

These Terms and Conditions ("Terms and Conditions") between **PoliceReports.US, LLC** (hereinafter "PoliceReports.US") and **Jonesboro Police Department** (hereinafter "Agency") are incorporated into the Master Agreement ("Agreement") executed by and between the parties.

1. General. These Terms and Conditions provide for terms that are common to all attached Schedules. Accordingly, in the case of any conflict between these Terms and Conditions and any attached Schedule, these Terms and Conditions shall control and govern, unless otherwise expressly stated to the contrary.

2. Defined Terms. For the purposes of this Agreement, and in addition to any other terms defined elsewhere in this Agreement, the following terms shall have the following meanings:

(a) "Content" means data, materials, documentation, computer software, inventions (whether or not patentable), methods, processes, discoveries, improvements, materials, formulas, research, documentation, know-how, data, techniques, text, pictures, audio, video, animations, artistic works, and all works of authorship or other subjects of any Intellectual Property Rights.

(b) "Agency Information" means all Agency Information Inputs. All Agency Information shall be deemed "public records" or "public information" as such terms are defined in the Arkansas.

(c) "Agency Information Inputs" mean all Content, other than Metadata, that is furnished to PoliceReports.US by Agency.

(d) "Confidential Information" means any information, regardless of form, which is used in PoliceReports.US's business that is or may in the future be valuable because it is not generally available or generally known to competitors and for which reasonable precautions are taken to protect its confidentiality, and information from third parties that is required to be retained in confidence, including: the PoliceReports.US Technology in any form, Metadata, Documentation, formulas, patterns, devices, compilations of information, technical or nontechnical data, financial information, personnel information, customer or potential customer information, records, development plans, product information, business plans, computer software in any form, and trade secrets. Agency and PoliceReports.US expressly stipulate that Confidential Information meets the criteria set forth in the Arkansas Statutes and as such shall not be interpreted to constitute "public records" or "public information."

(e) "Fees" means all Subscription Fees, Services Fees, and all other fees payable to PoliceReports.US in accordance with the terms and conditions of this Agreement.

(f) "Intellectual Property Rights" means copyright, patent, trademarks, trade names, service marks, moral rights, and other proprietary rights.

(g) "Licensed Materials" means any computer software or algorithms in any form created within the scope of the Services, other than the PoliceReports.US Technology.

(h) "Metadata" means information that describes the attributes of certain data and such data's relationship to other data, including (i) whether the data must be numerical, alphabetic, or alphanumeric, (ii) range or type limitations of the data, (iii) one-to-one, one-to-many, or many-to-many relationships with other data, (iv) file layouts, (v) data formats, (vi) document type definitions, (vii) XML schemas, and (viii) style sheets.

(i) "Modification" means an enhancement, new version, new module, update, error correction, upgrade, or other change or modification.

(j) "PoliceReports.US Hosting Services" means PoliceReports.US's services involved with hosting the Agency Information.

(k) "PoliceReports.US Technology" means that computer software, Metadata, algorithms, and Documentation, and other technology that enables the PoliceReports.US Hosting Services and all other technology-based performance by PoliceReports.US hereunder, together with all Modifications thereof created by or on behalf of PoliceReports.US from time to time.

(l) "Preexisting Materials" means any Content provided to Agency by PoliceReports.US that was in existence prior to the Effective Date or that was developed by or on behalf of PoliceReports.US independently.

3. Warranties.

3.1. PoliceReports.US Warranties.

(a) PoliceReports.US warrants that it owns or has acquired rights to all proprietary interests in the PoliceReports.US Technology necessary to grant the licenses and rights set forth in this Agreement.

(b) PoliceReports.US warrants that (i) it has full authority to execute and perform this Agreement; (ii) this Agreement has been duly executed and delivered by PoliceReports.US and constitutes its legal, enforceable and binding obligation; and (iii) its execution and performance of this Agreement will not violate any law or breach any other agreement.

(c) PoliceReports.US warrants that all services it performs hereunder shall be performed in a competent and workmanlike manner consistent with good practices in the information technology services industry. Each party agrees to take reasonable efforts to identify to the other any failures to perform as set forth in this subsection in order that curative measures may be taken.

3.2. Agency Warranties.

(a) Agency warrants to PoliceReports.US that (i) Agency has full authority to execute and perform this Agreement; (ii) this Agreement has been duly executed and delivered by Agency and constitutes the legal, enforceable and binding obligation of Agency; and (iii) Agency's execution and performance of this Agreement will not violate any law or breach any other agreement.

(b) Agency warrants (i) that Agency has obtained all licenses, permissions, and other rights from third parties necessary or appropriate for PoliceReports.US to perform the Hosting Services, (ii) that all Agency Information Inputs do not contain any libelous material, do not infringe any trade name, trademark, trade secret, or copyright of any third party, and are otherwise lawful; and (iii) that the delivery of the Agency Information Inputs and the use of the Agency Information Inputs by PoliceReports.US in the performance of the Services complies with and does not invade or violate any right of privacy,

personal right or Intellectual Property Rights, or other common law or statutory right, including any rights under the Gramm-Leach-Bliley Act.

4. Agency's General Responsibilities.

4.1. Data. Agency will deliver to PoliceReports.US the Agency Information Inputs necessary to perform the Services in a format and media reasonably specified by PoliceReports.US. PoliceReports.US will not be deemed in breach of this Agreement in the event that its failure to meet the responsibilities and time schedules for any Services is caused by Agency's failure to meet (or delay in) such responsibilities and time schedules.

5. Intellectual Property Ownership and License. The parties' respective Intellectual Property Rights are set forth in this Section.

5.1. Agency Information and Other Work Product. As between PoliceReports.US and Agency, Agency shall own all Intellectual Property Rights in and to the Agency Information. Agency, grants to PoliceReports.US a non-exclusive, worldwide, paid-up license to use, modify, and enhance the Agency Information during the term of this Agreement solely for the purposes of performing hereunder.

5.2. PoliceReports.US Technology. As between PoliceReports.US and Agency, PoliceReports.US shall own all Intellectual Property Rights in and to the PoliceReports.US Technology. PoliceReports.US grants to Agency a license to use the Documentation and access the Hosting Services for certain purposes solely in accordance with the terms and conditions of **Schedule A**.

5.3. Licensed Materials. As between PoliceReports.US and Agency, PoliceReports.US shall own all Intellectual Property Rights in and to the Licensed Materials. PoliceReports.US hereby grants to Agency a nonassignable and nonexclusive right and license to use and modify the Licensed Materials for Agency's internal use only during the term of this Agreement.

5.4. Preexisting Materials. As between PoliceReports.US and Agency, PoliceReports.US shall own all Intellectual Property Rights in and to the Preexisting Materials. PoliceReports.US hereby grants to Agency a nonassignable and nonexclusive right and license to use the Preexisting Materials for Agency's internal use only during the term of this Agreement.

5.5. Metadata. PoliceReports.US may freely use, modify, and distribute the Metadata provided by Agency without any limitation whatsoever. Agency may not use or distribute the Metadata provided by PoliceReports.US in connection with providing information or services to any third party in a manner that is competitive with PoliceReports.US's product or service offerings.

5.6. Further Assurances. Each party agrees to perform, during or after the term of this Agreement, such further acts as may be necessary or desirable to transfer, perfect, and defend each party's ownership as set forth above, as requested by the other party.

5.7. Reservation of Rights. Except as expressly set forth in this Article 5, all other rights of the owner of the Intellectual Property Rights in and to the Content described in this Article 5 are reserved to the owner thereof, and no rights or licenses whatsoever are granted to the other party by implication.

6. Indemnification.

6.1. Intellectual Property. PoliceReports.US shall at its expense (a) defend, or at its option settle, any claim, demand, action, or legal proceeding asserted or brought by a third party against Agency alleging that the PoliceReports.US Technology infringes or misappropriates a copyright, trade secret, or U.S. patent ("IP Claim") and (b) pay any final judgment incurred against Agency, resulting from any IP Claim. If the PoliceReports.US Technology becomes, or in the opinion of PoliceReports.US may become, the subject of an IP Claim, PoliceReports.US may at its option: (i) procure for Agency the right to use the Hosting Services as described in **Schedule A & B** free of any liability; (ii) replace or modify the PoliceReports.US Technology to make it noninfringing, while retaining its material functionality; or (iii) if neither (i) nor (ii) are available after commercially reasonable efforts, terminate this Agreement and the licenses granted herein and refund to Agency any prepaid Fees. Notwithstanding the foregoing, PoliceReports.US shall have no obligation with respect to any action based on (i) the combination, operation or use of the Hosting Services with any other products or software not furnished by PoliceReports.US where the Hosting Services otherwise would not itself be infringing; (ii) any modification, alteration or enhancement to the PoliceReports.US Technology not provided by PoliceReports.US, (iii) use of any older version of the PoliceReports.US Technology when use of a newer version would have avoided the infringement, or (iv) use of the Hosting Services in breach of this Agreement. THIS ARTICLE 6 SETS FORTH THE EXCLUSIVE REMEDY OF AGENCY AGAINST POLICEREPORTS.US AND THE COMPLETE LIABILITY OF POLICEREPORTS.US WITH RESPECT TO ANY CLAIM AND THE WARRANTY SET FORTH IN SECTION 3.1(A).

6.2. By PoliceReports.US Generally. PoliceReports.US shall at its expense (a) defend, or at its option settle, any claim, demand, action, or legal proceeding asserted or brought by a third party against Agency arising out of or resulting from any breach of the warranty set forth in Section 3.1(b) ("PoliceReports.US Warranty Claim") and (b) pay any final judgment incurred against Agency, resulting from any PoliceReports.US Warranty Claim.

6.3. By Agency. Agency acknowledges and agrees that PoliceReports.US has no control over the content of the Agency Information Inputs, and further acknowledges that PoliceReports.US shall under no circumstances bear any liability from any claim based on the content of the Agency Information that is provided through the Hosting Services. Agency shall at its expense (a) defend, or at its option settle, any claim, demand, action, or legal proceeding asserted or brought by a third party against PoliceReports.US arising out of or resulting from any breach of the warranties set forth in Section 3.2 ("Agency Warranty Claim") and (b) pay any final judgment incurred against PoliceReports.US, resulting from any Agency Warranty Claim.

6.4. Indemnification Generally. The indemnifications set forth in this Article 6 are conditioned upon (i) the party to be indemnified (the "Indemnified Party") providing the party to provide the indemnification (the "Indemnifying Party") prompt notice of any claim upon which the Indemnified Party intends to base a claim of indemnification hereunder, (ii) the Indemnified Party permitting Indemnifying Party to assume and to have sole control of the defense and settlement of the applicable claim, and (iii) the Indemnified Party providing reasonable assistance and cooperation to enable the Indemnifying Party to defend the applicable claim.

7. Equitable Remedies. Agency acknowledges that each provision in this Agreement providing for the protection of the PoliceReports.US Technology, each party's Confidential Information and other proprietary rights and the scope of the

licenses granted herein is material to this Agreement. Each party agrees that any threatened or actual breach thereof shall constitute immediate, irreparable harm to the other party for which monetary damages is an inadequate remedy and for which equitable remedies may be awarded by a court of competent Agency without requiring the other party to post a bond.

8. Fees and Payment.

8.1 Fees for PoliceReports.US services will be collected during the distribution of reports as stated in Schedule B.

8.2 All Fees are net amounts to be received by PoliceReports.US, exclusive of all sales taxes, value added taxes, assessments, and similar taxes. Notwithstanding the foregoing, PoliceReports.US shall be responsible for the payment of all income taxes of PoliceReports.US.

8.3 Agency will reimburse PoliceReports.US for all pre-approved out-of-pocket expenses (collectively, "Expenses") incurred in rendering Services to Agency. Expenses include, without limitation, reasonable travel expenses (including transportation, lodging, and meals) and the cost of courier services, photocopying, communications charges, long distance telephone calls, and similar expenses.

8.4 Fees and Expenses due to PoliceReports.US under this Agreement may not be withheld or offset by Agency against any other amounts for any reason.

9. Compliance With Laws. Agency will strictly comply with all applicable laws and regulations relating in any way to its performance under this Agreement, the delivery of the Agency Information Inputs, the receipt and use of the results of the Services, and the use of the PoliceReports.US Technology as authorized herein including obtaining all necessary licenses or permits and any other government approvals. Agency will defend, indemnify, and hold PoliceReports.US, its subsidiaries, associated companies, and suppliers and their respective officers, directors, and agents, harmless from and against any and all damages and expenses, including legal fees, incurred directly or indirectly as a consequence of Agency's failure to comply with any such laws or regulations.

10. WARRANTY DISCLAIMER. EXCEPT AS EXPRESSLY PROVIDED HEREIN, NEITHER POLICEREPORTS.US NOR ANY THIRD PARTY SUPPLIER MAKES ANY WARRANTIES, REPRESENTATIONS, CONDITIONS, OR GUARANTEES, WHETHER EXPRESS OR IMPLIED, ARISING BY LAW, CUSTOM, ORAL OR WRITTEN STATEMENTS, OR OTHERWISE, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR OF ERROR FREE AND UNINTERRUPTED USE, ALL OF WHICH ARE HEREBY OVERRIDDEN, EXCLUDED, AND DISCLAIMED IN ALL RESPECTS. Without limiting the foregoing, Agency acknowledges that PoliceReports.US cannot contemplate every means through which a person or organization can seek to breach the security efforts of PoliceReports.US, and accordingly, PoliceReports.US does not guarantee that the security measures taken by PoliceReports.US will prevent all efforts to breach security.

11. LIMITATIONS OF LIABILITY. IN NO EVENT SHALL POLICEREPORTS.US BE LIABLE TO AGENCY FOR ANY INCIDENTAL, INDIRECT, SPECIAL, EXEMPLARY, PUNITIVE, OR CONSEQUENTIAL DAMAGES, INCLUDING DAMAGES OR COSTS INCURRED AS A RESULT OF LOSS OF TIME, LOSS OF REVENUE, LOSS OF DATA, OR LOSS OF GOODWILL, WHETHER FORESEEABLE OR UNFORESEEABLE, WHICH

MAY ARISE OUT OF OR IN CONNECTION WITH THIS AGREEMENT, INCLUDING THE PROVIDING OF SERVICES OR THE USE OF OR INABILITY TO USE THE SERVICES, REGARDLESS OF WHETHER POLICEREPORTS.US HAS BEEN APPRISED OF THE POSSIBILITY OR LIKELIHOOD OF SUCH DAMAGES OCCURRING. IN NO EVENT SHALL POLICEREPORTS.US'S LIABILITY FOR ANY DAMAGES TO AGENCY OR ANY OTHER PARTY EVER EXCEED IN THE AGGREGATE THE FEES PAID BY AGENCY TO POLICEREPORTS.US IN THE 12 MONTHS IMMEDIATELY PRECEDING SUCH CLAIM, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, TORT, PRODUCTS LIABILITY, OR OTHERWISE. The parties acknowledge and agree that nothing in this Article 11 shall be construed to limit PoliceReports.US's liability for direct, actual damages to Agency resulting from the gross negligence or willful misconduct of PoliceReports.US or its employees, officers, managers, or contractors operating under its direction and control. Agency acknowledges and agrees that the allocation of risks provided in this Agreement are reflected in the Fees provided under this Agreement, that PoliceReports.US is unable to test the PoliceReports.US Technology under all possible circumstances, that PoliceReports.US cannot control the manner in which and the purpose for which Agency shall use the Services and the results of the Services and the Services, and that the allocation of risks under this Agreement are reasonable and appropriate under the circumstances.

12. Termination.

12.1. Either party may terminate this Agreement at any time upon the giving of written notice:

(a) In the event that the other party fails to discharge any obligations or remedy any default under this Agreement for a period continuing more than 30 days after the aggrieved party shall have given the other party written notice specifying such failure or default and that such failure or default continues to exist as of the date upon which the aggrieved party gives such notice so terminating this Agreement; or

(b) In the event that the other party makes an assignment for the benefit of creditors, or commences or has commenced against it any proceeding in bankruptcy, insolvency, or reorganization pursuant to bankruptcy laws or laws of debtor's moratorium.

12.2. Either party may terminate a Schedule at any time upon the giving of written notice in the event that the other party fails to discharge any obligations or remedy any default under such Schedule for a period continuing more than 30 days after the aggrieved party shall have given the other party written notice specifying such failure or default and that such failure or default continues to exist as of the date upon which the aggrieved party gives such notice so terminating this Agreement.

12.3. The termination of this Agreement shall terminate this Agreement as a whole, including all attached Schedules. Unless otherwise expressly set forth in any Schedule, the termination of any attached Schedule shall terminate such Schedule only.

12.4. Upon termination of this Agreement for any reason, each party shall immediately return to the other all property of the other, including any PoliceReports.US Technology, and all copies thereof, and the Confidential Information of the other. Upon termination of this Agreement for any reason, all rights and licenses granted by PoliceReports.US hereunder to Agency shall immediately cease except for those that are expressly intended to survive such termination. Upon termination of this Agreement or any attached Schedules, the sections of these Terms and Conditions shall survive termination of any attached Schedule, individually, and termination of this Agreement as a whole.

13. Miscellaneous.

13.1. Agency grants PoliceReports.US the right to reference Agency's status as a user of the Services, including captioned quotations in product literature or advertisements, articles, press releases, marketing literature, presentations and the like, and reasonable use as a reference for potential new users.

13.2. Each party will designate an employee who shall be assigned the primary responsibility for communicating with and providing necessary assistance to the other party for Services ("Project Manager"). All communications between the parties for Services and Services will be made or coordinated by such Project Manager.

13.3. Unless otherwise agreed between the parties in writing, neither party may hire or solicit the employment of any personnel of the other during the term of this Agreement and for a period of one year thereafter.

13.4. Notices hereunder shall be sent to the addressees on the signature page hereof, or to such other addresses as specified by a notice complying with this Section, and shall be deemed received on the earlier of actual delivery or five days after deposit in the U.S. Mail, certified or registered mail, return receipt requested.

13.5. PoliceReports.US's relationship to Agency is that of an independent contractor, and neither party is an agent, partner, or joint venturer of the other. No debts or obligations shall be incurred by either party in the other party's name or on its behalf, and neither party shall be liable for the debts and obligations of the other party.

13.6. Any delay in the performance of any of the duties or obligations of either party hereto (except the payment of money owed) shall not be considered a breach of this Agreement and the time required for performance shall be extended for a period equal to the period of such delay, provided that such delay has been caused by or is the result of any acts of God; acts of the public enemy; insurrections; riots; terrorism; embargoes; labor disputes, including strikes, lockouts, job actions, or boycotts; fires; explosions; floods; or other circumstances beyond the control of such party. The party so affected shall give prompt notice to the other party of such cause and shall take whatever reasonable steps are necessary to relieve the effect of such cause as rapidly as possible.

13.7. Except as otherwise set forth in this Agreement, this Agreement and all rights and obligations may not be assigned (by operation of law or otherwise) in whole or in part by Agency, and any such attempted assignment will be void and of no effect; provided, however, that PoliceReports.US may assign this Agreement to another entity in connection with a reorganization, merger, consolidation, sale, acquisition, or other restructuring involving all or substantially all of its voting securities and/or assets.

13.8. PoliceReports.US may, as it deems appropriate, use subcontractors for all or any portion of the Services. PoliceReports.US may at any time remove and replace any such subcontractors.

13.9. A waiver by either party of any breach by the other party of any of the terms, provisions or conditions of this Agreement or the acquiescence of either party hereto in any act (whether commission or omission) which but for such acquiescence would be a breach as aforesaid, shall not constitute a general waiver of such term, provision, or condition of any subsequent act contrary thereto.

13.10. If any provision hereof is declared invalid by a court of competent Agency, such provision will be ineffective only to

the extent of such invalidity, so that the remainder of that provision and all remaining provisions of this Agreement will be valid and enforceable to the fullest extent permitted by applicable law.

13.11. The section and subsection headings in this Agreement are inserted solely as a matter of convenience and for reference, and shall not be considered in the construction or interpretation of any provision hereof. All references to "include" and "including" shall be deemed to mean "including without limitation". References to any Section shall refer as well to all its subsections, unless the context otherwise requires. Should any provision of this Agreement require judicial interpretation, the parties agree that the court interpreting or construing the same shall not apply a presumption that the terms of this Agreement shall be more strictly construed against one party than against another, because the parties participated equally in preparing this Agreement.

13.12. The Agreement shall be governed by and construed in accordance with the laws of the State of Arkansas without regard to rules governing conflicts of law.

13.13. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original and all of which shall constitute the same instrument.

13.14. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

[End of Terms and Conditions]

MASTER AGREEMENT

This Master Agreement ("Agreement") is made and entered into as of the effective date entered on this page ("Effective Date") by and between **POLICEREPORTS.US, LLC** ("PoliceReports.US"), a North Carolina limited liability company with an office located at 164 Shipyard Pointe Rd., Mooresville, North Carolina 28117-9401; and the **Jonesboro Police Department** with an office located at **410 W Washington Ave., Jonesboro, Arkansas 72401.**

PoliceReports.US and Agency hereby agree as follows:

This Agreement consists of this signature page, the attached Terms and Conditions, and the Schedules selected below, all of which are hereby incorporated into this Agreement by this reference as if set forth in full:

Initials: Agency / PoliceReports.US **Effective Date of Contract:** 17 January 2006

This contract will be effective beginning on the effective date above and continue for a period of three years.

✓ PH _____

Schedule A: PoliceReports.US License and Hosting Services
License and Hosting are included at no cost as stated in Schedule A attached

✓ PH _____

Schedule B: PoliceReports.US E-Commerce Hosting Services
Refer to Attached Schedule B Exhibit 1 for fees.

The parties each hereby cause this Agreement to be executed by their duly authorized representative effective as of the Effective Date.

Agency:
Jonesboro Police Department

PoliceReports.US:
PoliceReports.US, LLC

_____ ✓

By: _____

Name Printed: H. Craig Huneycutt _____

Title: President/Manager _____

SCHEDULE A

POLICEREPORTS.US LICENSE AND HOSTING SERVICES

AGREEMENT NO. AR001

This PoliceReports.US License and Hosting Services Schedule ("Schedule A") between PoliceReports.US, LLC (hereinafter "PoliceReports.US") and the Jonesboro Police Department (hereinafter "Agency") is incorporated into the Master Agreement ("Agreement") between the parties.

1. License of Software. PoliceReports.US hereby grants to Agency the following non-exclusive, non-transferable licenses (the "Hosting Services"):

(a) To use the functionality of the PoliceReports.US Technology via remote access to input information for processing by the PoliceReports.US Technology, to receive output from the PoliceReports.US Technology, and to utilize the functionality of the PoliceReports.US Technology, without the right to possess or use a copy of the PoliceReports.US Technology.

(b) To use the Documentation for Agency's internal use only in connection with such uses described in subsection (a).

2. Performance of Services by PoliceReports.US. PoliceReports.US will use the PoliceReports.US Technology to process the Agency Information Inputs for use and access by visitors to the PoliceReports.US Website. Agency and PoliceReports.US agree and acknowledge that Agency's Subscription Fees shall constitute the full compensation due for PoliceReports.US's services with respect to processing public requests for Agency documents hosted by PoliceReports.US.

3. Reservation of Rights. PoliceReports.US reserves all rights not expressly granted herein. Except as set forth in the Agreement, no express or implied license or right of any kind is granted to Agency regarding the PoliceReports.US Technology and other Confidential Information, including, but not limited to, any right to know, use, produce, receive, reproduce, copy, market, sell, distribute, transfer, translate, modify, adapt, disassemble, decompile, or reverse engineer the PoliceReports.US Technology or the Documentation or create derivative works based on the PoliceReports.US Technology or the Documentation or any portions thereof, or obtain possession of any source code or other technical material relating to the PoliceReports.US Technology.

4. Subscription Fees. Agency shall pay to PoliceReports.US the fees ("Subscription Fees") for the PoliceReports.US Hosting Services in the amounts set forth on Exhibit 1 attached hereto and incorporated herein. Initial Subscription Fees shall be calculated based on the number of reports generated by Agency in the twelve (12) months prior to the Effective Date. Subscription Fees for later Subscription Terms shall be calculated based on the number of reports submitted to PoliceReports.US by Agency during the preceding Subscription Term, as set forth on Exhibit 1. All Subscription Fees are fully earned and non-refundable.

5. Payment Terms. Agency shall pay the Subscription Fees to PoliceReports.US annually in advance, within thirty (30) days after first day of each annual Subscription Term.

6. Service Levels. During the Subscription Term, PoliceReports.US will provide the following service levels in accordance with the terms and conditions of this Section.

6.1 Availability. The Hosting Services will be operational twenty-four hours a day, seven days a week (collectively, "Service Hours") less Excusable Downtime. As used in this Agreement, "Excusable Downtime" means the time that the Hosting Services are not available for one of the following reasons, in whole or in part: (i) the negligent or unauthorized acts or omissions of Agency, its employees, agents, contractors, or vendors, or anyone gaining access to the network by means of Agency passwords or equipment; (ii) a failure of the Internet and/or the public switched telephone network; (iii) the occurrence of any event that is beyond PoliceReports.US's reasonable control; (iv) the failure of Agency to be able to access the Internet for any reason, including a failure of Agency's or its vendors' hardware, software, or telephone systems; or (v) scheduled network, hardware or service maintenance and/or upgrades for maintenance, system load and backup, scoring, data refresh, and similar activities.

7. Term. Unless earlier terminated as provided in the Terms and Conditions, this Schedule A shall be effective commencing on the Effective Date and will continue for three years. Thereafter, this Schedule A shall be automatically renewed for successive one year periods unless either party notifies the other in writing at least 30 days prior to the expiration of the then current term of its intention to terminate this Schedule A (the initial term and any additional terms are referred to as the "Subscription Term").

8. Termination. Any termination of this Schedule A in accordance with Section 7 above or Section 12 of the Terms and Conditions shall terminate the entire Agreement and all Schedules.

[End Terms of Schedule A]

Exhibit 1
SUBSCRIPTION FEES

Initial Subscription Term: Beginning on effective date and continuing for three years.

Subscription Fees for Initial Term: NONE

There are no initial subscription fees and no additional annual fees.

SCHEDULE B

POLICEREPORTS.US LICENSE AND HOSTING SERVICES

AGREEMENT NO. AR001

This PoliceReports.US E-Commerce Services Schedule ("Schedule B") between PoliceReports.US, LLC (hereinafter "PoliceReports.US") and The Jonesboro Police Department (hereinafter "Agency") is incorporated into the Master Agreement ("Agreement") between the parties.

1. License of Software. PoliceReports.US hereby grants to Agency the following non-exclusive, non-transferable licenses (the "Hosting Services"):

(a) To use the functionality of the PoliceReports.US Technology via remote access to input information for processing by the PoliceReports.US Technology, to receive output from the PoliceReports.US Technology, and to utilize the functionality of the PoliceReports.US Technology, without the right to possess or use a copy of the PoliceReports.US Technology.

(b) To use the Documentation for Agency's internal use only in connection with such uses described in subsection (a).

2. Performance of Services by PoliceReports.US. PoliceReports.US will use the PoliceReports.US Technology to process the Agency Information Inputs for use and access by visitors to the PoliceReports.US Website. Agency and PoliceReports.US agree and acknowledge that Agency's Subscription Fees shall constitute the full compensation due for PoliceReports.US's services with respect to processing public requests for Agency documents hosted by PoliceReports.US.

3. Reservation of Rights. PoliceReports.US reserves all rights not expressly granted herein. Except as set forth in the Agreement, no express or implied license or right of any kind is granted to Agency regarding the PoliceReports.US Technology and other Confidential Information, including, but not limited to, any right to know, use, produce, receive, reproduce, copy, market, sell, distribute, transfer, translate, modify, adapt, disassemble, decompile, or reverse engineer the PoliceReports.US Technology or the Documentation or create derivative works based on the PoliceReports.US Technology or the Documentation or any portions thereof, or obtain possession of any source code or other technical material relating to the PoliceReports.US Technology.

4. Subscription Fees. Agency subscription fees are included in the fees collected through the E Commerce process.

5. E Commerce Terms. The Agency shall determine the price to be charged for each report. These fees will be collected by PoliceReports.US. Exhibit 1 details the fees charged by PoliceReports.US, the credit card processing company and the amount to be returned to the agency on a monthly basis.

6. Service Levels. During the Subscription Term, PoliceReports.US will provide the following service levels in accordance with the terms and conditions of this Section.

6.1 Availability. The Hosting Services will be operational twenty-four hours a day, seven days a week

(collectively, "Service Hours") less Excusable Downtime. As used in this Agreement, "Excusable Downtime" means the time that the Hosting Services are not available for one of the following reasons, in whole or in part: (i) the negligent or unauthorized acts or omissions of Agency, its employees, agents, contractors, or vendors, or anyone gaining access to the network by means of Agency passwords or equipment; (ii) a failure of the Internet and/or the public switched telephone network; (iii) the occurrence of any event that is beyond PoliceReports.US's reasonable control; (iv) the failure of Agency to be able to access the Internet for any reason, including a failure of Agency's or its vendors' hardware, software, or telephone systems; or (v) scheduled network, hardware or service maintenance and/or upgrades for maintenance, system load and backup, scoring, data refresh, and similar activities.

7. Term. Unless earlier terminated as provided in the Terms and Conditions, this Schedule B shall be effective commencing on the Effective Date and will continue for three years. Thereafter, this Schedule B shall be automatically renewed for successive one year periods unless either party notifies the other in writing at least 30 days prior to the expiration of the then current term of its intention to terminate this Schedule B (the initial term and any additional terms are referred to as the "Subscription Term").

8. Termination. Any termination of this Schedule B in accordance with Section 7 above or Section 12 of the Terms and Conditions shall terminate the entire Agreement and all Schedules.

[End Terms of Schedule B]

Exhibit 1
E-COMMERCE FEES

	Accident Reports	Incident Reports
The fee collected for each report distributed is:	\$12.50	N/A
PoliceReports.US fee per report is:	\$2.50	N/A
Credit Card processing fee is:	Included	N/A
Amount returned to the agency per report is:	\$10.00	N/A

Initial Subscription Term: Beginning on effective date and continuing for three years.

Payment Terms:

PoliceReports.US will collect the fees for all reports distributed through our system. Within 10 days of the end of each month, PoliceReports.US will provide a report of the number of reports distributed and a check to the agency for the appropriate amount to be returned to the agency.

Mutual Non-Disclosure Agreement

THIS MUTUAL NON-DISCLOSURE AGREEMENT, ("Agreement"), dated ___17 January __, 2006 ("Effective Date") is made this day between the Jonesboro Police Department ("Agency"), and POLICEREPORTS.US, LLC ("PoliceReports.US"), a North Carolina limited liability company with an office located at 164 Shipyard Pointe Rd., Mooresville, North Carolina 28117-9401.

WHEREAS, the parties understand that certain confidential and proprietary information ("Information"), as defined herein, may be provided by one party ("Discloser") to the other party ("Recipient") in the course of the parties' business dealings; each party to this Agreement may be a Discloser and/or a Recipient, and hereby agrees to comply with the terms and conditions herein applicable to its role as either a Discloser or Recipient. For purposes of this Agreement, "Discloser" and "Recipient" shall include any parent, subsidiary, affiliate of, or entity under common control with any entity constituting the Discloser or Recipient.

PoliceReports.US and Agency hereby agree as follows:

1. For purposes of this Agreement, "Information" shall mean any information, data, or materials pertaining to a party's or its subsidiary's business, financial, or internal plans or affairs, regardless of form of communication (whether oral, in hard copy, electronic, magnetic recording or storage, graphic or written form, or any other medium whatsoever), and whether furnished before, on, or after the date of this Agreement, that is not currently available to the general public, and for which the owning party derives actual or potential value from such unavailability.

"Information" includes, but shall not be limited to, business plans and processes, strategies and technologies, business forecasts, product or service development information, financial information (including billing, pricing, and costs), commercial and marketing information and data, technical information, personnel information, customer information, lists or identities of actual or potential customers, status and terms of contract negotiations, and computer source and object code, and all analyses, compilations, forecasts, data, studies, notes, translations, memoranda, or other documents or materials, prepared by Recipient containing, based on, or generated or derived from, any Information furnished by Discloser.

"Information" shall NOT include: (a) any information that is or becomes generally available to the public through no breach of this Agreement by Recipient; (b) any information that Recipient can demonstrate as being within Recipient's legitimate possession prior to the time of disclosure of such information by or on behalf of Discloser to Recipient; (c) any information that is disclosed to Recipient on a non-confidential basis by a third party who has legitimate possession thereof and the unrestricted right to make such disclosure; (d) any information developed by Recipient independently of, and without reference to, any Information disclosed by Discloser to Recipient; and (e) any information which is disclosed with the written consent of the Discloser. Neither Party shall be liable for disclosure of Information made in response to a valid order of a court or authorized governmental agency, provided that Recipient gives prompt prior written notice to Discloser such that Discloser has a reasonable opportunity to seek a protective order or other appropriate relief. If requested, Recipient shall reasonably cooperate at Discloser's expense in defending against any such court or administrative order.

2. In the event that Agency is the Recipient of Information, Agency expressly acknowledges and agrees that all Information provided by Discloser will be used by Agency solely for the purpose of evaluating a potential business relationship with Discloser. In the event that PoliceReports.US is the Recipient of Information, PoliceReports.US expressly acknowledges and agrees that all Information provided by Discloser will be used by PoliceReports.US solely for the purpose of evaluating technological compatibility with

PoliceReports.US technology and/or preparing a proposal to Agency. Except as provided in a subsequent written agreement between the parties, the provision of Information shall not be construed as creating any express or implied license to develop, manufacture, or otherwise use the Information in any manner. Recipient agrees: (a) to safeguard the Information from theft, piracy, or unauthorized access, and to hold the Information in strict confidence and secrecy using at least the same level of care and protection against disclosure as Recipient uses in protecting its own most confidential and proprietary information; (b) not to use the Information for any purpose other than Recipient's business dealings with Discloser or otherwise for the benefit of Discloser; (c) not to reveal or disclose the Information to any individual, firm, or entity without the prior written consent of Discloser, other than Recipient's officers, directors, or employees with a clear need to know such Information in order to perform responsibilities consistent with the parties' business dealings contemplated herein; and (d) to disclose Information to its employees only on a "need-to-know" basis and to inform its employees of their obligations under this Agreement, taking such steps as may be reasonable in the circumstances, or as may be reasonably requested by Discloser, to prevent any unauthorized disclosure, copying, or use of the Information.

3. This Agreement is effective as of the date written above and shall terminate three (3) years from the Effective Date with an option to renew for an additional year.

4. Discussions between the Parties may be terminated by any one party to this Agreement, as evidenced by a signed notice of termination from any party to the other. Upon termination of discussions, Recipient will immediately return to Discloser or certify in writing the destruction of all originals and whole or partial copies, as may exist in any form of media, of Information and other materials provided by Discloser (or that was developed by the Parties) in regard to the subject matter of this Agreement. Recipient's obligations hereunder shall survive such termination of discussions for a period of five (5) years from the Effective Date.

5. Recipient acknowledges that Information provided pursuant to this Agreement constitutes unique, valuable, and special business of Discloser. Recipient agrees that an impending or existing violation of any provision of this Agreement would cause Discloser irreparable injury for which Discloser would have no adequate remedy at law, and agrees that Discloser shall be entitled to obtain immediate injunctive relief prohibiting such violation, without bond, in addition to any other rights and remedies available to it. Recipient agrees to reimburse Discloser for any and all losses, liabilities, damages, costs, and expenses (including reasonable attorneys' fees and court costs) incurred and sustained by Discloser as a result of Recipient's breach of this Agreement.

6. Recipient shall not be liable for the inadvertent or accidental disclosure of Information, provided Recipient can

show it exercised the same degree of care that it normally exercises in the protection of its own confidential and proprietary information.

7. This Agreement shall be deemed to have been executed in the State of South Carolina and will be governed by and construed in accordance with the laws of the State of South Carolina. In the event any one or more of the provisions contained in the Agreement is held invalid, illegal, or unenforceable, such invalidity or illegality shall not affect any other portion of the Agreement.

9. The Parties each warrant that the respective individuals whose signatures appear below on their behalf have been duly authorized to sign this Agreement and to bind each Party hereto.

PoliceReports.US, LLC

By: _____

Name: H. Craig Huneycutt

Title: President

Date: 17 January 2006

8. This Agreement may be amended or modified only in writing signed by the parties hereto, or other authorized representatives of the parties. This Agreement shall be binding upon the successors and assigns of both parties. No term or provision of this Agreement shall be deemed waived by Discloser, and no breach excused, except by written waiver or consent signed by Discloser. Such waiver or consent shall not constitute waiver or consent to any other, different, or subsequent breach.

