Work Product"; collectively, "Work Products"), together with all intellectual property rights therein, shall be and remain the exclusive property of **CITY** for its use in any manner **CITY** deems appropriate. **CONTRACTOR** hereby assigns to **CITY** all right, title, and interest worldwide in and to such Work Products. **CONTRACTOR** shall execute any documents reasonably necessary for **CITY** to perfect, memorialize, or record **CITY's** ownership of rights provided herein.

C. AI-Generated Output. To the extent any Work Product or portion thereof is generated or assisted by an AI System or is not capable of assignment or exclusive ownership as a matter of law, **CONTRACTOR** hereby grants to **CITY** a perpetual, irrevocable, worldwide, royalty-free, fully paid-up license, with the right to sublicense to **CITY's** contractors and service providers acting on **CITY's** behalf, to use, reproduce, modify, display, perform, distribute, create derivative works from, and otherwise exploit such Work Product or output for any **CITY** purpose.

D. Contractor Materials. **CONTRACTOR** retains ownership of Contractor Materials. To the extent any Contractor Materials are incorporated into, delivered with, or reasonably necessary for **CITY** to use any Work Product or receive the benefits of the services, **CONTRACTOR** grants to **CITY** a nonexclusive, perpetual, irrevocable, worldwide, royalty-free, fully paid-up license, with the right to

sublicense to **CITY's** contractors and service providers acting on **CITY's** behalf, to use, execute, reproduce, display, perform, configure, maintain, support, and, if delivered in source or editable form, modify such Contractor Materials solely as necessary for **CITY** to use the Work Product and receive the benefits of the services.

E. Third-Party Materials. For all materials, software, data, or other items delivered to **CITY** that are not originated or prepared by **CONTRACTOR** or its Subcontractors under this Contract, **CONTRACTOR** shall secure for **CITY**, at no additional cost to **CITY**, all rights necessary for **CITY** to use such items for **CITY** purposes and to receive the full benefit of this Contract.

F. Restrictions on Disclosure. **CONTRACTOR** shall not provide or disclose any Work Product or City Data to any third party except as expressly permitted under this Contract or approved in writing by **CITY.**

G. Subcontracts. Any subcontract or other agreement entered into by **CONTRACTOR** relating to this Contract shall preserve and protect **CITY's** rights in City Data and Work Product and shall state that no Subprocessor or subcontractor obtains any ownership interest in either.

H. Equitable Relief. **CONTRACTOR** agrees that a monetary remedy for breach of this PSC-21 may be inadequate, impracticable, or difficult to prove and that a breach may cause **CITY** irreparable harm. **CITY** may therefore enforce this PSC-21 by seeking injunctive relief and specific performance, without any necessity of showing actual damage or irreparable harm. Seeking injunctive relief or specific performance does not preclude **CITY** from seeking or obtaining any other relief to which **CITY** may be entitled.

PSC-22. DATA PROTECTION

A. General Standard. **CONTRACTOR** shall protect City Data using administrative, technical, physical, and organizational safeguards no less rigorous than accepted industry standards and no less protective than those **CONTRACTOR** uses for its own information of similar sensitivity, and in all events consistent with applicable law and the nature of the services and City Data. **CONTRACTOR** shall maintain a written information security program, incident response plan, and business continuity and disaster recovery capabilities appropriate to the services.

B. Permitted Use; Restricted Use. **CONTRACTOR** shall collect, access, use, retain, disclose, store, and otherwise process City Data only for the limited and specified purpose of performing this Contract, complying with applicable law, and as otherwise expressly authorized in writing by **CITY**. **CONTRACTOR** shall limit access to City Data to personnel and approved Subprocessors with a need to know for performance of this Contract and who are bound by written confidentiality and data protection obligations at least as protective as this Contract. In addition to the

confidentiality obligations in PSC-37, **CONTRACTOR** shall not: (i) sell, share, rent, release, disclose, disseminate, make available, transfer, or otherwise communicate City Data to any third party except as expressly authorized by **CITY** or required by law; (ii) use City Data for advertising, marketing, profiling for unrelated purposes, product development unrelated to the services, or any commercial purpose other than performance of this Contract; (iii) combine City Data with data from other customers or sources except as necessary to provide the services and subject to written controls that prevent unauthorized use or disclosure; or (iv) move, store, or permit access to City Data outside the United States without **CITY's** prior written approval.

C. Data Minimization and Retention. **CONTRACTOR** shall collect and use only the minimum City Data reasonably necessary to perform this Contract, and shall retain City Data only for the duration reasonably necessary for the permitted purpose or as otherwise required by law or **CITY's** written instructions. If retention is required by law or PSC-15, such retained City Data shall remain subject to all protections of this Contract.

D. Security Controls. Without limiting the foregoing, **CONTRACTOR** shall, to the extent applicable to the services, implement and maintain: (i) logical access controls based on least privilege and unique user identification; (ii) multi-factor authentication for remote access, privileged access, and access to systems hosting City Data where technically feasible; (iii) encryption of City Data in transit and at rest, to the extent commercially reasonable and appropriate to the sensitivity of the City Data and the architecture of the services, and in all cases for portable media and internet transmissions; (iv) malware protection, endpoint monitoring, and timely security patching and vulnerability management appropriate to risk; (v) logging and monitoring reasonably sufficient to detect, investigate, and respond to unauthorized access or use; (vi) secure configuration, secure development where software or AI-based services are provided, and change management; (vii) secure disposal of media containing City Data; (viii) periodic privacy and security training for personnel with access to City Data; and (ix) segregation of City Data from other data through logical or physical separation appropriate to the services.

E. Subprocessors. **CONTRACTOR** shall not permit any Subprocessor to access or process City Data without **CITY's** prior written approval as required hereunder and a written agreement binding the Subprocessor to obligations no less protective than this Contract, including the restrictions in this PSC-22 and PSC-23. **CONTRACTOR** remains fully responsible for all acts and omissions of its Subprocessors.

F. Security Incidents and Data Breaches. **CONTRACTOR** shall notify **CITY** in writing without unreasonable delay, and in any event no later than twenty-four (24) hours after discovery of any Security Incident or Data Breach. Such notice shall include, to the extent known at the time, the nature of the incident, the categories of City Data affected, the date and time or estimated date and time of the incident, the

systems affected, the measures taken or proposed to address it, and a point of contact. **CONTRACTOR** shall promptly take all reasonable steps to contain, investigate, mitigate, and remediate the incident; preserve relevant evidence; provide **CITY** with regular status updates at least daily until resolution, or more frequently if reasonably requested by **CITY**; and cooperate fully with **CITY**, its representatives, insurers, auditors, and law enforcement. **CONTRACTOR** shall not notify any third party, regulator, or affected individual, or issue any public statement, regarding any Security Incident or Data Breach involving City Data without **CITY's** prior written approval, unless required by law, in which case **CONTRACTOR** shall, to the extent legally permitted, consult with **CITY** in advance and provide **CITY** a copy of the proposed notice. **CONTRACTOR** shall reimburse **CITY** for reasonable documented third-party costs incurred by **CITY** to investigate, respond to, mitigate, notify, and remediate any Security Incident or Data Breach to the extent caused by **CONTRACTOR** or its Subprocessors, including legally required notice, call center support, credit or identity monitoring where reasonably appropriate, forensic services, data restoration, and other reasonable incident response costs.

G. Assessments and Audit Cooperation. Upon **CITY's** reasonable request, not more than once annually except following a Security Incident, Data Breach, or material change in **CONTRACTOR's** security controls, **CONTRACTOR** shall provide **CITY** with then-current summaries of relevant independent security assessments, certifications, or audit reports, such as SOC 2 Type II, ISO 27001, or comparable reports, if available, together with remediation status for material findings relevant to the services. If such reports are unavailable, **CONTRACTOR** shall complete **CITY's** reasonable security questionnaire and provide reasonable supporting documentation sufficient to demonstrate compliance with this PSC-22. **CITY** or its designated representative may, upon reasonable notice and during normal business hours, perform a reasonable review of **CONTRACTOR's** compliance with this PSC-22 and PSC-23, subject to reasonable confidentiality, security, and operational safeguards. Any such review shall be limited to information and systems relevant to the services and City Data and shall not unreasonably interfere with **CONTRACTOR's** business operations or expose data of other customers.

H. Return, Transition, and Deletion. Upon **CITY's** request, expiration, or termination of this Contract, **CONTRACTOR** shall promptly, and in no event later than thirty (30) days unless otherwise directed by **CITY**, return to **CITY** all City Data in a reasonably usable format designated by **CITY** and securely delete all copies of City Data in **CONTRACTOR's** and its Subprocessors' possession or control, except to the extent retention is required by law or by immutable backup media not reasonably accessible in the ordinary course. Any retained City Data shall remain subject to this Contract until deleted. Upon request, **CONTRACTOR** shall certify in writing its completion of the return and deletion obligations. The return of City Data in a reasonably usable format and the deletion certification required by this subsection shall be provided at no additional charge. Additional transition services

requested by **CITY** beyond those ordinary obligations shall be provided at the rates, if any, set forth in this Contract, or otherwise at mutually agreed rates.

I. Legal Requests and Public Records. **CONTRACTOR** shall promptly notify **CITY** of any subpoena, court order, public records request, or other legal demand seeking City Data or Confidential Information, unless prohibited by law. **CONTRACTOR** shall not respond or produce City Data except as required by law and after giving **CITY** a reasonable opportunity to seek protective relief or otherwise direct the response. **CONTRACTOR** shall reasonably assist **CITY** in responding to requests for records relating to this Contract.

J. Limited Use of De-Identified Data. **CONTRACTOR** may use De-Identified Data solely for internal security, fraud prevention, service support, capacity planning, and improvement of the services provided to **CITY**, provided that **CONTRACTOR** does not identify **CITY**, any individual, household, device, or **CITY** system, does not sell or share such data, and does not use such data to train or improve any general-purpose or third-party AI System without **CITY's** prior written approval.

K. By entering into this Contract, **CONTRACTOR** certifies that it understands and will comply with the restrictions in this PSC-22 and PSC-23. This PSC-22 shall survive expiration or termination of this Contract.

PSC-23. ARTIFICIAL INTELLIGENCE AND AUTOMATED PROCESSING

A. Disclosure and Approval. **CONTRACTOR** shall not use any AI System that processes City Data, generates deliverables for **CITY**, interacts with the public or **CITY** personnel on **CITY's** behalf, or materially informs services or decisions under this Contract, or permit any Subprocessor to do so, without prior written disclosure to **CITY** of the AI System or provider, intended use case, categories of City Data processed, hosting region, retention practices, and material limitations reasonably known to **CONTRACTOR** that may affect accuracy, reliability, security, confidentiality, intellectual property, or bias. No such AI System or material AI feature may be enabled for **CITY** without **CITY's** prior written consent if it materially changes how City Data is processed or materially changes the risk profile of the services.

B. No Model Training or Secondary Use. Except as expressly authorized in a written amendment signed by **CITY**, **CONTRACTOR** shall not, and shall cause its Subprocessors and AI providers not to, use City Data to train, retrain, fine-tune, or otherwise improve any AI System or model, whether general-purpose or customer-specific. Any retention of prompts, inputs, outputs, or feedback for abuse monitoring, safety review, or troubleshooting must be disclosed to **CITY** in advance, limited to the minimum necessary, protected as City Data, and not used for model training or generalized product improvement.

C. Responsibility and Human Oversight. **CONTRACTOR** remains fully responsible for all services performed with or through an AI System. **CONTRACTOR** shall implement reasonable governance and quality controls appropriate to the use case, including documented intended use, change management, testing for material errors and security risks, and human review before any AI-generated output is relied upon for material legal, financial, employment, eligibility, benefits, enforcement, or safety decisions affecting any individual, unless **CITY** expressly authorizes otherwise in writing and applicable law permits such use.

D. Output and Records. Any output, report, recommendation, code, content, or other deliverable generated by an AI System for **CITY** under this Contract shall be treated as Work Product or City Data, as applicable. Upon **CITY's** reasonable request, **CONTRACTOR** shall identify whether a deliverable was materially generated or modified using an AI System. **CONTRACTOR** shall, upon **CITY's** reasonable request, maintain and provide records sufficient to identify the AI System used, the material version or model family, the date of use, and the categories of City Data processed in connection with the services, except to the extent disclosure would reveal **CONTRACTOR's** trade secrets unrelated to **CITY's** use, in which case **CONTRACTOR** shall provide a reasonably informative summary.

E. Changes and Suspension. **CONTRACTOR** shall provide **CITY** with reasonable advance written notice of any material change in an AI System or AI provider used to perform the services that is reasonably likely to affect City Data, security, confidentiality, functionality, or the risk profile of the services. If **CITY** reasonably determines that an AI System presents a material risk to City Data, **CITY** systems, or affected individuals, **CITY** may direct **CONTRACTOR** to suspend the applicable AI-enabled processing until the risk is remediated to **CITY's** reasonable satisfaction.

This PSC-23 shall survive expiration or termination of this Contract.

PSC-24. INSURANCE

During the term of this Contract and without limiting **CONTRACTOR's** obligation to indemnify, hold harmless and defend **CITY**, **CONTRACTOR** shall provide and maintain at its own expense a program of insurance having the coverages and limits not less than the required amounts and types as determined by the Office of the City Administrative Officer of Los Angeles, Risk Management (template Form General 146 in Exhibit 1 hereto). The insurance must: (1) conform to **CITY's** requirements; (2) comply with the Insurance Contractual Requirements (Form General 133 in Exhibit 1 hereto); and (3) otherwise be in a form acceptable to the Office of the City Administrative Officer, Risk Management. **CONTRACTOR** shall comply with all Insurance Contractual Requirements shown on Exhibit 1 hereto. Exhibit 1 is hereby incorporated by reference and made a part of this Contract.

The insurance must name **CITY** as an additional insured with respect to liability coverage. No policies or certificates with respect to such insurance may be cancelled or materially changed without at least thirty (30) days' prior written notice by the respective insurer to **CITY**.

PSC-25. BEST TERMS/MOST FAVORED NATIONS

Throughout the term of this Contract, **CONTRACTOR**, shall offer **CITY** the same or better terms, prices, and discounts that are offered by **CONTRACTOR** to any person or entity for similar goods and services provided under this Contract. In the event that **CONTRACTOR** offers any customers pricing lower than that offered to **CITY** during the term of this **CONTRACT**, **CONTRACTOR** must immediately notify **CITY** in writing and provide those same terms to **CITY.**

PSC-26. WARRANTY AND RESPONSIBILITY OF CONTRACTOR

CONTRACTOR warrants that the work performed hereunder shall be completed in a manner consistent with professional standards practiced among those firms within **CONTRACTOR's** profession, doing the same or similar work under the same or similar circumstances.

CONTRACTOR further warrants that: (1) the services and any systems used to provide them will materially conform to the specifications, documentation, and representations made to **CITY** regarding functionality, security, retention, and AI use; (2) **CONTRACTOR** has implemented and will maintain the safeguards required by PSC-22 and PSC-23; (3) to **CONTRACTOR's** knowledge, and except as disclosed to **CITY** in writing, the services will not contain viruses, malware, back doors, time bombs, or other malicious code intentionally inserted by **CONTRACTOR**; and (4) any deliverable materially generated or supported by an AI System will be subject to reasonable human review and quality controls appropriate to its intended use before delivery to **CITY**.

PSC-27. NON-DISCRIMINATION IN EMPLOYMENT/AFFIRMATIVE ACTION

Unless otherwise exempt, this Contract is subject to the applicable non-discrimination, equal benefits, equal employment practices, and affirmative action program provisions in LAAC Section 10.8 et seq., as amended from time to time.

A. **CONTRACTOR** shall comply with the applicable non-discrimination and affirmative action provisions of the laws of the United States of America, the State of California, and **CITY**. In performing this Contract, **CONTRACTOR** shall not discriminate in any of its hiring or employment practices against any employee or applicant for employment because of such person's race, color, religion, national origin, ancestry, sex, sexual orientation, gender, gender identity, age, disability, domestic partner status, marital status or medical condition.

B. The requirements of Section 10.8.2.1 of the LAAC, including the provisions of Section 10.8.2.1(f) are incorporated and made a part of this Contract by reference.

C. The provisions of Section 10.8.3 of the LAAC are incorporated and made a part of this Contract by reference.

D. The provisions of Section 10.8.4 of the LAAC are incorporated and made a part of this Contract by reference.

Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include a provision requiring compliance with Sections 10.8.3, and 10.8.4 of the LAAC.

PSC-28. ADDITIONAL STATE LAW AND ORDINANCE COMPLIANCE

In addition to complying with all federal, state, and local laws, as part of **CONTRACTOR's** contractual obligations to the **CITY**, **CONTRACTOR** agrees to comply with the following state laws, local ordinances, and directives, as amended from time to time (*subcontractors are not exempt):

*Living Wage Ordinance (Los Angeles Administrative Code Section 10.37 et seq.)

*Worker Retention Ordinance (Los Angeles Administrative Code Section 10.36 et seq.)

Slavery Disclosure Ordinance (Los Angeles Administrative Code Section 10.41 et seq.)

*First Source Hiring (Los Angeles Administrative Code Section 10.44 et seq.)

Iran Contracting Act 2010 (California Public Contract Code Sections 2200-2208)

Border Wall Contracting (Los Angeles Administrative Code Section 10.50.1 et seq.)

*Local Business Preference (Los Angeles Administrative Code Section 10.25 et seq.)

*MBE/WBE/SBE/EBE/DVBE/OBE (Executive Directive #14 (Villaraigosa))

*Contractor Responsibility (Los Angeles Administrative Code Section 10.40 et seq.)

City Contractor Evaluations (Los Angeles Administrative Code Section 10.39 et seq.)

*Prevailing Wage (Los Angeles Administrative Code Section 10.7.1)

*Child Support Assignment Orders (Los Angeles Administrative Code Section 10.10)

Restrictions on Campaign Contributions and Fundraising in City Elections (Los Angeles Administrative Code Section 49.7.35)

Compliance with California Public Resources Code Section 5164 (CA Public Resources Code Section 5164)

Time Off For Voting (CA Elections Code Section 14000 and 14001)

Zero Waste (Los Angeles Administrative Code Section 10.53)

Any subcontract entered into by a **CONTRACTOR** for work performed under this Contract must include a provision specifically requiring the subcontractor's compliance with each of the above provisions marked with an (*) asterisk.

PSC-29. ACCESS AND ACCOMMODATIONS

CONTRACTOR represents and certifies that:

A. **CONTRACTOR** shall comply with the Americans with Disabilities Act, as amended, 42 U.S.C. Section 12101 et seq., the Rehabilitation Act of 1973, as amended, 29 U.S.C. Section 701 et seq., the Fair Housing Act, and its implementing regulations and any subsequent amendments, and California Government Code Section 11135;

B. **CONTRACTOR** shall not discriminate on the basis of disability or on the basis of a person's relationship to, or association with, a person who has a disability;

C. **CONTRACTOR** shall provide reasonable accommodation upon request to ensure equal access to **CITY**-funded programs, services and activities, including equal access to facilities, services, and programs without regard to any person's citizenship or immigration status to the maximum extent that federal and state permits.

D. **CONTRACTOR** shall ensure all web and mobile applications, and web and mobile content, developed, provided to, or maintained on behalf of **CITY,** comply with applicable federal and state accessibility laws, including the Americans with Disabilities Act of 1990, as amended, 42 U.S.C. Section 12101 et seq. and its implementing regulations at 28 C.F.R. Part 35, including Section 35.200 et seq. and subsequent amendments, and California Government Code Section 11135, and shall conform to Web Content Accessibility Guidelines (WCAG) 2.1 Level AA, or any successor standard.

CONTRACTOR understands that **CITY** is expressly relying upon these certifications and representations as a material condition to funding this Contract. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-30. BUSINESS INCLUSION PROGRAM

Unless otherwise exempted prior to bid submission, **CONTRACTOR** shall comply with all aspects of the Business Inclusion Program, including subcontractor outreach, as described in the Request for Proposal/Qualification process, throughout the duration of this Contract. **CONTRACTOR** shall utilize the Regional Alliance Marketplace for

Procurement ("RAMP") at https://www.rampla.org, to perform and document outreach to Small, Emerging, Disabled Veteran, Minority, Women, and Other Business Enterprises. **CONTRACTOR** shall not change any of its designated Subcontractors or pledged specific items of work to be performed by these Subcontractors, nor shall **CONTRACTOR** reduce their level of such effort, without prior written approval of **CITY**.

PSC-31. RESTRICTIONS ON CAMPAIGN CONTRIBUTIONS AND FUNDRAISING IN CITY ELECTIONS

Unless otherwise exempt, if this Contract is valued at $100,000 or more and requires approval by an elected **CITY** office, **CONTRACTOR**, **CONTRACTOR's** principals, and **CONTRACTOR's** Subcontractors expected to receive at least $100,000 for performance under the Contract, and the principals of those Subcontractors (the "Restricted Persons") shall comply with Charter Section 470(c)(12) and LAMC Section 49.7.35. Failure to comply entitles **CITY** to terminate this Contract and to pursue all available legal remedies. Charter Section 470(c)(12) and LAMC Section 49.7.35 limit the ability of the Restricted Persons to make campaign contributions to and engage in fundraising for certain elected **CITY** officials or candidates for elected **CITY** office for twelve (12) months after this Contract is signed. Additionally, a **CONTRACTOR** subject to Charter Section 470(c)(12) is required to comply with disclosure requirements by submitting a completed and signed Ethics Commission Form 55 and to amend the information in that form as specified by law. Any **CONTRACTOR** subject to Charter Section 470(c)(12) shall include the following notice in any contract with any Subcontractor expected to receive at least $100,000 for performance under this Contract:

"Notice Regarding Restrictions on Campaign Contributions and Fundraising in City Elections

You are a subcontractor on City of Los Angeles Contract #_____. Pursuant to the City of Los Angeles Charter Section 470(c)(12) and related ordinances, you and your principals are prohibited from making campaign contributions to and fundraising for certain elected City of Los Angeles ("**CITY**") officials and candidates for elected **CITY** office for twelve (12) months after the **CITY** contract is signed. You are required to provide the names and contact information of your principals to the **CONTRACTOR** and to amend that information within ten (10) business days if it changes during the twelve (12) month time period. Failure to comply may result in termination of this Contract and any other available legal remedies. Information about the restrictions may be found online at ethics.lacity.org or by calling the Los Angeles City Ethics Commission at (213) 978-1960."

PSC-32. CONTRACTORS' USE OF CRIMINAL HISTORY FOR CONSIDERATION OF EMPLOYMENT APPLICATIONS

CONTRACTOR shall comply with the City Contractors' Use of Criminal History for Consideration of Employment Applications Ordinance, LAAC Section 10.48 et seq., as

amended from time to time. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-33. LIMITATION OF CITY'S OBLIGATION TO MAKE PAYMENT TO CONTRACTOR

Notwithstanding any other provision of this Contract, including any exhibits or attachments incorporated therein, and in order for **CITY** to comply with its governing legal requirements, **CITY** shall have no obligation to make any payments to **CONTRACTOR** unless **CITY** shall have first made an appropriation of funds equal to or in excess of its obligation to make any payments as provided in this Contract. **CONTRACTOR** agrees that any services provided by **CONTRACTOR**, purchases made by **CONTRACTOR** or expenses incurred by **CONTRACTOR** in excess of the appropriation(s) shall be free and without charge to **CITY** and **CITY** shall have no obligation to pay for the services, purchases or expenses. **CONTRACTOR** shall have no obligation to provide any services, provide any equipment or incur any expenses in excess of the appropriated amount(s) until **CITY** appropriates additional funds for this Contract.

PSC-34. COMPLIANCE WITH IDENTITY THEFT LAWS AND PAYMENT CARD DATA SECURITY STANDARDS

If **CONTRACTOR** stores, processes, transmits, or can access payment card data, financial account information, taxpayer information, or credentials that permit access to accounts or payment instruments, **CONTRACTOR** shall comply with all applicable identity theft, payment card, consumer protection, and data security laws and standards, including laws related to payment devices, credit and debit card fraud, the Fair and Accurate Credit Transactions Act ("FACTA"), and the then-current Payment Card Industry Data Security Standards ("PCI DSS"). **CONTRACTOR** shall use such information solely for the purpose of performing this Contract, shall not store authentication data after authorization except as expressly permitted by applicable standards, and shall implement reasonable measures to prevent skimming, credential compromise, and unauthorized account access. During the performance of any service to install, program, maintain, or update payment devices or payment applications, **CONTRACTOR** shall verify proper truncation of receipts in compliance with FACTA. Upon request, **CONTRACTOR** shall provide **CITY** with current attestation or other evidence of compliance reasonably acceptable to **CITY**. Any payment Security Incident shall be handled in accordance with PSC-22.

PSC-35. POSSESSORY INTEREST TAX

Rights granted to **CONTRACTOR** by **CITY** may create a possessory interest. **CONTRACTOR** agrees that any possessory interest created may be subject to California Revenue and Taxation Code Section 107.6 and a property tax may be levied on that possessory interest. If applicable, **CONTRACTOR** shall pay the property tax at its own expense. **CONTRACTOR** acknowledges that the notice required under California Revenue and Taxation Code Section 107.6 has been provided.

PSC-36. TAXES

CONTRACTOR shall report and pay all taxes, fees, levies, imposts, duties, assessments, charges and withholdings of any similar nature, however designated (including, any value added, transfer, sales, use, gross receipts, business, occupation, excise, personal property, real property, stamp or other taxes) ("Taxes") now or hereafter imposed or assessed by governmental body, agency or taxing authority in connection with this Contract, whether assessed on **CONTRACTOR** or **CITY**, other than any such Taxes required by law to be reported and paid by the **CITY**. **CITY** shall within 120 days of invoice reimburse **CONTRACTOR** for all such Taxes paid by **CONTRACTOR** on **CITY's** behalf, excluding Taxes on or measured by the overall gross receipts, net income, or the like of **CONTRACTOR** or its affiliates.

PSC-37. CONFIDENTIALITY

All City Data, Personal Information, Work Product, security information, system architecture, credentials, records, documents, materials, and other nonpublic information provided by **CITY** to **CONTRACTOR** or accessed, received, created, or developed by **CONTRACTOR** or its Subcontractors in connection with this Contract (collectively, "Confidential Information") are confidential. Confidential Information does not include information that **CONTRACTOR** can demonstrate by contemporaneous written records: (1) was lawfully known to **CONTRACTOR** without restriction before disclosure by **CITY**; (2) was independently developed without use of Confidential Information; or (3) becomes publicly available through no breach of this Contract; provided, however, that City Data, Personal Information, Work Product, and security information shall remain Confidential Information unless expressly released in writing by **CITY** or made public by **CITY**.

CONTRACTOR shall protect Confidential Information using at least the same degree of care it uses to protect its own confidential information of a similar nature, and in no event less than reasonable care. **CONTRACTOR** shall not access, use, reproduce, disclose, distribute, transfer, publish, or permit access to Confidential Information except as necessary to perform this Contract, as expressly authorized in writing by **CITY**, or as required by law. **CONTRACTOR** shall restrict access to Confidential Information to personnel and approved Subprocessors with a need to know and who are bound by written obligations of confidentiality and restricted use at least as protective as those contained in this Contract.

CONTRACTOR shall promptly notify **CITY** of any actual or attempted unauthorized access to Confidential Information and of any subpoena, court order, public records request, or other legal process seeking Confidential Information, unless prohibited by law. If disclosure is required by law, **CONTRACTOR** shall disclose only the minimum information legally required and, to the extent legally permitted, provide **CITY** a reasonable opportunity to seek protective relief or otherwise direct the response. **CONTRACTOR** shall not issue press releases or other public statements referencing **CITY's** Confidential Information without **CITY's** prior written approval.

Upon **CITY's** request or expiration or termination of this Contract, **CONTRACTOR** shall return or securely destroy Confidential Information in accordance with PSC-22. This provision shall survive expiration or termination of this Contract.

PSC-38. CONTRACTOR DATA REPORTING

If **CONTRACTOR** is a for-profit, privately owned business, **CONTRACTOR** shall, within thirty (30) days of the effective date of the Contract and on an annual basis thereafter (i.e., within thirty (30) days of the annual anniversary of the effective date of the Contract), report the following information to **CITY** via the Regional Alliance Marketplace for Procurement ("RAMP") or via another method specified by **CITY**: **CONTRACTOR's** and any Subcontractor's annual revenue, number of employees, location, industry, race/ethnicity and gender of majority owner ("Contractor/Subcontractor Information"). **CONTRACTOR** shall further request, on an annual basis, that any Subcontractor input or update its business profile, including the Contractor/Subcontractor Information, on RAMP or via another method prescribed by **CITY**.

PSC-39. SIGNATURES

This Contract may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or handwritten signatures scanned into .pdf format (or another electronic format designated by **CITY**) and sent by e-mail shall be deemed original signatures. Each party further agrees, and acknowledges that it is such party's intent, that if such party signs this Contract using an electronic signature, it is signing, and accepting this Contract and that signing this Contract using an electronic signature evidences the equivalent intent of a handwritten or facsimile signature on this Contract.

Exhibit 1

INSURANCE CONTRACTUAL REQUIREMENTS

EXHIBIT 1

INSURANCE CONTRACTUAL REQUIREMENTS

CONTACT For additional information about compliance with City Insurance and Bond requirements, contact the Office of the City Administrative Officer, Risk Management at (213) 978-RISK (7475) or go online at www.lacity.org/cao/risk. The City approved Bond Assistance Program is available for those contractors who are unable to obtain the City-required performance bonds. A City approved insurance program may be available as a low-cost alternative for contractors who are unable to obtain City-required insurance.

CONTRACTUAL REQUIREMENTS

CONTRACTOR AGREES THAT:

1. **Additional Insured/Loss Payee.** The CITY must be included as an Additional Insured in applicable liability policies to cover the CITY'S liability arising out of the acts or omissions of the named insured. The CITY is to be named as an Additional Named Insured and a Loss Payee As Its Interests May Appear in property insurance in which the CITY has an interest, e.g., as a lien holder.

2. **Notice of Cancellation.** All required insurance will be maintained in full force for the duration of its business with the CITY. By ordinance, all required insurance must provide at least thirty (30) days' prior written notice (ten (10) days for non-payment of premium) directly to the CITY if your insurance company elects to cancel or materially reduce coverage or limits prior to the policy expiration date, for any reason except impairment of an aggregate limit due to prior claims.

3. **Primary Coverage.** CONTRACTOR will provide coverage that is primary with respect to any insurance or self-insurance of the CITY. The CITY'S program shall be excess of this insurance and non-contributing.

4. **Modification of Coverage.** The CITY reserves the right at any time during the term of this Contract to change the amounts and types of insurance required hereunder by giving CONTRACTOR ninety (90) days' advance written notice of such change. If such change should result in substantial additional cost to CONTRACTOR, the CITY agrees to negotiate additional compensation proportional to the increased benefit to the CITY.

5. **Failure to Procure Insurance.** All required insurance must be submitted and approved by the Office of the City Administrative Officer, Risk Management prior to the inception of any operations by CONTRACTOR.

CONTRACTOR'S failure to procure or maintain required insurance or a self-insurance program during the entire term of this Contract shall constitute a material breach of this Contract under which the CITY may immediately suspend or terminate this Contract or, at its discretion, procure or renew such insurance to protect the CITY'S interests and pay any and all premiums in connection therewith and recover all monies so paid from CONTRACTOR.

6. **Workers' Compensation.** By signing this Contract, CONTRACTOR hereby certifies that it is aware of the provisions of Section 3700 *et seq.*, of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake

self-insurance in accordance with the provisions of that Code, and that it will comply with such provisions at all time during the performance of the work pursuant to this Contract.

7. California Licensee. All insurance must be provided by an insurer admitted to do business in California or written through a California-licensed surplus lines broker or through an insurer otherwise acceptable to the CITY. Non-admitted coverage must contain a **Service of Suit** clause in which the underwriters agree to submit as necessary to the jurisdiction of a California court in the event of a coverage dispute. Service of process for this purpose must be allowed upon an agent in California designated by the insurer or upon the California Insurance Commissioner.

8. Aggregate Limits/Impairment. If any of the required insurance coverages contain annual aggregate limits, CONTRACTOR must give the CITY written notice of any pending claim or lawsuit which will materially diminish the aggregate within thirty (30) days of knowledge of same. You must take appropriate steps to restore the impaired aggregates or provide replacement insurance protection within thirty (30) days of knowledge of same. The CITY has the option to specify the minimum acceptable aggregate limit for each line of coverage required. No substantial reductions in scope of coverage which may affect the CITY'S protection are allowed without the CITY'S prior written consent.

9. Commencement of Work. For purposes of insurance coverage only, this Contract will be deemed to have been executed immediately upon any party hereto taking any steps that can be considered to be in furtherance of or towards performance of this Contract. The requirements in this Section supersede all other sections and provisions of this Contract, including, but not limited to, PSC-3, to the extent that any other section or provision conflicts with or impairs the provisions of this Section.

Required Insurance and Minimum Limits

Name:_____ Date: _____

Agreement/Reference: _____

Evidence of coverages checked below, with the specified minimum limits, must be submitted and approved prior to occupancy/start of operations. Amounts shown are Combined Single Limits ("CSLs"). For Automobile Liability, split limits may be substituted for a CSL if the total per occurrence equals or exceeds the CSL amount.

Limits

_____**Workers' Compensation (WC) and Employer's Liability (EL)**

☐Waiver of Subrogation in favor of City ☐Longshore & Harbor Workers ☐Jones Act

WC _____ *Statutory*

EL _____

_____ **General Liability** _____ _____

☐Products/Completed Operations ☐Fire Legal Liability _____ ☐

☐ Sexual Misconduct _____

_____ **Automobile Liability** (for any and all vehicles used for this contract, other than commuting to/from work) _____

_____ **Professional Liability** (Errors and Omissions) _____

Discovery Period _____

_____ **Property Insurance** (to cover replacement cost of building - as determined by insurance company) _____

☐ All Risk Coverage ☐ Flood _____ ☐ Earthquake _____ ☐ Boiler and Machinery ☐ Builder's Risk ☐ _____

_____ **Pollution Liability** _____

☐ _____

_____**Surety Bonds** - Performance and Payment (Labor and Materials) Bonds _____

_____**Crime Insurance** _____

Other: _____

EXHIBIT B

STATEMENT OF WORK

EXHIBIT B – STATEMENT OF WORK
FOR IMPLEMENTATION SERVICES FOR LIGHTPOST EVALUATION TEST

This SOW operates under and is subordinate to, the Memorandum of Understanding (the "MOU"). Capitalized terms have the meanings given in the MOU. In any conflict, the MOU controls Section 1.2.

S-1 Scope of Work. Axon, itself or through the Authorized Subcontractor, will install, maintain, monitor, and operate the Lightpost public safety solution, including hardware and related ALPR software, at the Installation Locations, subject to the data governance, notice, and consent requirements of Sections 2.2, 5.0, 6.0, and 7.0 of the MOU.

S-2 Installation. The Authorized Subcontractor is solely responsible for physical installation at the Installation Locations. Hardware substitutions, upgrades, reconfigurations, and removals are governed by Section 2.2 of the MOU (advance written notice; no material change to data handling without LAPD consent). This SOW does not contemplate work in areas containing hazardous materials or conditions (including asbestos, lead, or toxic or flammable substances); if such materials are discovered at an Installation Location, work in the affected area may cease until the materials are removed or rendered harmless.

S-3 Training and Onboarding. Axon will provide LAPD user credentials, access to supporting software applications, and operational guidance tailored to the current system configuration. No click-through or hyperlinked terms presented during onboarding shall modify the MOU (Section 1.3).

S-4 Support and Maintenance. Axon will deliver technical support for the ALPR software, updates, and configuration changes. The Authorized Subcontractor shall provide support for Product hardware, including the camera and hub.

S-5 Authorized Subcontractor. Ubicquia, Inc. is Axon's Authorized Subcontractor, approved subject to Section 5.4 of the MOU.

S-6 Installation Locations. Prior to physical installation, the Authorized Subcontractor and LAPD shall work in good faith to identify Installation Locations and positioning for optimal capture, as conditions allow. Siting disagreements are governed by Section 4.3 of the MOU. The Product will be installed at the following locations (each an "Installation Location"): [TBD]. LAPD shall allow the Authorized Subcontractor reasonable access in and near the Installation Locations for the Services and related maintenance, and will cooperate in good faith regarding traffic management, road or lane closures, and similar authorizations.

S-7 LAPD Responsibilities. During the Testing Period, LAPD shall: work in good faith with the Authorized Subcontractor to obtain access to Installation Locations and to facilitate required permits, licenses, and approvals; coordinate installation schedules; support communication regarding device placement and community awareness; provide timely and secure site access; coordinate internal stakeholders (facilities, IT, legal, public safety); assign a primary and backup point of contact; assist in site selection; ensure continued access and safe working conditions; and store and maintain the Product in substantially the condition received, reasonable wear and tear excepted.

S-8 Dependencies. Scheduling and performance may be affected by: (a) local permitting or jurisdictional approvals; (b) coordination among LAPD, the Authorized Subcontractor, and other personnel, including

restricted hours or special access requirements; (c) weather affecting site safety or installation feasibility; and (d) site-specific safety protocols or regulatory requirements.

S-9 Term; Deinstallation and Closure. The Testing Period is as stated in Section 9.1 of the MOU. Deinstallation, decommissioning, retention-by-purchase, and closure are governed by Sections 9.2 and 5.7 of the MOU, including the verification-before-deletion sequence for LAPD Data.

EXHIBIT A

STANDARD PROVISIONS FOR CITY CONTRACTS (REV. 5/26 [V.1]) (THE "STANDARD PROVISIONS" OR "PSC"), INCORPORATED IN FULL

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY OF LOS ANGELES, A MUNICIPAL CORPORATION,
ACTING BY AND THROUGH THE LOS ANGELES POLICE DEPARTMENT
AND
AXON ENTERPRISE, INC., A DELAWARE CORPORATION

This Lightpost Test Memorandum of Understanding (this "MOU") is made and entered into by and between the **City of Los Angeles**, a municipal corporation, acting by and through the Los Angeles Police Department ("LAPD"), and **Axon Enterprise, Inc.** ("Axon"), with reference to the following:

WHEREAS, Axon offers the Axon Lightpost public safety solution, comprising streetlight-mounted hardware and related automated license plate recognition ("ALPR") software (collectively, the "Product"), and has proposed a no-cost evaluation of the Product by LAPD;

WHEREAS, LAPD desires to evaluate the Product during a limited testing period pursuant to the Statement of Work for Implementation Services for Lightpost Test ("SOW") attached hereto and incorporated herein;

WHEREAS, the Product will operate in a live production environment and will collect ALPR information subject to California law, and the parties agree that the City's Standard Provisions and the data governance terms outlined in this MOU shall govern such data collection;

NOW, THEREFORE, in consideration of the mutual covenants herein, the parties agree as follows:

SECTION 1.0 — CONTRACT DOCUMENTS; ORDER OF PRECEDENCE

1.1 Contract Documents. This MOU consists of: (i) this body; (ii) Exhibit A — Standard Provisions for City Contracts (Rev. 5/26 [v.1]) (the "Standard Provisions" or "PSC"), incorporated in full; and (iii) Exhibit B, the Statement of Work. Notwithstanding its designation as a memorandum of understanding, this MOU is a binding contract, supported by mutual consideration and enforceable in accordance with its terms. The Standard Provisions apply to this MOU notwithstanding its characterization as a no-cost evaluation, including, without limitation, PSC-17 (Indemnification), PSC-18 (Intellectual Property Indemnification), PSC-19 (Intellectual Property Warranty), PSC-20 (Technology, Data and AI Definitions), PSC-21 (Ownership and License), PSC-22 (Data Protection), PSC-23 (Artificial Intelligence and Automated Processing), PSC-24 (Insurance), PSC-34 (Identity Theft; PCI DSS), and PSC-37 (Confidentiality).

1.2 Order of Precedence. In the event of a conflict, the order of precedence is: (i) Section 5.0 (Data Ownership, Security, and Portability), Section 6.0 (ALPR Statutory Compliance), and Section 7.0 (Security Program, Personnel, Artificial Intelligence, and Additional Requirements) of this body, but only to the extent more protective of LAPD than Attachment A; (ii) Attachment A; (iii) the remainder of this body; and (iv) the SOW. For all subject matter concerning data, data security, ownership, licensing, or intellectual property, the provision most protective of LAPD controls, regardless of the order in which the documents are listed.

1.3 Prior Contract Not Incorporated. The terms and conditions of Contract No. C-127706-2, and of any Axon Master Services and Purchasing Agreement, Axon Cloud Services Terms of Use, Axon Evidence terms, ALPR appendix, hyperlinked terms, click-through terms, or other Axon standard terms, are ***not*** incorporated into this MOU and shall have no application to the Product, the Services, or LAPD data, whether or not referenced in any quote, order form, welcome email, user interface, or onboarding material.

SECTION 2.0 — HARDWARE; TITLE; EVALUATION USE

2.1 Title and Risk. The Product, including any third-party hardware provided for testing, is supplied on a temporary basis for evaluation use. Title to Product hardware remains with Axon or Axon's Authorized Subcontractor (as defined in the SOW). Nothing in this Section transfers, limits, or encumbers LAPD's ownership of LAPD Data under Section 5.0. LAPD shall exercise reasonable care in the storage and maintenance of the Product consistent with the SOW, reasonable wear and tear excepted.

2.2 Changes to Deployed Hardware. Axon and the Authorized Subcontractor may substitute, upgrade, reconfigure, remove, or otherwise modify the Product only with prior written notice of no less than five (5) business days to LAPD's designated point of contact, and shall coordinate scheduling and site access with LAPD. No substitution or modification shall materially alter the categories of data collected, the data flows, the storage location, or the security posture described in Sections 5.0, 6.0, and 7.0 without LAPD's prior written consent.

2.3 Use Restrictions. LAPD shall use the Product solely for evaluation purposes and shall not modify, distribute, or reverse-engineer the Product. LAPD may provide feedback as outlined in the SOW. Such feedback is voluntary, and no provision in this MOU shall assign to Axon any LAPD intellectual property or any LAPD Data in connection with the feedback.

SECTION 3.0 — CONFIDENTIALITY AND PUBLIC RECORDS

3.1 Confidentiality. Each party shall protect the other's non-public information in accordance with PSC-37. LAPD's obligations under this Section are subject in all respects to the California Public Records Act (Gov. Code Section 7920.000 et seq.), the Ralph M. Brown Act, the Los Angeles City Charter, and any other applicable disclosure law, ordinance, or order.

3.2 No Delay of Statutory Disclosure. If LAPD receives a request or demand for records that include Axon non-public information, LAPD will provide Axon such notice as is reasonably practicable. Notwithstanding the foregoing, nothing in this MOU requires or permits LAPD to delay, condition, or withhold any disclosure required by law. LAPD shall have no liability to Axon or the Authorized Subcontractor for disclosures made in good faith in compliance with the law. Any obligation of LAPD to maintain "strict confidentiality" in any prior draft or Axon standard term is superseded by this Section 3.0.

SECTION 4.0 — WARRANTIES; DISCLAIMER LIMITS

4.1 Evaluation Hardware Provided As Is. The Product hardware is provided "as is" for evaluation purposes during the Testing Period, and Axon and the Authorized Subcontractor disclaim implied warranties of merchantability and fitness with respect to hardware performance during the Testing Period only.

4.2 Disclaimer Does Not Reach Core Obligations. Notwithstanding Section 4.1 or any other disclaimer, nothing in this MOU limits, disclaims, or excuses: (i) Axon's data security, data ownership, confidentiality, and data handling obligations under Sections 5.0, 6.0, and 7.0 and PSC-20 through PSC-23; (ii) the intellectual property warranty and indemnity under PSC-18 and PSC-19; (iii) the indemnification obligations under PSC-17; (iv) compliance with applicable law, including Cal. Civ. Code Sections 1798.90.5–.55 and Cal. Penal Code Section 13663; or (v) liability for fraud, willful injury, or violation of law, which may not be exculpated as against LAPD (*Cal. Civ. Code § 1668*).

4.3 Siting. If LAPD directs an Installation Location or camera positioning against the Authorized Subcontractor's documented written recommendation, neither Axon nor the Authorized Subcontractor shall be responsible for degraded image capture quality attributable solely to that direction. This Section is limited to image-capture performance and does not limit any obligation under Sections 3.0, 5.0, 6.0, 7.0, or Attachment A, or any indemnification or insurance obligation.

SECTION 5.0 — DATA OWNERSHIP, SECURITY, AND PORTABILITY

5.1 LAPD Ownership of Data. As between the parties, LAPD is and shall remain the sole and exclusive owner of all data, images, video, footage, plate reads, detections, telemetry, logs, metadata, and other information collected, generated, received, processed, or stored by or through the Product or any related service in connection with this MOU, together with all derived data, analytical results, and algorithmic outputs generated therefrom (collectively, "LAPD Data"). Any reference in any Axon document to "Agency Content" means LAPD Data as defined herein. To the extent any right, title, or interest in LAPD Data vests in Axon or the Authorized Subcontractor by operation of law or otherwise, Axon hereby assigns, and shall cause the Authorized Subcontractor to assign, all such right, title, and interest to LAPD, without further consideration. The storage, processing, transmission, or hosting of LAPD Data on or within Axon's infrastructure shall not create, transfer, or vest in Axon any ownership interest, proprietary right, license, or other

claim. Axon shall not assert any lien, withholding right, setoff, or other encumbrance against LAPD Data. LAPD's ownership of derived data and algorithmic outputs applies regardless of the computational complexity, degree of Axon skill or proprietary methodology, or commercial value involved in their generation. Axon expressly waives any claim of data authorship, data copyright, or other ownership interest in such outputs based on the application of its technology to LAPD Data. Axon does not have the ability to view unless LAPD shares the specific LAPD Data directly with Axon outside of its cloud tenancy or actively manage LAPD Data due to the design of the Product. Axon shall provide LAPD the ability to manage its data in accordance with this MOU, including, but not limited to setting retention policies, defining end users access rights, deleting data, placing legal holds, and transferring LAPD Data electronically at LAPD's sole discretion.

5.2 No Secondary Use. Neither Axon nor any subcontractor shall access, use, share, sell, license, disclose, de-identify, aggregate, or commercially exploit LAPD Data, or use LAPD Data to train, retrain, fine-tune, tune, test, validate, benchmark, or improve any artificial intelligence, machine learning, or analytics model or product, except as strictly necessary to provide the Services to LAPD under this MOU. Without limiting the foregoing, Axon shall not: combine or aggregate LAPD Data with data of any other customer or source (except as strictly necessary to provide the services and subject to written controls preventing unauthorized use or disclosure); share LAPD Data with any parent company, subsidiary, affiliate, investor, or successor without LAPD's prior written authorization; use LAPD Data for any marketing, advertising, promotional, benchmarking, research, product-development, or other commercial purpose; or retain LAPD Data beyond the periods specified in this MOU. LAPD is not enrolled in, and shall not be deemed enrolled in, the Axon Community Engagement and Intelligence Program (ACEIP) or any successor data program. Any other use of LAPD Data requires a separate written agreement executed by LAPD.

5.3 Residency and Security. LAPD Data shall be stored and processed exclusively within the continental United States in a CJIS-compliant environment. It must be encrypted in transit and at rest using FIPS 140-2 (or successor) validated cryptographic modules. Axon shall maintain administrative, technical, and physical safeguards no less protective than PSC-22, the FBI CJIS Security Policy, and NIST SP 800-53 moderate baseline, and shall maintain access and audit logging for all access to LAPD Data, available to LAPD upon request.

5.4 Subcontractors. Ubicquia, Inc. is approved as Authorized Subcontractor solely for physical installation, maintenance, and deinstallation of Product hardware, and shall have no access to LAPD Data except as strictly necessary for those functions. Any other subcontractor or subprocessor with access to LAPD Data (including any cloud hosting provider, which the parties agree is a subprocessor) requires LAPD's prior written approval consistent with PSC-10 and PSC-22(E). Axon remains fully responsible for all subcontractor acts and omissions.

5.5 Data Breaches and Security Incidents. For purposes of this MOU, "Data Breach" means any unauthorized acquisition, access, use, disclosure, exfiltration, loss, theft, destruction, alteration, or compromise of LAPD data, or of its security, confidentiality, or integrity, whether or not the event constitutes a breach under applicable law; and "Security Incident" means any actual

or reasonably suspected event that materially threatens or adversely affects the confidentiality, integrity, availability, or resilience of LAPD Data or the systems used to provide the Services, including malware, ransomware, denial of service, unauthorized access attempts, and material outages, but excluding unsuccessful routine scans, pings, or blocked attacks resulting in no unauthorized access and no material degradation. Axon shall notify LAPD in writing and telephonically of any Data Breach or Security Incident within twenty-four (24) hours of discovery or reasonable belief, provide a written report within seventy-two (72) hours, begin containment and remediation immediately, preserve relevant evidence, and provide status updates at least daily (or more frequently if LAPD requests) until resolution to LAPD's satisfaction. Axon shall conduct an investigation and share the investigation report with LAPD; if directed by LAPD, Axon shall retain an independent third party to conduct the investigation at Axon's sole cost, and LAPD and its authorized agents may, at LAPD's sole discretion, lead or participate in the investigation. Axon shall not notify any third party, regulator, or affected individual, or issue any public statement, regarding any Data Breach or Security Incident involving LAPD Data without LAPD's prior written approval, unless required by law, in which case Axon shall, to the extent legally permitted, consult with LAPD in advance and provide a copy of the proposed notice; where notification of affected individuals is required by law or directed by LAPD, Axon shall perform it with LAPD having final approval of content. Axon shall bear all costs of investigation, containment, remediation, notification, call-center support, credit monitoring and identity-theft protection, forensic services, and data restoration arising from any Data Breach or Security Incident, without limitation, and LAPD may recover such costs by reimbursement or by offset against any Axon invoice. In addition to Axon's other indemnification obligations (including PSC-17), Axon shall fully indemnify, defend, and hold harmless the City and LAPD against any claims relating to any Data Breach or Security Incident, including all costs incurred relating to such claims. This Section supplements, and does not replace, PSC-22(F).

5.6 Open API ("Application Programming Interface") Standards; No Lock-In.

(i) The API access provided under Section 5.6 shall deliver all LAPD Data, metadata, and derived data in open, non-proprietary, machine-readable formats (JSON, CSV, and XML at minimum) without proprietary encoding, compression, or encryption that would prevent standard programmatic access; return complete records without truncation, redaction, or omission of any field accessible within Axon's own user interface or platform; use TLS 1.2 or higher, OAuth 2.0 or an equivalent industry-standard authentication protocol, credential rotation, and access logging; and include a test/sandbox environment on request.

(ii) Axon shall not technically or contractually restrict, throttle, or degrade LAPD's access to, or export or migration of, LAPD data in response to LAPD's exercise of its portability rights, and shall not impose any fee for data access or export. Upon LAPD's written request, Axon shall provide written certification that no data categories accessible through Axon's platform are unavailable through the API.

5.7 Post-Trial Data Return and Deletion. Upon expiration or termination of the Testing Period: (i) API access under Section 5.6 (ii) shall remain available at no cost for one hundred eighty (180) days; (ii) LAPD may retrieve LAPD Data at no cost for three (3) months; and (iii) following LAPD's written confirmation that retrieval is complete (or the expiration of the 3-month window, whichever is earlier), Axon shall permanently delete all LAPD Data from all systems, including subcontractor and backup systems, and deliver a written certification of deletion signed by an officer. Deletion shall not occur before verified retrieval confirmation, and all deletion timelines under this Section are subject to, and tolled by, any preservation obligation or notice under Section 5.11. Notwithstanding the foregoing, to the extent any LAPD Data is held within another Axon product for which LAPD and Axon have entered into an agreement the retention requirements for that LAPD Data will instead be governed by that separate agreement.

5.8 No Suspension of Data Access. Neither Axon nor the Authorized Subcontractor shall suspend, disable, or degrade LAPD's access to LAPD Data during the Testing Period or any retrieval window, for any reason, without thirty (30) days' prior written notice and an opportunity to cure; in all events LAPD shall retain no less than read-only and export access to LAPD Data.

5.9 No Sale. Axon shall not sell, share, or transfer LAPD Data except as expressly permitted by this MOU and applicable law.

5.10 Survival. Sections 5.1 through 5.11, 6.0, and 7.0 survive expiration or termination of this MOU for five (5) years, or such longer period as LAPD Data remains in Axon's or any subcontractor's possession or control, or as any preservation obligation under Section 5.11 remains in effect.

5.11 Evidentiary Integrity and Legal Process. (i) Legal Hold. Upon written notice from LAPD that any LAPD Data is or may be subject to a litigation hold, discovery obligation, subpoena, court order, Public Records Act request, criminal or administrative investigation, or constitutional preservation duty, Axon shall provide LAPD the ability to immediately preserve the identified LAPD Data in its original, unaltered form, and provide LAPD the ability to suspend all deletion, purge, overwrite, and retention-expiration processes (including automated processes and those of subcontractors) as to that data until LAPD provides written release of the hold. Preservation under this Section is at no cost to LAPD and overrides every deletion timeline in this MOU, including Sections 5.7 and 9.2. **(ii) Chain of Custody and Integrity.** Axon shall maintain records sufficient to establish chain of custody for LAPD Data from collection through export or deletion, including system-generated audit trails under Sections 5.3 and 6.3, and shall provide cryptographic hash values (SHA-256 or stronger) upon export sufficient to verify that exported LAPD Data is a true, complete, and unaltered copy of the data as collected. **(iii) Original-Quality Export.** All exports and productions of LAPD Data shall be in native or full original resolution and format, with all associated metadata intact, and without transcoding, compression, watermarking, or other alteration that degrades evidentiary value, unless LAPD directs otherwise in writing.

(iv) Authentication Support. At no charge, Axon shall provide custodian-of-records certifications and declarations sufficient to authenticate LAPD Data as business records (including under Cal. Evid. Code Sections 1560–1561 and 1271) and shall make a knowledgeable records custodian reasonably available for testimony regarding system operation, data collection, and record integrity in any proceeding in which LAPD is a party or the LAPD Data is at issue. **(v) No Alteration.** Axon warrants that neither it nor any subcontractor shall alter, edit, redact, enhance, or delete LAPD Data except as directed by LAPD in writing or as expressly required by this MOU, and that any system process affecting the content of LAPD Data is logged and disclosed.
(vi) Third-Party Legal Process. If Axon receives legal process from any third-party seeking LAPD Data, Axon shall, unless prohibited by law, notify LAPD within forty-eight (48) hours and before any production, and shall reasonably cooperate with LAPD's efforts to contest, narrow, or condition the demand.

5.12 Raw Sensor Data; Native-Resolution Export; Device Configuration.
(i) Where the Product involves sensor-based or automated-recognition collection, Axon shall store and make available for export the raw, unprocessed sensor output at its native sampling resolution — including raw image or video frames, unfiltered read or scan records prior to confidence thresholding, raw classifier outputs prior to post-processing, and associated capture telemetry — prior to any filtering, aggregation, normalization, compression, or downsampling, and shall not substitute processed or downsampled data in satisfaction of its export obligations unless LAPD elects otherwise in writing. Where data is stored in a proprietary or binary encoding, Axon shall decode and deliver it in an open, non-proprietary format (e.g., JSON, CSV) or provide complete decoding specifications and tooling sufficient for LAPD to interpret the data independently.

(ii) All exported sensor data shall preserve original sampling frequency, precise unmodified UTC timestamps (millisecond resolution or finer), and the original sequence and continuity of the data stream and shall be accompanied by or exportable with complete device metadata and configuration state (device identifiers, firmware and software version history, calibration records, threshold and hot-list configurations, and installation and location mapping). Axon shall retain Raw Sensor Data at its original resolution for LAPD's applicable retention period and shall not downsample, compress, or purge such data within that period, nor thereafter, without no less than sixty (60) days' prior written notice and an opportunity for LAPD to perform a full-resolution export.

SECTION 6.0 — ALPR STATUTORY COMPLIANCE (CAL. CIV. CODE Sections 1798.90.5–.55)

6.1 Roles. For purposes of Cal. Civ. Code Sections 1798.90.5 et seq., Axon (together with the Authorized Subcontractor, to the extent applicable) is an "ALPR operator" and LAPD is an "ALPR end-user." Each party shall discharge the obligations applicable to its role, and Axon shall maintain reasonable security procedures and practices to protect ALPR information from unauthorized access, destruction, use, modification, or disclosure, as required by Section 1798.90.51.

6.2 Usage and Privacy Policy. Before activation of any Product camera, each party shall implement, and make available to the public as required, a usage and privacy policy meeting the requirements of Cal. Civ. Code Sections 1798.90.51(b) and 1798.90.53(b), including authorized purposes, access controls, data-sharing restrictions, training, oversight, accuracy and correction, and retention. LAPD's retention schedule governs retention of ALPR information collected during the Testing Period; Axon shall configure the system accordingly.

6.3 Access Logging. Axon shall maintain and make available to LAPD, a record of each access to ALPR information as required by Section 1798.90.52, including date and time, requesting entity, purpose, and data accessed.

6.4 No Sale or Sharing of ALPR Information. Consistent with Section 1798.90.55 and SB 34, ALPR information collected under this MOU shall not be sold, shared, or transferred to any person or entity other than LAPD, except to the extent a public agency transfer is expressly authorized by law and approved in writing by LAPD. Axon shall not make ALPR information available to any other customer, network, or database, including any Axon or third-party inter-agency sharing network, absent LAPD's separate written election.

SECTION 7.0 — SECURITY PROGRAM, PERSONNEL, ARTIFICIAL INTELLIGENCE, AND ADDITIONAL REQUIREMENTS

7.1 Data Minimization. Axon shall collect, access, use, and retain only the minimum LAPD Data reasonably necessary to perform the Services and shall retain LAPD Data only for the duration necessary for the permitted purpose, LAPD's retention schedule under Section 6.2, or as required by law. Any retained LAPD Data remains subject to this MOU until deleted.

7.2 Security Program and Access Controls. Axon shall establish and maintain a formal, documented, company-wide written information security program, incident response plan, and business continuity and disaster recovery capabilities appropriate to the Services, communicated to all personnel in relevant and accessible form and reviewed regularly for operational effectiveness and legal compliance. Axon shall implement, at minimum: (i) logical access controls based on least privilege and unique user identification, with role-based access and separation of duties; (ii) multi-factor authentication for remote access, privileged access, and access to systems hosting LAPD Data; (iii) restriction of administrative credentials for LAPD accounts and Axon systems to personnel whose access is essential, with revocation or modification of user access within twenty-four (24) hours of LAPD's request and automatic disabling of accounts after no more than ten (10) consecutive invalid authentication attempts; (iv) encryption of all passwords, passphrases, and PINs using solutions certified against FIPS 140-2 Level 2 or an equivalent industry standard, with encryption keys and keying material stored separately from associated data; (v) malware protection, endpoint monitoring, timely security patching, and vulnerability management; (vi) logging and monitoring sufficient to detect, investigate, and respond to unauthorized access or use; (vii) secure configuration, secure development, and change management; (viii) secure disposal of media containing LAPD Data; (ix) periodic privacy and

security training for all personnel with access to LAPD Data; and (x) segregation of LAPD Data from the data of other customers through logical or physical separation.

7.3 Vulnerability Management and Testing. At least annually and at Axon's expense, Axon shall perform vulnerability tests and risk assessments of all systems that contain LAPD Data. For Axon's internet-perimeter network and any application that processes LAPD Data, testing shall also include penetration testing (including the use of intercept proxies to identify vulnerabilities not discoverable by automated tools) and code review or other manual verification. Upon written request, Axon shall provide LAPD a vulnerability testing and risk assessment report, including an executive summary of results and the remediation status of material findings.

7.4 Audits, Assessments, and Information Security Policy. Upon LAPD's request, not more than once annually except following a Data Breach, Security Incident, or material change in Axon's security controls, Axon shall provide then-current summaries of independent security assessments, certifications, or audit reports (such as SOC 2 Type II or ISO 27001), together with remediation status for material findings, or, if unavailable, shall complete LAPD's security questionnaire within fourteen (14) days of receipt. Upon at least thirty (30) days' notice, LAPD, itself or through a certified public accounting firm or information security professional, may audit Axon's data privacy and information security program, including on-site during normal business hours, subject to reasonable confidentiality and operational safeguards. Axon shall make its written information security policy, related SOC audits, and information security certifications available for LAPD's review within three (3) business days of request. These rights are in addition to PSC-15 and any other audit rights under this MOU or applicable law.

7.5 Personnel and Location Controls. Axon shall not store, or permit its personnel or contractors to store, LAPD Data on portable devices, except devices used and kept only at Axon's continental United States facilities or data centers, and shall neither access, nor allow any third party to access, systems housing LAPD Data from any location outside the continental United States. Access to LAPD Data is limited to persons approved in advance in writing by LAPD ("Authorized Persons"), whose role and necessity Axon has described in its approval request, who are bound in writing by confidentiality and data protection obligations at least as protective as this MOU, and who access LAPD Data only as necessary to perform the Services. Axon shall cause all Authorized Persons to abide strictly by Axon's obligations under this MOU and industry standards for information security. To the extent permitted by applicable law, LAPD may conduct background checks, at its expense, on Axon personnel, agents, and subcontractors who have or may have access to LAPD Data, and Axon shall reasonably cooperate and provide the information LAPD requires to conduct them. LAPD may request changes to Axon personnel in response to background-check results, and Axon shall accommodate such requests.

7.6 Change in Service. Axon shall notify LAPD reasonably in advance of any change, enhancement, or upgrade to Axon's systems or related software services that could impact the security of the Services or the manner in which LAPD Data is processed. This Section supplements the hardware change-control requirements of Section 2.2.

7.7 Artificial Intelligence and Automated Processing. For purposes of this MOU, "AI System" means any machine-based system, including any generative artificial intelligence, large language model, machine learning model, or algorithmic or automated decision system, that infers from the inputs it receives how to generate outputs such as classifications, scores, predictions, recommendations, or decisions. **(i) Disclosure and Approval.** Axon shall not use, or permit any subcontractor to use, any AI System that processes LAPD Data, generates deliverables for LAPD, interacts with the public or LAPD personnel on LAPD's behalf, or materially informs services or decisions under this MOU, without prior written disclosure to LAPD of the AI System and provider, intended use case, categories of LAPD Data processed, hosting region, retention practices, and material known limitations affecting accuracy, reliability, security, confidentiality, intellectual property, or bias. No AI System or material AI feature may be enabled for LAPD without LAPD's prior written consent if it materially changes how LAPD Data is processed or the risk profile of the Services. **(ii) No Training or Secondary Use.** Use of LAPD Data to train, retrain, fine-tune, validate, benchmark, or improve any AI System is prohibited as provided in Section 5.2; any retention of inputs, outputs, or feedback for abuse monitoring, safety review, or troubleshooting must be disclosed in advance, limited to the minimum necessary, protected as LAPD Data, and not used for model training or generalized product improvement. **(iii) Human Oversight.** Axon remains fully responsible for all Services performed with or through an AI System, including ALPR detection and hot-list alerting, and shall implement documented governance, testing, and change management appropriate to the use case. **(iv) Output and Records.** All output generated by an AI System for LAPD is LAPD Data or Work Product, as applicable. Upon LAPD's reasonable request, Axon shall identify whether a deliverable was materially generated or modified using an AI System and shall maintain and provide records sufficient to identify the AI System used, the material version or model family, the date of use, and the categories of LAPD Data processed. **(v) Changes and Suspension.** Axon shall provide reasonable advance written notice of any material change in an AI System or AI provider reasonably likely to affect LAPD Data, security, confidentiality, functionality, or risk profile, and LAPD may direct Axon to suspend the applicable AI-enabled processing if LAPD reasonably determines it presents a material risk, until remediated to LAPD's reasonable satisfaction. This Section supplements PSC-23.

7.8 Work Product and Intellectual Property. All finished and unfinished works, tangible or intangible, originated and prepared by Axon or its subcontractors specifically for LAPD under this MOU, including documents, reports, analyses, specifications, software, code, configurations, interfaces, databases, and other deliverables (each, a "Work Product"), together with all intellectual property rights therein, are and shall remain the exclusive property of the City for its use in any manner it deems appropriate, and Axon hereby assigns to the City all right, title, and interest worldwide therein and shall execute any documents reasonably necessary to perfect that ownership. To the extent any Work Product or output is generated or assisted by an AI System or is not capable of assignment or exclusive ownership as a matter of law, Axon grants the City a perpetual, irrevocable, worldwide, royalty-free, fully paid-up license, with the right to sublicense

to the City's contractors and service providers acting on its behalf, to use, reproduce, modify, display, perform, distribute, create derivative works from, and otherwise exploit such Work Product or output for any City purpose. Axon retains ownership of its preexisting or independently developed materials not created specifically for LAPD and not developed using LAPD Data ("Axon Materials"); to the extent Axon Materials are incorporated into, delivered with, or reasonably necessary to use any Work Product or receive the benefit of the Services, Axon grants the City a nonexclusive, perpetual, irrevocable, worldwide, royalty-free, fully paid-up license (with the same sublicense right) to use them for that purpose. For any third-party materials delivered to LAPD, Axon shall secure for the City, at no additional cost, all rights necessary for the City's use. This Section supplements PSC-19 and PSC-21.

7.9 Inter-Agency and Multi-Party Data Sharing. LAPD retains the unconditional right to share LAPD Data with other agencies, organizations, criminal justice entities, and authorized governmental or private bodies pursuant to applicable law, court order, inter-agency agreement, or City policy, subject, with respect to ALPR information, to Section 6.4 and Cal. Civ. Code Section 1798.90.55. Axon shall not impose any contractual restriction on LAPD's ability to share LAPD Data with authorized third parties and shall not require that any such party become an Axon customer or enter into any Axon agreement as a condition of receiving LAPD-shared data. Axon shall provide the technical support and documentation reasonably necessary to enable authorized sharing at no additional cost to LAPD or the receiving party and shall cooperate in good faith with the technical personnel of authorized parties to facilitate sharing with multi-agency analytical and operational platforms, including records management systems, computer-aided dispatch systems, fusion centers and joint task force systems, and crime or operations analysis platforms. Without limiting the foregoing, Axon shall not: (i) require that any third-party integration partner be approved, certified, or listed by Axon as a precondition to LAPD's use of the API or any interface for integration; (ii) impose additional fees or licensing costs based on the number of integration partners or the volume of data shared; (iii) impose technical restrictions (such as rate limits, throttling, or format limitations) that disproportionately affect LAPD's ability to integrate with third parties; or (iv) claim any right to review, approve, or veto LAPD's selection of integration partners.

7.10 Privacy-Law Compliance; Amendment to Comply. Axon shall ensure that its performance complies with all applicable local, state, and federal privacy laws and regulations, including laws relating to consent to visual and audio recordings of individuals and to the collection of information from individuals. If this MOU, or any practice employed in its performance, is inconsistent with or does not satisfy any such law or regulation, the parties shall in good faith execute an amendment sufficient to comply, and Axon shall complete and deliver any documents necessary to compliance.

7.11 Equitable Relief. Axon agrees that a monetary remedy for breach of Sections 5.0 through 7.0 may be inadequate, impracticable, or difficult to prove, and that a breach may cause LAPD irreparable harm. LAPD may enforce those Sections by injunctive relief and specific performance,

without any necessity of showing actual damage or irreparable harm, in addition to any other relief to which it may be entitled.

7.12 Flow-Down to Subcontracts. Any subcontract or other agreement entered into by Axon relating to this MOU, including with the Authorized Subcontractor, shall be subject to, and incorporate, the provisions of Sections 5.0 through 7.0, shall preserve and protect LAPD's rights in LAPD Data and Work Product, and shall state that no subcontractor or subprocessor obtains any ownership interest in either.

SECTION 8.0 — INDEMNIFICATION; LIABILITY; INSURANCE

8.1 Indemnification. PSC-17 and PSC-18 govern indemnification, including claims arising from data breach, privacy violations, and AI or automated-processing harms.

8.2 Insurance. Contractor shall procure and maintain the insurance required by PSC-24, including commercial general liability, automobile liability (for installation activities), workers' compensation, and cyber/technology errors-and-omissions coverage, naming the City as additional insured where applicable, with limits as specified by the Office of the City Administrative Officer, Risk Management [Limits to be populated in Form Gen. 146].

8.3 Limitation of Liability. Contractor's cumulative liability to for any loss or damage resulting from any claim, demand, or action arising out of or relating to this Agreement shall not exceed $5,000,000, however caused, whether for breach of warranty or contract, negligence, strict liability, tort or any other legal theory.

SECTION 9.0 — TERM; TERMINATION; DEINSTALLATION

9.1 Term; Testing Period. The term of this agreement begins upon the latter date by which the parties have executed this MOU and the City Attorney has signed as to form and ends upon completion of the Testing Period. The Testing Period commences upon completion of initial installation and successful system validation at the approved Installation Location(s) and continues for three (3) months, unless extended by written amendment (PSC-4) or terminated earlier. Either party may terminate the Testing Period upon written notice; termination rights under PSC-8 are unaffected.

9.2 Transition and Deinstallation. Upon conclusion, LAPD will coordinate with Axon and the Authorized Subcontractor on a transition plan, including equipment removal scheduling and final reporting. All Product hardware shall be deinstalled and returned to the Authorized Subcontractor or decommissioned on site, unless LAPD elects to purchase under a separately negotiated agreement. Decommissioning includes remote deactivation by Axon and physical removal by the Authorized Subcontractor and is subject in all respects to the data return and deletion sequence in Section 5.7 (verification before deletion) and any preservation obligation under Section 5.11.

9.3 No Purchase Obligation. The Product is provided solely for testing. Any purchase of the Product or any successor product is subject to separate negotiation, City approvals, and a separately executed agreement, and nothing in this MOU commits LAPD to any procurement.

SECTION 10.0 — GENERAL

10.1 Governing Law and Venue. This MOU is governed by the laws of the State of California, without regard to conflict-of-laws rules. Venue for any action lies exclusively in the state or federal courts located in the County of Los Angeles, California.

10.2 Amendment; Assignment. This MOU may be amended only by written instrument in accordance with PSC-4. Neither this MOU nor any interest herein may be assigned, including by change of control, without LAPD's prior written consent in accordance with PSC-11.

10.3 Integration. This MOU, including Attachment A and the SOW, is the entire agreement of the parties regarding the evaluation and supersedes all prior drafts, terms, and understandings regarding the subject matter, including the prior Lightpost Test Agreement draft and all Axon standard terms referenced therein.

IN WITNESS WHEREOF, the parties have caused this MOU to be executed by their duly authorized representatives.

THE CITY OF LOS ANGELES,
a municipal corporation, acting by and through the
LOS ANGELES POLICE DEPARTMENT

By: _____
Name: J. McDONNELL
Title: Chief of Police (or authorized designee)
Date: 8-20-26

AXON ENTERPRISE, INC.

By: _____
Name: _____
Title: _____
Date: _____

APPROVED AS TO FORM:
HYDEE FELDSTEIN SOTO, City Attorney

By: _____
Deputy/Assistant City Attorney

Attachments:

EXHIBIT A – STANDARD PROVISIONS FOR CITY CONTRACTS (ATTACHEMENT A, INCLUDING EXHIBIT 1: INSURANCE CONTRACTUAL REQUIREMENTS)

EXHIBIT B – STATEMENT OF WORK FOR IMPLEMENTATION SERVICES FOR LIGHTPOST EVALUATION TEST

ATTACHMENT A

Standard Provisions for City Contracts (Rev. 5/26 [v.1])

STANDARD PROVISIONS FOR CITY CONTRACTS

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STANDARD PROVISIONS FOR CITY CONTRACTS

PSC-1. CONSTRUCTIONS OF PROVISIONS AND TITLES HEREIN

All titles, subtitles, or headings in this Contract have been inserted for convenience, and shall not be deemed to affect the meaning or construction of any of the terms or provisions of this Contract. The language of this Contract shall be construed according to its fair meaning and not strictly for or against **CITY** or **CONTRACTOR**. The word **"CONTRACTOR"** includes the party or parties identified in this Contract. The singular shall include the plural and if there is more than one **CONTRACTOR**, unless expressly stated otherwise, their obligations and liabilities shall be joint and several. Use of the feminine, masculine, or neuter genders shall be deemed to include the genders not used.

As used in this Contract, unless otherwise specified in the Contract, the term "Written Notice" or "Writing" may include correspondence sent via electronic mail, certified mail, or through the United States Postal Service.

PSC-2. APPLICABLE LAW, INTERPRETATION AND ENFORCEMENT

Each party's performance shall comply with all applicable laws of the United States of America, the State of California, and **CITY**, including but not limited to, laws regarding health and safety, labor and employment, wage and hours and licensing. This Contract shall be enforced and interpreted under the laws of the State of California without regard to conflict of law principles. **CONTRACTOR** shall comply with new, amended, or revised laws, regulations, or procedures that apply to the performance of this Contract with no additional compensation paid to **CONTRACTOR**. In any action arising out of this Contract, **CONTRACTOR** consents to personal jurisdiction and venue, and agrees to bring all such actions, exclusively in state or federal courts located in the County of Los Angeles, California.

If any part, term or provision of this Contract is held void, illegal, unenforceable, or in conflict with any federal, state or local law or regulation, the validity of the remaining parts, terms or provisions of this Contract shall not be affected.

PSC-3. TIME OF EFFECTIVENESS

Unless otherwise provided, this Contract shall take effect when all of the following events have occurred:

A. This Contract has been signed on behalf of **CONTRACTOR** by the person or persons authorized to bind **CONTRACTOR**;

B. This Contract has been approved by the City Council or by the board, officer or employee authorized to give such approval;

C. This Contract has been signed on behalf of **CITY** by the person designated by the City Council, or by the board, officer or employee authorized to enter into this Contract; and

D. The Office of the City Attorney has indicated in Writing (including electronic communication), its approval of this Contract as to form.

PSC-4. INTEGRATED CONTRACT/AMENDMENT

This Contract sets forth all of the rights and duties of the parties with respect to the subject matter of this Contract, and replaces any and all previous Contracts or understandings, whether written or oral, relating thereto. This Contract may be amended only in Writing and signed by the duly authorized representatives of both parties, including the Office of the City Attorney as to form.

PSC-5. FORCE MAJEURE/EXCUSABLE DELAYS

Neither party shall be liable for its delay or failure to perform any obligation under and in accordance with this Contract if the delay or failure arises out of a Force Majeure Event. Force Majeure Events include but are not limited to fires, floods, earthquakes, epidemics, quarantine restrictions, strikes, lockouts (other than a lockout by the party or any of the party's Subcontractors), government furloughs, government shutdowns, freight embargoes, terrorist acts, insurrections or other civil disturbances, or other similar and unforeseeable events. For the party to be excused from performance for its delay or failure resulting from a Force Majeure Event, in each case, the delay or failure to perform must have been unforeseeable at the time of contract, and be beyond the control and without any fault or negligence of the party delayed or failing to perform. Notwithstanding the foregoing, **CONTRACTOR** shall not be entitled to terminate this Contract due to a Force Majeure Event in the event that **CONTRACTOR** is engaged to perform services in response to that event.

CONTRACTOR's non-performance shall not be excused by a delay or failure to perform by a Subcontractor resulting from a Force Majeure Event, unless (1) the delay or failure arises out of causes beyond the control of both **CONTRACTOR** and Subcontractor, and without any fault or negligence of either of them and (2) the **CONTRACTOR** establishes that the goods or services to be furnished by the Subcontractor could not have been obtained from other sources in sufficient time to permit **CONTRACTOR** to perform timely. In the event **CONTRACTOR's** delay or failure to perform is a result of a Force Majeure Event, **CONTRACTOR** agrees to use commercially reasonable best efforts to obtain the goods or services from other sources, and to otherwise mitigate the damages and reduce the delay caused by the Force Majeure Event.

PSC-6. WAIVER

A waiver of a default of any part, term or provision of this Contract shall not be construed as a waiver of any succeeding default or as a waiver of the part, term, or provision itself. A party's performance after the other party's default shall not be construed as a waiver of that default.

PSC-7. SUSPENSION

At **CITY's** sole discretion, **CITY** may suspend any or all services provided under this Contract by providing **CONTRACTOR** with written notice of suspension. Upon delivery of the notice of suspension in accordance with the Contract, **CONTRACTOR** shall immediately cease the services suspended and shall not incur any additional obligations, costs or expenses to **CITY** until **CITY** gives written notice to recommence the services.

PSC-8. TERMINATION

A. Termination for Convenience

CITY may terminate this Contract for **CITY's** convenience at any time by providing **CONTRACTOR** notice in Writing, which shall include the effective date of termination. Upon delivery of the notice of termination, **CONTRACTOR** shall immediately take action not to incur any additional obligations, costs or expenses, except as may be necessary to terminate its activities. **CITY** shall pay **CONTRACTOR** its reasonable and allowable costs through the effective date of termination and those reasonable and necessary costs incurred by **CONTRACTOR** to effect the termination, provided that such amounts are approved, in Writing, by **CITY** in advance of the work being performed. Thereafter, **CONTRACTOR** shall have no further claims against **CITY** under this Contract. All finished and unfinished documents and materials procured for or produced under this Contract, including all intellectual property rights **CITY** is entitled to, shall become **CITY** property upon the date of the termination. **CONTRACTOR** agrees to execute any documents necessary for **CITY** to perfect, memorialize, or record **CITY's** ownership of rights provided herein.

B. Termination for Breach of Contract

1. Except as provided in PSC-5, if **CONTRACTOR** fails to perform any of the provisions of this Contract or so fails to make progress as to endanger timely performance of this Contract, **CITY** may immediately terminate this Contract by giving **CONTRACTOR** notice in Writing of the default and termination. Unless otherwise specified in **CITY's** termination notice, termination by **CITY** shall be effective three (3) days after the date of delivery of notice in Writing. Alternatively, in the event of a default, **CITY**, at its sole discretion, may send **CONTRACTOR** a default notice in Writing identifying the default and the time period to cure the default to the sole satisfaction of City. Additionally, **CITY's** default notice may offer **CONTRACTOR** an opportunity to provide **CITY** with a plan to cure the

default, which shall be submitted to **CITY** within the time period allowed by the default notice. At **CITY's** sole discretion, **CITY** may accept or reject **CONTRACTOR's** plan. If: (1) **CITY** rejects **CONTRACTOR's** plan; (2) the default cannot be cured; or (3) **CONTRACTOR** fails to cure within the period allowed by **CITY**, then **CITY** may terminate this Contract due to **CONTRACTOR's** breach of this Contract.

2. If the default under this Contract is due to **CONTRACTOR's** failure to maintain the insurance required under this Contract, **CONTRACTOR** shall immediately: (1) suspend performance of any services under this Contract for which insurance was required; and (2) notify its employees and Subcontractors of the loss of insurance coverage and **CONTRACTOR's** obligation to suspend performance of services. **CONTRACTOR** shall not recommence performance until **CONTRACTOR** is fully insured and in compliance with **CITY's** requirements and provides written evidence to **CITY** that **CONTRACTOR** has obtained the required insurance coverage.

3. A breach of PSC-21, PSC-22, PSC-23, PSC-34, or PSC-37, or any unauthorized use of City Data or AI System, shall be deemed a breach of this Contract. **CITY** may require immediate suspension of the affected processing or services and may terminate this Contract if **CONTRACTOR** fails to cure within the period stated in **CITY's** notice, or immediately if the breach is not reasonably curable or presents an imminent risk to City Data, **CITY** systems, or the health, safety, or legal rights of any person.

4. If **CONTRACTOR** engages in any dishonest conduct related to the performance or administration of this Contract or violates City, state, or federal laws, regulations or policies relating to lobbying, then **CITY** may immediately terminate this Contract.

5. Acts of Moral Turpitude

   a. **CONTRACTOR** shall immediately notify **CITY** if **CONTRACTOR** or any Key Person is informed that it is the target or subject of a local, state, or federal government investigation, or is criminally diverted, charged with, indicted for, convicted of, pleads nolo contendere to, forfeits bail, or fails to appear in court for a hearing, related to any act which constitutes an offense involving moral turpitude under federal, state, or local laws ("Act of Moral Turpitude").

   b. Acts of Moral Turpitude include, but are not limited to: crimes set forth in California Penal Code Section 667.5, California Penal Code Section 1192.7, and California Public Resources Code Section 5164(a)(2) regardless of whether such acts are punishable by felony or misdemeanor conviction.

c. For the purposes of this provision, a Key Person is a principal, officer, or employee assigned to this Contract, or owner (directly or indirectly, through one or more intermediaries) of ten percent or more of the voting power or equity interests of **CONTRACTOR**.

d. **CITY** shall be entitled to terminate this contract for breach due to an Act of Moral Turpitude.

6. In the event **CITY** terminates this Contract as provided in this section, **CITY** may procure, upon such terms and in the manner as **CITY** may deem appropriate, services similar in scope and level of effort to those so terminated, and **CONTRACTOR** shall be liable to **CITY** for all of its costs and damages, including, but not limited to, any excess costs for such services.

7. If, after notice of termination of this Contract under the provisions of this section, it is determined for any reason that **CONTRACTOR** was not in default under the provisions of this section, or that the default was excusable under the terms of this Contract, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to PSC-8(A) Termination for Convenience.

8. The rights and remedies of **CITY** provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

C. In the event that this Contract is terminated, **CONTRACTOR** shall immediately notify all employees and Subcontractors, and shall notify in Writing all other parties contracted with under the terms of this Contract within five (5) calendar days of the termination.

PSC-9. INDEPENDENT CONTRACTOR

CONTRACTOR is an independent contractor and not an agent or employee of **CITY**. **CONTRACTOR** shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of **CITY**.

PSC-10. CONTRACTOR'S PERSONNEL

Unless otherwise approved by **CITY**, **CONTRACTOR** shall use its own employees to perform the services described in this Contract. In the event that **CITY** is dissatisfied with the performance of any **CONTRACTOR** personnel, **CITY** and **CONTRACTOR** shall meet in person, virtually, or telephonically to attempt to resolve such concerns.

CONTRACTOR shall not use Subcontractors to assist in performance of this Contract without the prior written approval of **CITY**. If **CITY** permits the use of Subcontractors, **CONTRACTOR** shall remain responsible for performing all aspects of this Contract and

paying all Subcontractors. **CITY** has the right to approve **CONTRACTOR's** Subcontractors, and **CITY** reserves the right to require replacement of any Subcontractor. **CITY** does not have any obligation to pay **CONTRACTOR's** Subcontractors, and nothing herein creates any privity of contract between **CITY** and any Subcontractor.

Any employee, agent, or Subcontractor with access to City Data or Confidential Information shall be subject to written confidentiality obligations and appropriate privacy and security training. For purposes of this Contract, any third party that hosts, stores, transmits, supports, analyzes, or otherwise processes City Data or provides a material AI System used in performance of this Contract shall be deemed a Subcontractor or Subprocessor subject to **CITY's** prior written approval under this PSC-10.

PSC-11. ASSIGNMENT AND DELEGATION

CONTRACTOR may not, unless it has first obtained the written permission of **CITY**:

A. Assign or otherwise alienate any of its rights under this Contract by operation of law or otherwise, including the right to payment; or

B. Delegate, subcontract, or otherwise transfer any of its duties under this Contract.

For the purposes of this Contract, any change of control of **CONTRACTOR** resulting from an amalgamation, merger, corporate reorganization, arrangement, business sale, or asset shall be deemed an assignment or delegation.

PSC-12. PERMITS

CONTRACTOR and its directors, officers, partners, agents, employees, and Subcontractors, shall obtain and maintain all licenses, permits, certifications, and other documents necessary for **CONTRACTOR's** performance of this Contract. **CONTRACTOR** shall immediately notify **CITY** of any suspension, termination, lapses, non-renewals, or restrictions of licenses, permits, certificates, or other documents that relate to **CONTRACTOR's** performance of this Contract.

PSC-13. CLAIMS FOR LABOR AND MATERIALS/UNEMPLOYMENT

CONTRACTOR shall promptly pay when due all amounts owed for labor and materials furnished in the performance of this Contract so as to prevent any lien or other claim under any provision of law from arising against any **CITY** property (including reports, documents, and other tangible or intangible matter produced by **CONTRACTOR** hereunder), and shall pay all amounts due under the Unemployment Insurance Act or any other applicable law with respect to labor used to perform under this Contract.

PSC-14. CURRENT LOS ANGELES CITY BUSINESS TAX REGISTRATION CERTIFICATE REQUIRED

For the duration of this Contract, **CONTRACTOR** shall maintain valid Business Tax Registration Certificate(s) as required by **CITY's** Business Tax Ordinance, Section 21.00 et seq. of the Los Angeles Municipal Code ("LAMC"), and shall not allow the Certificate to lapse or be revoked or suspended.

PSC-15. RETENTION OF RECORDS, AUDIT AND REPORTS

CONTRACTOR shall maintain all records, including records of financial transactions, pertaining to the performance of this Contract, in their original form or as otherwise approved by **CITY**. Except in circumstances where either federal, state, or local law requires a longer period of retention, these records shall be retained for a period of no less than five (5) years from the later of the following: (1) final payment made by **CITY**, (2) the expiration of this Contract or (3) termination of this Contract ("Retention Period"). The records will be subject to examination and audit by authorized **CITY** personnel or **CITY's** representatives at any time.

CONTRACTOR acknowledges that this is an agreement with the Municipal Corporation of Los Angeles, and, as such, upon request by the Office of the Mayor, City Attorney, or Controller, agrees to provide such entities with access to any information, records, or data related to this Contract. **CONTRACTOR** shall provide any reports requested by **CITY** regarding performance of this Contract. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

Any Confidential Information and protected Personal Information contained in the records during the retention period will remain subject to the obligations and restrictions contained in the Contract. **CONTRACTOR** will not use the retained Confidential Information or Personal Information for any purpose.

In lieu of retaining the records for the term as prescribed in this provision, **CONTRACTOR** may, upon **CITY's** written approval, submit the required information to **CITY** in an electronic format, e.g. USB flash drive, at the expiration or termination of this Contract. At any time prior to or during Retention Period, **CONTRACTOR** shall, upon written request by **CITY**, provide all City Data to **CITY** in an electronic format, e.g. USB flash drive. Within thirty (30) days following the expiration of Retention Period, **CONTRACTOR** shall securely dispose of all City Data in its possession and provide **CITY** with written certification that it has completed secure disposal.

For purposes of this PSC-15, records pertaining to the performance of this Contract include records reasonably necessary to demonstrate **CONTRACTOR's** compliance with PSC-21, PSC-22, PSC-23, PSC-34, and PSC-37, including Subprocessor approvals, security assessments, incident reports, and policies or certifications made available to **CITY**. Retention of City Data itself shall remain subject to PSC-22.

PSC-16. BONDS

All bonds required by **CITY** shall be filed with the Office of the City Administrative Officer, Risk Management for its review and acceptance in accordance with Los Angeles Administrative Code ("LAAC") Sections 11.47 et seq. and any successor sections.

PSC-17. INDEMNIFICATION

Except for the active negligence or willful misconduct of **CITY**, or any of its boards, officers, agents, employees, assigns and successors in interest, **CONTRACTOR** shall defend, indemnify and hold harmless **CITY** and any of its boards, officers, agents, employees, assigns, and successors in interest from and against all lawsuits and causes of action, claims, losses, demands, deficiencies, judgments, settlements, costs, and expenses of any kind, including, but not limited to, attorney's fees (both in house and outside counsel), costs of experts and consultants, damages or liability of any nature whatsoever whether foreseeable or unforeseeable (including, but not limited to, as related to death, personal injury, property damage, or economic loss), relating to or, arising in any manner by reason of the acts, errors, omissions or willful misconduct by **CONTRACTOR,** Subcontractors, or their boards, officers, agents, employees, assigns, and successors in interest. Without limiting the foregoing, such obligations apply to claims, losses, demands, and expenses arising out of or relating to any Security Incident or Data Breach, any unauthorized access to, acquisition, use, disclosure, loss, alteration, or destruction of City Data, any violation of PSC-21, PSC-22, PSC-23, PSC-34, or PSC-37, or any allegation that **CONTRACTOR's** use of an AI System under this Contract caused invasion of privacy, unlawful discrimination, defamation, or other injury, in each case to the extent caused by **CONTRACTOR** or its Subcontractors. The rights and remedies of **CITY** provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract. This provision will survive expiration or termination of this Contract.

PSC-18. INTELLECTUAL PROPERTY INDEMNIFICATION

CONTRACTOR, at its own expense, shall defend, indemnify, and hold harmless the **CITY**, and any of its boards, officers, agents, employees, assigns, and successors in interest from and against all lawsuits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by **CITY**, including but not limited to costs of experts and consultants), damages or liability of any nature arising out of the infringement, actual or alleged, direct or contributory, of any intellectual property rights, including, without limitation, patent, copyright, trademark, trade secret, right of publicity, and proprietary information: (1) on or in any design, medium, matter, article, process, method, application, equipment, device, instrumentation, software, hardware, or firmware used by **CONTRACTOR**, or its Subcontractors, in performing the work under this Contract; or (2) as a result of **CITY's** actual or intended use of any Work Product furnished by **CONTRACTOR**, or its Subcontractors, under this Contract. The rights and remedies of **CITY** provided in this section shall not be exclusive and are in addition to any

other rights and remedies provided by law or under this Contract. This provision will survive expiration or termination of this Contract.

For purposes of this PSC-18, intellectual property and proprietary information claims include claims arising from any software, dataset, AI System, model, training or fine-tuning data, prompt library, or output used or provided by **CONTRACTOR** or its Subcontractors in connection with the services. If any service, Work Product, or deliverable becomes, or in **CONTRACTOR's** reasonable judgment is likely to become, subject to such a claim, **CONTRACTOR** shall, at its expense and in addition to its defense and indemnity obligations, promptly: (1) procure for **CITY** the right to continue using the affected item; (2) replace or modify the affected item so that it becomes noninfringing without materially reducing functionality, security, or performance; or (3) if neither of the foregoing is commercially reasonable, refund the fees allocable to the affected item and assist **CITY** in an orderly transition. **CONTRACTOR** shall have no obligation under this paragraph to the extent a claim arises solely from modifications made by **CITY** other than through **CONTRACTOR**, use of the affected item contrary to the documentation or this Contract after notice by **CONTRACTOR**, or combination with items not supplied or approved by **CONTRACTOR** where the claim would not have arisen but for such combination.

PSC-19. INTELLECTUAL PROPERTY WARRANTY

CONTRACTOR represents and warrants that its performance of all obligations under this Contract does not infringe in any way, directly or contributorily, upon any third party's intellectual property rights, including, without limitation, patent, copyright, trademark, trade secret, right of publicity and proprietary information.

CONTRACTOR further represents and warrants that: (1) **CONTRACTOR** and its Subcontractors have obtained and will maintain all rights, licenses, consents, notices, and permissions necessary for the technologies, datasets, AI Systems, and other materials used to perform this Contract and to grant the rights granted to **CITY** herein, including any required rights relating to voice, image, likeness, biometric, or other protected data; (2) no Contractor Materials, Work Product, or AI-generated deliverable provided to **CITY** is subject to any license, use restriction, or other encumbrance that would require **CITY** to disclose source code, grant rights to third parties, or accept restrictions inconsistent with this Contract, except as expressly disclosed in writing and approved by **CITY**; and (3) **CONTRACTOR** will not use City Data to train or improve any AI System except as expressly permitted under PSC-23.

PSC-20. TECHNOLOGY, DATA AND AI DEFINITIONS

For purposes of these Standard Provisions for City Contracts, the following terms apply:

"AI System" means any machine-based system, including any generative artificial intelligence, large language model, machine learning model, algorithmic or automated decision system, or similar technology, that infers from the inputs it receives how to

generate outputs such as text, images, audio, video, code, classifications, scores, predictions, recommendations, or decisions.

"City Data" means all data, content, records, information, text, audio, video, images, software, documents, Personal Information, credentials, metadata, logs, prompts, inputs, outputs, feedback, configurations, and other information, in any form, that is: (i) provided by or on behalf of **CITY** to **CONTRACTOR**; (ii) made available to **CONTRACTOR** by **CITY's** personnel, residents, users, agents, systems, or devices; or (iii) collected, received, accessed, stored, hosted, transmitted, generated, derived, created, or otherwise processed by **CONTRACTOR** or its Subprocessors in connection with this Contract, in each case where such information identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked to **CITY**, any individual or household, **CITY** operations, or **CITY** systems. City Data includes any data embodied in Work Product and any prompts, inputs, outputs, logs, and evaluation data used or generated in connection with any AI System under this Contract. City Data does not include Contractor Materials, and does not include De-Identified Data solely to the extent **CONTRACTOR** is expressly permitted to use such De-Identified Data under PSC-22.

"Contractor Materials" means preexisting or independently developed materials, services, software, source code, object code, models, algorithms, routines, templates, know-how, tools, methods, documentation, and other intellectual property that were not created specifically for **CITY** under this Contract and were not developed using City Data or **CITY** funding.

"Data Breach" means any unauthorized acquisition, access, use, disclosure, exfiltration, loss, theft, destruction, alteration, or compromise of City Data, or of the security, confidentiality, or integrity of City Data, whether or not such event constitutes a breach under applicable law.

"De-Identified Data" means data that cannot reasonably be used to infer information about, or otherwise be linked to, **CITY**, any individual, household, device, or **CITY** system, and with respect to which **CONTRACTOR** has implemented technical and organizational measures designed to prohibit re-identification and onward disclosure except as permitted by law.

"Personal Information" means any information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular individual or household, and any other data subject to privacy, confidentiality, security, breach notification, consumer protection, identity theft, employment, or similar laws, including sensitive personal information, personally identifiable information, protected health information, payment card data, financial account information, biometric information, credentials, education records, and government-issued identifiers.

"Security Incident" means any actual or reasonably suspected event that materially threatens or adversely affects the confidentiality, integrity, availability, or resilience of City

Data or of the systems used to provide the services, including malware, ransomware, denial of service, unauthorized access attempts, or material outages, but excluding unsuccessful routine scans, pings, or blocked attacks that do not result in unauthorized access to City Data or material degradation of the services.

"Subprocessor" means any subcontractor or other third party, including any cloud, hosting, support, analytics, payment, or AI provider, engaged by **CONTRACTOR** or its Subcontractors to host, access, receive, store, transmit, or otherwise process City Data or to provide a material technology service used in performance of this Contract.

PSC-21. OWNERSHIP AND LICENSE

A. City Data. **CITY** retains all right, title, and interest in and to City Data. No rights in City Data are granted to **CONTRACTOR** except the limited, nonexclusive, nontransferable right to use City Data solely as necessary to perform this Contract and solely in accordance with this Contract and **CITY's** written instructions. **CONTRACTOR** shall not sell, license, rent, disclose, release, transfer, assign, encumber, or otherwise exploit City Data and shall not assert any lien, withholding right, setoff, or other encumbrance against City Data.

B. Work Product. Unless otherwise expressly provided in this Contract, all finished and unfinished works, tangible or intangible, originated and prepared by **CONTRACTOR** or its Subcontractors specifically for **CITY** under this Contract, including, without limitation, documents, reports, analyses, studies, specifications, manuals, software, code, configurations, interfaces, databases, designs, audiovisual materials, websites, domain names, inventions, discoveries, and other deliverables (each, a "Work Product"; collectively, "Work Products"), together with all intellectual property rights therein, shall be and remain the exclusive property of **CITY** for its use in any manner **CITY** deems appropriate. **CONTRACTOR** hereby assigns to **CITY** all right, title, and interest worldwide in and to such Work Products. **CONTRACTOR** shall execute any documents reasonably necessary for **CITY** to perfect, memorialize, or record **CITY's** ownership of rights provided herein.

C. AI-Generated Output. To the extent any Work Product or portion thereof is generated or assisted by an AI System or is not capable of assignment or exclusive ownership as a matter of law, **CONTRACTOR** hereby grants to **CITY** a perpetual, irrevocable, worldwide, royalty-free, fully paid-up license, with the right to sublicense to **CITY's** contractors and service providers acting on **CITY's** behalf, to use, reproduce, modify, display, perform, distribute, create derivative works from, and otherwise exploit such Work Product or output for any **CITY** purpose.

D. Contractor Materials. **CONTRACTOR** retains ownership of Contractor Materials. To the extent any Contractor Materials are incorporated into, delivered with, or reasonably necessary for **CITY** to use any Work Product or receive the benefits of the services, **CONTRACTOR** grants to **CITY** a nonexclusive, perpetual, irrevocable, worldwide, royalty-free, fully paid-up license, with the right to

sublicense to **CITY's** contractors and service providers acting on **CITY's** behalf, to use, execute, reproduce, display, perform, configure, maintain, support, and, if delivered in source or editable form, modify such Contractor Materials solely as necessary for **CITY** to use the Work Product and receive the benefits of the services.

E. Third-Party Materials. For all materials, software, data, or other items delivered to **CITY** that are not originated or prepared by **CONTRACTOR** or its Subcontractors under this Contract, **CONTRACTOR** shall secure for **CITY**, at no additional cost to **CITY**, all rights necessary for **CITY** to use such items for **CITY** purposes and to receive the full benefit of this Contract.

F. Restrictions on Disclosure. **CONTRACTOR** shall not provide or disclose any Work Product or City Data to any third party except as expressly permitted under this Contract or approved in writing by **CITY.**

G. Subcontracts. Any subcontract or other agreement entered into by **CONTRACTOR** relating to this Contract shall preserve and protect **CITY's** rights in City Data and Work Product and shall state that no Subprocessor or subcontractor obtains any ownership interest in either.

H. Equitable Relief. **CONTRACTOR** agrees that a monetary remedy for breach of this PSC-21 may be inadequate, impracticable, or difficult to prove and that a breach may cause **CITY** irreparable harm. **CITY** may therefore enforce this PSC-21 by seeking injunctive relief and specific performance, without any necessity of showing actual damage or irreparable harm. Seeking injunctive relief or specific performance does not preclude **CITY** from seeking or obtaining any other relief to which **CITY** may be entitled.

PSC-22. DATA PROTECTION

A. General Standard. **CONTRACTOR** shall protect City Data using administrative, technical, physical, and organizational safeguards no less rigorous than accepted industry standards and no less protective than those **CONTRACTOR** uses for its own information of similar sensitivity, and in all events consistent with applicable law and the nature of the services and City Data. **CONTRACTOR** shall maintain a written information security program, incident response plan, and business continuity and disaster recovery capabilities appropriate to the services.

B. Permitted Use; Restricted Use. **CONTRACTOR** shall collect, access, use, retain, disclose, store, and otherwise process City Data only for the limited and specified purpose of performing this Contract, complying with applicable law, and as otherwise expressly authorized in writing by **CITY**. **CONTRACTOR** shall limit access to City Data to personnel and approved Subprocessors with a need to know for performance of this Contract and who are bound by written confidentiality and data protection obligations at least as protective as this Contract. In addition to the

confidentiality obligations in PSC-37, **CONTRACTOR** shall not: (i) sell, share, rent, release, disclose, disseminate, make available, transfer, or otherwise communicate City Data to any third party except as expressly authorized by **CITY** or required by law; (ii) use City Data for advertising, marketing, profiling for unrelated purposes, product development unrelated to the services, or any commercial purpose other than performance of this Contract; (iii) combine City Data with data from other customers or sources except as necessary to provide the services and subject to written controls that prevent unauthorized use or disclosure; or (iv) move, store, or permit access to City Data outside the United States without **CITY's** prior written approval.

C. Data Minimization and Retention. **CONTRACTOR** shall collect and use only the minimum City Data reasonably necessary to perform this Contract, and shall retain City Data only for the duration reasonably necessary for the permitted purpose or as otherwise required by law or **CITY's** written instructions. If retention is required by law or PSC-15, such retained City Data shall remain subject to all protections of this Contract.

D. Security Controls. Without limiting the foregoing, **CONTRACTOR** shall, to the extent applicable to the services, implement and maintain: (i) logical access controls based on least privilege and unique user identification; (ii) multi-factor authentication for remote access, privileged access, and access to systems hosting City Data where technically feasible; (iii) encryption of City Data in transit and at rest, to the extent commercially reasonable and appropriate to the sensitivity of the City Data and the architecture of the services, and in all cases for portable media and internet transmissions; (iv) malware protection, endpoint monitoring, and timely security patching and vulnerability management appropriate to risk; (v) logging and monitoring reasonably sufficient to detect, investigate, and respond to unauthorized access or use; (vi) secure configuration, secure development where software or AI-based services are provided, and change management; (vii) secure disposal of media containing City Data; (viii) periodic privacy and security training for personnel with access to City Data; and (ix) segregation of City Data from other data through logical or physical separation appropriate to the services.

E. Subprocessors. **CONTRACTOR** shall not permit any Subprocessor to access or process City Data without **CITY's** prior written approval as required hereunder and a written agreement binding the Subprocessor to obligations no less protective than this Contract, including the restrictions in this PSC-22 and PSC-23. **CONTRACTOR** remains fully responsible for all acts and omissions of its Subprocessors.

F. Security Incidents and Data Breaches. **CONTRACTOR** shall notify **CITY** in writing without unreasonable delay, and in any event no later than twenty-four (24) hours after discovery of any Security Incident or Data Breach. Such notice shall include, to the extent known at the time, the nature of the incident, the categories of City Data affected, the date and time or estimated date and time of the incident, the

systems affected, the measures taken or proposed to address it, and a point of contact. **CONTRACTOR** shall promptly take all reasonable steps to contain, investigate, mitigate, and remediate the incident; preserve relevant evidence; provide **CITY** with regular status updates at least daily until resolution, or more frequently if reasonably requested by **CITY**; and cooperate fully with **CITY**, its representatives, insurers, auditors, and law enforcement. **CONTRACTOR** shall not notify any third party, regulator, or affected individual, or issue any public statement, regarding any Security Incident or Data Breach involving City Data without **CITY's** prior written approval, unless required by law, in which case **CONTRACTOR** shall, to the extent legally permitted, consult with **CITY** in advance and provide **CITY** a copy of the proposed notice. **CONTRACTOR** shall reimburse **CITY** for reasonable documented third-party costs incurred by **CITY** to investigate, respond to, mitigate, notify, and remediate any Security Incident or Data Breach to the extent caused by **CONTRACTOR** or its Subprocessors, including legally required notice, call center support, credit or identity monitoring where reasonably appropriate, forensic services, data restoration, and other reasonable incident response costs.

G. Assessments and Audit Cooperation. Upon **CITY's** reasonable request, not more than once annually except following a Security Incident, Data Breach, or material change in **CONTRACTOR's** security controls, **CONTRACTOR** shall provide **CITY** with then-current summaries of relevant independent security assessments, certifications, or audit reports, such as SOC 2 Type II, ISO 27001, or comparable reports, if available, together with remediation status for material findings relevant to the services. If such reports are unavailable, **CONTRACTOR** shall complete **CITY's** reasonable security questionnaire and provide reasonable supporting documentation sufficient to demonstrate compliance with this PSC-22. **CITY** or its designated representative may, upon reasonable notice and during normal business hours, perform a reasonable review of **CONTRACTOR's** compliance with this PSC-22 and PSC-23, subject to reasonable confidentiality, security, and operational safeguards. Any such review shall be limited to information and systems relevant to the services and City Data and shall not unreasonably interfere with **CONTRACTOR's** business operations or expose data of other customers.

H. Return, Transition, and Deletion. Upon **CITY's** request, expiration, or termination of this Contract, **CONTRACTOR** shall promptly, and in no event later than thirty (30) days unless otherwise directed by **CITY**, return to **CITY** all City Data in a reasonably usable format designated by **CITY** and securely delete all copies of City Data in **CONTRACTOR's** and its Subprocessors' possession or control, except to the extent retention is required by law or by immutable backup media not reasonably accessible in the ordinary course. Any retained City Data shall remain subject to this Contract until deleted. Upon request, **CONTRACTOR** shall certify in writing its completion of the return and deletion obligations. The return of City Data in a reasonably usable format and the deletion certification required by this subsection shall be provided at no additional charge. Additional transition services

requested by **CITY** beyond those ordinary obligations shall be provided at the rates, if any, set forth in this Contract, or otherwise at mutually agreed rates.

I. Legal Requests and Public Records. **CONTRACTOR** shall promptly notify **CITY** of any subpoena, court order, public records request, or other legal demand seeking City Data or Confidential Information, unless prohibited by law. **CONTRACTOR** shall not respond or produce City Data except as required by law and after giving **CITY** a reasonable opportunity to seek protective relief or otherwise direct the response. **CONTRACTOR** shall reasonably assist **CITY** in responding to requests for records relating to this Contract.

J. Limited Use of De-Identified Data. **CONTRACTOR** may use De-Identified Data solely for internal security, fraud prevention, service support, capacity planning, and improvement of the services provided to **CITY**, provided that **CONTRACTOR** does not identify **CITY**, any individual, household, device, or **CITY** system, does not sell or share such data, and does not use such data to train or improve any general-purpose or third-party AI System without **CITY's** prior written approval.

K. By entering into this Contract, **CONTRACTOR** certifies that it understands and will comply with the restrictions in this PSC-22 and PSC-23. This PSC-22 shall survive expiration or termination of this Contract.

PSC-23. ARTIFICIAL INTELLIGENCE AND AUTOMATED PROCESSING

A. Disclosure and Approval. **CONTRACTOR** shall not use any AI System that processes City Data, generates deliverables for **CITY**, interacts with the public or **CITY** personnel on **CITY's** behalf, or materially informs services or decisions under this Contract, or permit any Subprocessor to do so, without prior written disclosure to **CITY** of the AI System or provider, intended use case, categories of City Data processed, hosting region, retention practices, and material limitations reasonably known to **CONTRACTOR** that may affect accuracy, reliability, security, confidentiality, intellectual property, or bias. No such AI System or material AI feature may be enabled for **CITY** without **CITY's** prior written consent if it materially changes how City Data is processed or materially changes the risk profile of the services.

B. No Model Training or Secondary Use. Except as expressly authorized in a written amendment signed by **CITY**, **CONTRACTOR** shall not, and shall cause its Subprocessors and AI providers not to, use City Data to train, retrain, fine-tune, or otherwise improve any AI System or model, whether general-purpose or customer-specific. Any retention of prompts, inputs, outputs, or feedback for abuse monitoring, safety review, or troubleshooting must be disclosed to **CITY** in advance, limited to the minimum necessary, protected as City Data, and not used for model training or generalized product improvement.

C. Responsibility and Human Oversight. **CONTRACTOR** remains fully responsible for all services performed with or through an AI System. **CONTRACTOR** shall implement reasonable governance and quality controls appropriate to the use case, including documented intended use, change management, testing for material errors and security risks, and human review before any AI-generated output is relied upon for material legal, financial, employment, eligibility, benefits, enforcement, or safety decisions affecting any individual, unless **CITY** expressly authorizes otherwise in writing and applicable law permits such use.

D. Output and Records. Any output, report, recommendation, code, content, or other deliverable generated by an AI System for **CITY** under this Contract shall be treated as Work Product or City Data, as applicable. Upon **CITY's** reasonable request, **CONTRACTOR** shall identify whether a deliverable was materially generated or modified using an AI System. **CONTRACTOR** shall, upon **CITY's** reasonable request, maintain and provide records sufficient to identify the AI System used, the material version or model family, the date of use, and the categories of City Data processed in connection with the services, except to the extent disclosure would reveal **CONTRACTOR's** trade secrets unrelated to **CITY's** use, in which case **CONTRACTOR** shall provide a reasonably informative summary.

E. Changes and Suspension. **CONTRACTOR** shall provide **CITY** with reasonable advance written notice of any material change in an AI System or AI provider used to perform the services that is reasonably likely to affect City Data, security, confidentiality, functionality, or the risk profile of the services. If **CITY** reasonably determines that an AI System presents a material risk to City Data, **CITY** systems, or affected individuals, **CITY** may direct **CONTRACTOR** to suspend the applicable AI-enabled processing until the risk is remediated to **CITY's** reasonable satisfaction.

This PSC-23 shall survive expiration or termination of this Contract.

PSC-24. INSURANCE

During the term of this Contract and without limiting **CONTRACTOR's** obligation to indemnify, hold harmless and defend **CITY**, **CONTRACTOR** shall provide and maintain at its own expense a program of insurance having the coverages and limits not less than the required amounts and types as determined by the Office of the City Administrative Officer of Los Angeles, Risk Management (template Form General 146 in Exhibit 1 hereto). The insurance must: (1) conform to **CITY's** requirements; (2) comply with the Insurance Contractual Requirements (Form General 133 in Exhibit 1 hereto); and (3) otherwise be in a form acceptable to the Office of the City Administrative Officer, Risk Management. **CONTRACTOR** shall comply with all Insurance Contractual Requirements shown on Exhibit 1 hereto. Exhibit 1 is hereby incorporated by reference and made a part of this Contract.

The insurance must name **CITY** as an additional insured with respect to liability coverage. No policies or certificates with respect to such insurance may be cancelled or materially changed without at least thirty (30) days' prior written notice by the respective insurer to **CITY**.

PSC-25. BEST TERMS/MOST FAVORED NATIONS

Throughout the term of this Contract, **CONTRACTOR**, shall offer **CITY** the same or better terms, prices, and discounts that are offered by **CONTRACTOR** to any person or entity for similar goods and services provided under this Contract. In the event that **CONTRACTOR** offers any customers pricing lower than that offered to **CITY** during the term of this **CONTRACT**, **CONTRACTOR** must immediately notify **CITY** in writing and provide those same terms to **CITY.**

PSC-26. WARRANTY AND RESPONSIBILITY OF CONTRACTOR

CONTRACTOR warrants that the work performed hereunder shall be completed in a manner consistent with professional standards practiced among those firms within **CONTRACTOR's** profession, doing the same or similar work under the same or similar circumstances.

CONTRACTOR further warrants that: (1) the services and any systems used to provide them will materially conform to the specifications, documentation, and representations made to **CITY** regarding functionality, security, retention, and AI use; (2) **CONTRACTOR** has implemented and will maintain the safeguards required by PSC-22 and PSC-23; (3) to **CONTRACTOR's** knowledge, and except as disclosed to **CITY** in writing, the services will not contain viruses, malware, back doors, time bombs, or other malicious code intentionally inserted by **CONTRACTOR**; and (4) any deliverable materially generated or supported by an AI System will be subject to reasonable human review and quality controls appropriate to its intended use before delivery to **CITY**.

PSC-27. NON-DISCRIMINATION IN EMPLOYMENT/AFFIRMATIVE ACTION

Unless otherwise exempt, this Contract is subject to the applicable non-discrimination, equal benefits, equal employment practices, and affirmative action program provisions in LAAC Section 10.8 et seq., as amended from time to time.

A. **CONTRACTOR** shall comply with the applicable non-discrimination and affirmative action provisions of the laws of the United States of America, the State of California, and **CITY**. In performing this Contract, **CONTRACTOR** shall not discriminate in any of its hiring or employment practices against any employee or applicant for employment because of such person's race, color, religion, national origin, ancestry, sex, sexual orientation, gender, gender identity, age, disability, domestic partner status, marital status or medical condition.

B. The requirements of Section 10.8.2.1 of the LAAC, including the provisions of Section 10.8.2.1(f) are incorporated and made a part of this Contract by reference.

C. The provisions of Section 10.8.3 of the LAAC are incorporated and made a part of this Contract by reference.

D. The provisions of Section 10.8.4 of the LAAC are incorporated and made a part of this Contract by reference.

Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include a provision requiring compliance with Sections 10.8.3, and 10.8.4 of the LAAC.

PSC-28. ADDITIONAL STATE LAW AND ORDINANCE COMPLIANCE

In addition to complying with all federal, state, and local laws, as part of **CONTRACTOR's** contractual obligations to the **CITY**, **CONTRACTOR** agrees to comply with the following state laws, local ordinances, and directives, as amended from time to time (*subcontractors are not exempt):

*Living Wage Ordinance (Los Angeles Administrative Code Section 10.37 et seq.)

*Worker Retention Ordinance (Los Angeles Administrative Code Section 10.36 et seq.)

Slavery Disclosure Ordinance (Los Angeles Administrative Code Section 10.41 et seq.)

*First Source Hiring (Los Angeles Administrative Code Section 10.44 et seq.)

Iran Contracting Act 2010 (California Public Contract Code Sections 2200-2208)

Border Wall Contracting (Los Angeles Administrative Code Section 10.50.1 et seq.)

*Local Business Preference (Los Angeles Administrative Code Section 10.25 et seq.)

*MBE/WBE/SBE/EBE/DVBE/OBE (Executive Directive #14 (Villaraigosa))

*Contractor Responsibility (Los Angeles Administrative Code Section 10.40 et seq.)

City Contractor Evaluations (Los Angeles Administrative Code Section 10.39 et seq.)

*Prevailing Wage (Los Angeles Administrative Code Section 10.7.1)

*Child Support Assignment Orders (Los Angeles Administrative Code Section 10.10)

Restrictions on Campaign Contributions and Fundraising in City Elections (Los Angeles Administrative Code Section 49.7.35)

Compliance with California Public Resources Code Section 5164 (CA Public Resources Code Section 5164)

Time Off For Voting (CA Elections Code Section 14000 and 14001)

Zero Waste (Los Angeles Administrative Code Section 10.53)

Any subcontract entered into by a **CONTRACTOR** for work performed under this Contract must include a provision specifically requiring the subcontractor's compliance with each of the above provisions marked with an (*) asterisk.

PSC-29. ACCESS AND ACCOMMODATIONS

CONTRACTOR represents and certifies that:

A. **CONTRACTOR** shall comply with the Americans with Disabilities Act, as amended, 42 U.S.C. Section 12101 et seq., the Rehabilitation Act of 1973, as amended, 29 U.S.C. Section 701 et seq., the Fair Housing Act, and its implementing regulations and any subsequent amendments, and California Government Code Section 11135;

B. **CONTRACTOR** shall not discriminate on the basis of disability or on the basis of a person's relationship to, or association with, a person who has a disability;

C. **CONTRACTOR** shall provide reasonable accommodation upon request to ensure equal access to **CITY**-funded programs, services and activities, including equal access to facilities, services, and programs without regard to any person's citizenship or immigration status to the maximum extent that federal and state permits.

D. **CONTRACTOR** shall ensure all web and mobile applications, and web and mobile content, developed, provided to, or maintained on behalf of **CITY,** comply with applicable federal and state accessibility laws, including the Americans with Disabilities Act of 1990, as amended, 42 U.S.C. Section 12101 et seq. and its implementing regulations at 28 C.F.R. Part 35, including Section 35.200 et seq. and subsequent amendments, and California Government Code Section 11135, and shall conform to Web Content Accessibility Guidelines (WCAG) 2.1 Level AA, or any successor standard.

CONTRACTOR understands that **CITY** is expressly relying upon these certifications and representations as a material condition to funding this Contract. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-30. BUSINESS INCLUSION PROGRAM

Unless otherwise exempted prior to bid submission, **CONTRACTOR** shall comply with all aspects of the Business Inclusion Program, including subcontractor outreach, as described in the Request for Proposal/Qualification process, throughout the duration of this Contract. **CONTRACTOR** shall utilize the Regional Alliance Marketplace for

Procurement ("RAMP") at https://www.rampla.org, to perform and document outreach to Small, Emerging, Disabled Veteran, Minority, Women, and Other Business Enterprises. **CONTRACTOR** shall not change any of its designated Subcontractors or pledged specific items of work to be performed by these Subcontractors, nor shall **CONTRACTOR** reduce their level of such effort, without prior written approval of **CITY**.

PSC-31. RESTRICTIONS ON CAMPAIGN CONTRIBUTIONS AND FUNDRAISING IN CITY ELECTIONS

Unless otherwise exempt, if this Contract is valued at $100,000 or more and requires approval by an elected **CITY** office, **CONTRACTOR**, **CONTRACTOR's** principals, and **CONTRACTOR's** Subcontractors expected to receive at least $100,000 for performance under the Contract, and the principals of those Subcontractors (the "Restricted Persons") shall comply with Charter Section 470(c)(12) and LAMC Section 49.7.35. Failure to comply entitles **CITY** to terminate this Contract and to pursue all available legal remedies. Charter Section 470(c)(12) and LAMC Section 49.7.35 limit the ability of the Restricted Persons to make campaign contributions to and engage in fundraising for certain elected **CITY** officials or candidates for elected **CITY** office for twelve (12) months after this Contract is signed. Additionally, a **CONTRACTOR** subject to Charter Section 470(c)(12) is required to comply with disclosure requirements by submitting a completed and signed Ethics Commission Form 55 and to amend the information in that form as specified by law. Any **CONTRACTOR** subject to Charter Section 470(c)(12) shall include the following notice in any contract with any Subcontractor expected to receive at least $100,000 for performance under this Contract:

"Notice Regarding Restrictions on Campaign Contributions and Fundraising in City Elections

You are a subcontractor on City of Los Angeles Contract #_____. Pursuant to the City of Los Angeles Charter Section 470(c)(12) and related ordinances, you and your principals are prohibited from making campaign contributions to and fundraising for certain elected City of Los Angeles ("**CITY**") officials and candidates for elected **CITY** office for twelve (12) months after the **CITY** contract is signed. You are required to provide the names and contact information of your principals to the **CONTRACTOR** and to amend that information within ten (10) business days if it changes during the twelve (12) month time period. Failure to comply may result in termination of this Contract and any other available legal remedies. Information about the restrictions may be found online at ethics.lacity.org or by calling the Los Angeles City Ethics Commission at (213) 978-1960."

PSC-32. CONTRACTORS' USE OF CRIMINAL HISTORY FOR CONSIDERATION OF EMPLOYMENT APPLICATIONS

CONTRACTOR shall comply with the City Contractors' Use of Criminal History for Consideration of Employment Applications Ordinance, LAAC Section 10.48 et seq., as

amended from time to time. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-33. LIMITATION OF CITY'S OBLIGATION TO MAKE PAYMENT TO CONTRACTOR

Notwithstanding any other provision of this Contract, including any exhibits or attachments incorporated therein, and in order for **CITY** to comply with its governing legal requirements, **CITY** shall have no obligation to make any payments to **CONTRACTOR** unless **CITY** shall have first made an appropriation of funds equal to or in excess of its obligation to make any payments as provided in this Contract. **CONTRACTOR** agrees that any services provided by **CONTRACTOR**, purchases made by **CONTRACTOR** or expenses incurred by **CONTRACTOR** in excess of the appropriation(s) shall be free and without charge to **CITY** and **CITY** shall have no obligation to pay for the services, purchases or expenses. **CONTRACTOR** shall have no obligation to provide any services, provide any equipment or incur any expenses in excess of the appropriated amount(s) until **CITY** appropriates additional funds for this Contract.

PSC-34. COMPLIANCE WITH IDENTITY THEFT LAWS AND PAYMENT CARD DATA SECURITY STANDARDS

If **CONTRACTOR** stores, processes, transmits, or can access payment card data, financial account information, taxpayer information, or credentials that permit access to accounts or payment instruments, **CONTRACTOR** shall comply with all applicable identity theft, payment card, consumer protection, and data security laws and standards, including laws related to payment devices, credit and debit card fraud, the Fair and Accurate Credit Transactions Act ("FACTA"), and the then-current Payment Card Industry Data Security Standards ("PCI DSS"). **CONTRACTOR** shall use such information solely for the purpose of performing this Contract, shall not store authentication data after authorization except as expressly permitted by applicable standards, and shall implement reasonable measures to prevent skimming, credential compromise, and unauthorized account access. During the performance of any service to install, program, maintain, or update payment devices or payment applications, **CONTRACTOR** shall verify proper truncation of receipts in compliance with FACTA. Upon request, **CONTRACTOR** shall provide **CITY** with current attestation or other evidence of compliance reasonably acceptable to **CITY**. Any payment Security Incident shall be handled in accordance with PSC-22.

PSC-35. POSSESSORY INTEREST TAX

Rights granted to **CONTRACTOR** by **CITY** may create a possessory interest. **CONTRACTOR** agrees that any possessory interest created may be subject to California Revenue and Taxation Code Section 107.6 and a property tax may be levied on that possessory interest. If applicable, **CONTRACTOR** shall pay the property tax at its own expense. **CONTRACTOR** acknowledges that the notice required under California Revenue and Taxation Code Section 107.6 has been provided.

PSC-36. TAXES

CONTRACTOR shall report and pay all taxes, fees, levies, imposts, duties, assessments, charges and withholdings of any similar nature, however designated (including, any value added, transfer, sales, use, gross receipts, business, occupation, excise, personal property, real property, stamp or other taxes) ("Taxes") now or hereafter imposed or assessed by governmental body, agency or taxing authority in connection with this Contract, whether assessed on **CONTRACTOR** or **CITY**, other than any such Taxes required by law to be reported and paid by the **CITY**. **CITY** shall within 120 days of invoice reimburse **CONTRACTOR** for all such Taxes paid by **CONTRACTOR** on **CITY's** behalf, excluding Taxes on or measured by the overall gross receipts, net income, or the like of **CONTRACTOR** or its affiliates.

PSC-37. CONFIDENTIALITY

All City Data, Personal Information, Work Product, security information, system architecture, credentials, records, documents, materials, and other nonpublic information provided by **CITY** to **CONTRACTOR** or accessed, received, created, or developed by **CONTRACTOR** or its Subcontractors in connection with this Contract (collectively, "Confidential Information") are confidential. Confidential Information does not include information that **CONTRACTOR** can demonstrate by contemporaneous written records: (1) was lawfully known to **CONTRACTOR** without restriction before disclosure by **CITY**; (2) was independently developed without use of Confidential Information; or (3) becomes publicly available through no breach of this Contract; provided, however, that City Data, Personal Information, Work Product, and security information shall remain Confidential Information unless expressly released in writing by **CITY** or made public by **CITY**.

CONTRACTOR shall protect Confidential Information using at least the same degree of care it uses to protect its own confidential information of a similar nature, and in no event less than reasonable care. **CONTRACTOR** shall not access, use, reproduce, disclose, distribute, transfer, publish, or permit access to Confidential Information except as necessary to perform this Contract, as expressly authorized in writing by **CITY**, or as required by law. **CONTRACTOR** shall restrict access to Confidential Information to personnel and approved Subprocessors with a need to know and who are bound by written obligations of confidentiality and restricted use at least as protective as those contained in this Contract.

CONTRACTOR shall promptly notify **CITY** of any actual or attempted unauthorized access to Confidential Information and of any subpoena, court order, public records request, or other legal process seeking Confidential Information, unless prohibited by law. If disclosure is required by law, **CONTRACTOR** shall disclose only the minimum information legally required and, to the extent legally permitted, provide **CITY** a reasonable opportunity to seek protective relief or otherwise direct the response. **CONTRACTOR** shall not issue press releases or other public statements referencing **CITY's** Confidential Information without **CITY's** prior written approval.

Upon **CITY's** request or expiration or termination of this Contract, **CONTRACTOR** shall return or securely destroy Confidential Information in accordance with PSC-22. This provision shall survive expiration or termination of this Contract.

PSC-38. CONTRACTOR DATA REPORTING

If **CONTRACTOR** is a for-profit, privately owned business, **CONTRACTOR** shall, within thirty (30) days of the effective date of the Contract and on an annual basis thereafter (i.e., within thirty (30) days of the annual anniversary of the effective date of the Contract), report the following information to **CITY** via the Regional Alliance Marketplace for Procurement ("RAMP") or via another method specified by **CITY**: **CONTRACTOR's** and any Subcontractor's annual revenue, number of employees, location, industry, race/ethnicity and gender of majority owner ("Contractor/Subcontractor Information"). **CONTRACTOR** shall further request, on an annual basis, that any Subcontractor input or update its business profile, including the Contractor/Subcontractor Information, on RAMP or via another method prescribed by **CITY**.

PSC-39. SIGNATURES

This Contract may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or handwritten signatures scanned into .pdf format (or another electronic format designated by **CITY**) and sent by e-mail shall be deemed original signatures. Each party further agrees, and acknowledges that it is such party's intent, that if such party signs this Contract using an electronic signature, it is signing, and accepting this Contract and that signing this Contract using an electronic signature evidences the equivalent intent of a handwritten or facsimile signature on this Contract.

Exhibit 1

INSURANCE CONTRACTUAL REQUIREMENTS

EXHIBIT 1

INSURANCE CONTRACTUAL REQUIREMENTS

CONTACT For additional information about compliance with City Insurance and Bond requirements, contact the Office of the City Administrative Officer, Risk Management at (213) 978-RISK (7475) or go online at www.lacity.org/cao/risk. The City approved Bond Assistance Program is available for those contractors who are unable to obtain the City-required performance bonds. A City approved insurance program may be available as a low-cost alternative for contractors who are unable to obtain City-required insurance.

CONTRACTUAL REQUIREMENTS

CONTRACTOR AGREES THAT:

1. **Additional Insured/Loss Payee.** The CITY must be included as an Additional Insured in applicable liability policies to cover the CITY'S liability arising out of the acts or omissions of the named insured. The CITY is to be named as an Additional Named Insured and a Loss Payee As Its Interests May Appear in property insurance in which the CITY has an interest, e.g., as a lien holder.

2. **Notice of Cancellation.** All required insurance will be maintained in full force for the duration of its business with the CITY. By ordinance, all required insurance must provide at least thirty (30) days' prior written notice (ten (10) days for non-payment of premium) directly to the CITY if your insurance company elects to cancel or materially reduce coverage or limits prior to the policy expiration date, for any reason except impairment of an aggregate limit due to prior claims.

3. **Primary Coverage.** CONTRACTOR will provide coverage that is primary with respect to any insurance or self-insurance of the CITY. The CITY'S program shall be excess of this insurance and non-contributing.

4. **Modification of Coverage.** The CITY reserves the right at any time during the term of this Contract to change the amounts and types of insurance required hereunder by giving CONTRACTOR ninety (90) days' advance written notice of such change. If such change should result in substantial additional cost to CONTRACTOR, the CITY agrees to negotiate additional compensation proportional to the increased benefit to the CITY.

5. **Failure to Procure Insurance.** All required insurance must be submitted and approved by the Office of the City Administrative Officer, Risk Management prior to the inception of any operations by CONTRACTOR.

CONTRACTOR'S failure to procure or maintain required insurance or a self-insurance program during the entire term of this Contract shall constitute a material breach of this Contract under which the CITY may immediately suspend or terminate this Contract or, at its discretion, procure or renew such insurance to protect the CITY'S interests and pay any and all premiums in connection therewith and recover all monies so paid from CONTRACTOR.

6. **Workers' Compensation.** By signing this Contract, CONTRACTOR hereby certifies that it is aware of the provisions of Section 3700 *et seq.*, of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake

self-insurance in accordance with the provisions of that Code, and that it will comply with such provisions at all time during the performance of the work pursuant to this Contract.

7. California Licensee. All insurance must be provided by an insurer admitted to do business in California or written through a California-licensed surplus lines broker or through an insurer otherwise acceptable to the CITY. Non-admitted coverage must contain a **Service of Suit** clause in which the underwriters agree to submit as necessary to the jurisdiction of a California court in the event of a coverage dispute. Service of process for this purpose must be allowed upon an agent in California designated by the insurer or upon the California Insurance Commissioner.

8. Aggregate Limits/Impairment. If any of the required insurance coverages contain annual aggregate limits, CONTRACTOR must give the CITY written notice of any pending claim or lawsuit which will materially diminish the aggregate within thirty (30) days of knowledge of same. You must take appropriate steps to restore the impaired aggregates or provide replacement insurance protection within thirty (30) days of knowledge of same. The CITY has the option to specify the minimum acceptable aggregate limit for each line of coverage required. No substantial reductions in scope of coverage which may affect the CITY'S protection are allowed without the CITY'S prior written consent.

9. Commencement of Work. For purposes of insurance coverage only, this Contract will be deemed to have been executed immediately upon any party hereto taking any steps that can be considered to be in furtherance of or towards performance of this Contract. The requirements in this Section supersede all other sections and provisions of this Contract, including, but not limited to, PSC-3, to the extent that any other section or provision conflicts with or impairs the provisions of this Section.

Required Insurance and Minimum Limits

Name:_____ Date: _____

Agreement/Reference: _____

Evidence of coverages checked below, with the specified minimum limits, must be submitted and approved prior to occupancy/start of operations. Amounts shown are Combined Single Limits ("CSLs"). For Automobile Liability, split limits may be substituted for a CSL if the total per occurrence equals or exceeds the CSL amount.

Limits

_____**Workers' Compensation (WC) and Employer's Liability (EL)**

☐ Waiver of Subrogation in favor of City

☐ Longshore & Harbor Workers
☐ Jones Act

WC
_____ *Statutor*
y
EL _____

_____ **General Liability** _____ _____

☐ Products/Completed Operations
☐ Fire Legal Liability _____
☐

☐
Sexual Misconduct _____

_____

_____

_____ **Automobile Liability** (for any and all vehicles used for this contract, other than commuting to/from work) _____

_____ **Professional Liability** (Errors and Omissions) _____

Discovery Period _____

_____ **Property Insurance** (to cover replacement cost of building - as determined by insurance company) _____

☐ All Risk Coverage
☐ Flood _____
☐ Earthquake _____

☐ Boiler and Machinery
☐ Builder's Risk
☐ _____

_____ **Pollution Liability** _____

☐ _____

_____**Surety Bonds -** Performance and Payment (Labor and Materials) Bonds _____
_____**Crime Insurance** _____

Other: _____

EXHIBIT B

STATEMENT OF WORK

EXHIBIT B – STATEMENT OF WORK
FOR IMPLEMENTATION SERVICES FOR LIGHTPOST EVALUATION TEST

This SOW operates under and is subordinate to, the Memorandum of Understanding (the "MOU"). Capitalized terms have the meanings given in the MOU. In any conflict, the MOU controls Section 1.2.

S-1 Scope of Work. Axon, itself or through the Authorized Subcontractor, will install, maintain, monitor, and operate the Lightpost public safety solution, including hardware and related ALPR software, at the Installation Locations, subject to the data governance, notice, and consent requirements of Sections 2.2, 5.0, 6.0, and 7.0 of the MOU.

S-2 Installation. The Authorized Subcontractor is solely responsible for physical installation at the Installation Locations. Hardware substitutions, upgrades, reconfigurations, and removals are governed by Section 2.2 of the MOU (advance written notice; no material change to data handling without LAPD consent). This SOW does not contemplate work in areas containing hazardous materials or conditions (including asbestos, lead, or toxic or flammable substances); if such materials are discovered at an Installation Location, work in the affected area may cease until the materials are removed or rendered harmless.

S-3 Training and Onboarding. Axon will provide LAPD user credentials, access to supporting software applications, and operational guidance tailored to the current system configuration. No click-through or hyperlinked terms presented during onboarding shall modify the MOU (Section 1.3).

S-4 Support and Maintenance. Axon will deliver technical support for the ALPR software, updates, and configuration changes. The Authorized Subcontractor shall provide support for Product hardware, including the camera and hub.

S-5 Authorized Subcontractor. Ubicquia, Inc. is Axon's Authorized Subcontractor, approved subject to Section 5.4 of the MOU.

S-6 Installation Locations. Prior to physical installation, the Authorized Subcontractor and LAPD shall work in good faith to identify Installation Locations and positioning for optimal capture, as conditions allow. Siting disagreements are governed by Section 4.3 of the MOU. The Product will be installed at the following locations (each an "Installation Location"): [TBD]. LAPD shall allow the Authorized Subcontractor reasonable access in and near the Installation Locations for the Services and related maintenance, and will cooperate in good faith regarding traffic management, road or lane closures, and similar authorizations.

S-7 LAPD Responsibilities. During the Testing Period, LAPD shall: work in good faith with the Authorized Subcontractor to obtain access to Installation Locations and to facilitate required permits, licenses, and approvals; coordinate installation schedules; support communication regarding device placement and community awareness; provide timely and secure site access; coordinate internal stakeholders (facilities, IT, legal, public safety); assign a primary and backup point of contact; assist in site selection; ensure continued access and safe working conditions; and store and maintain the Product in substantially the condition received, reasonable wear and tear excepted.

S-8 Dependencies. Scheduling and performance may be affected by: (a) local permitting or jurisdictional approvals; (b) coordination among LAPD, the Authorized Subcontractor, and other personnel, including

restricted hours or special access requirements; (c) weather affecting site safety or installation feasibility; and (d) site-specific safety protocols or regulatory requirements.

S-9 Term; Deinstallation and Closure. The Testing Period is as stated in Section 9.1 of the MOU. Deinstallation, decommissioning, retention-by-purchase, and closure are governed by Sections 9.2 and 5.7 of the MOU, including the verification-before-deletion sequence for LAPD Data.