



A PROPOSAL TO

# Genesee County

New Key Card Reader/Electronic Portals and Security Camera System including Installation

AUGUST 31, 2023



**TABLE OF CONTENTS**

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**GENERAL CONTACT INFORMATION .....3**

**ENVIRONMENTAL POLICY STATEMENT .....4**

**SSAE 16 SOC 2, TYPE II ATTESTATION.....5**

**COVER LETTER.....6**

**SIGNATURE PAGE.....7**

**INSURANCE CHECKLIST .....8**

**REFERENCES ..... 14**

**STATEMENT OF EXCEPTIONS ..... 16**

**COST PROPOSAL FORM ..... 17**

**OPTIONAL EQUIPMENT..... 30**

**EXECUTIVE SUMMARY..... 33**

**ORGANIZATION CHART ..... 35**

**WORK PLAN ..... 36**

**CURRENT WORK ASSIGNMENTS AND CONTRACTUAL OBLIGATIONS ..... 39**

**DEMONSTRATION OF FINANCIAL STABILITY..... 40**

**STATEMENT OF THE PROJECT..... 63**

    Project Goals ..... 63

    Project Requirements ..... 63

    Project Closure ..... 64

**LITIGATION ..... 65**

## GENERAL CONTACT INFORMATION

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### General Contact Information

#### CUSTOMER CONTACT INFORMATION

**Rita Schubert**

*Purchasing Manager*

Genesee County Purchasing Department  
1101 Beach St., Room 361, Flint, MI 48502

#### SENTINEL CONTACT INFORMATION

**James Graff**

*Senior Sales Executive*

17199 N. Laurel Park Dr., Ste. 322, Livonia, MI 48152  
734.794.5700 fax 630.769.1399

[jgraff@sentinel.com](mailto:jgraff@sentinel.com)

**Dan Ristovski**

*National Director/Consulting Solutions Architect*

17199 N. Laurel Park Dr., Ste. 322, Livonia, MI 48152  
734.794.5715 fax 630.769.1399

[dristovski@sentinel.com](mailto:dristovski@sentinel.com)

## Environmental Policy Statement

At Sentinel, environmental protection is a management responsibility as well as the responsibility of every employee. Our environmental protection policy addresses all aspects of the corporation's operations which can potentially impact the environment. In creating this policy, we have taken into account the following factors:

- Compliance with applicable laws, regulations, and standards concerning environmental protection
- Establish corporate environmental objectives and targets
- Minimize the environmental risks to our employees and the communities in which we operate
- Promote employee awareness of environmental concerns, actions, and responsibilities
- The efficient use of energy and materials in our operations
- Reduce/ eliminate waste through recycling and responsible disposal
- Continuous improvement and monitoring of the current environmental policy

Further, Sentinel suppliers are encouraged to develop an Environmental Policy and Environmental Management System by following the Environmental Protection Agency guidelines.

## SSAE 16 SOC 2, Type II Attestation

Standing at the apex of Sentinel’s myriad awards, honors and certifications is its SSAE 16 Service Organization Control (SOC) 2, Type II Attestation which has been undertaken annually by the nationally-renowned auditing firm Plante Moran, PLLC for the past three years. The SOC 2, Type II attestation is the highest and most rigorous in the SSAE 16 portfolio of audits, evaluating Controls and Processes that encompass the Five Trust Service Principles of Security, Availability, Processing Integrity, Confidentiality and Privacy.

Why should this matter to you? The SSAE 16 attestation provides independent validation and assurance that Sentinel is in compliance with best practices regarding items of critical importance to you -- security, confidentiality, data protection, project management and IT strategic solutions, to name a few. If you are seeking consulting or services support for your IT environment, the SOC 2, Type II attestation should be one of the most important factors in your evaluation.



The SSAE 16 Attestation is a standard that was created by the American Institute of Certified Public Accountants (AICPA) in 2010 to replace the SAS 70 certification process, and expand reporting to the effectiveness of a service organization’s controls relating to operations and compliance.

## Cover Letter

Dear Rita,

We are pleased to submit our proposal in response to your Request for Proposal (RFP) for Key Card Security Camera System. We have carefully reviewed your requirements and believe that our solution can meet your organization's needs.

At Sentinel Technologies, we are committed to providing reliable and scalable Video Surveillance systems to our customers. We understand the importance of flexibility and ease of use in today's fast-paced business environment and have tailored our solution to meet those needs.

We have significant experience in the industry, with a proven track record of delivering successful Video Surveillance Systems for organizations of all sizes. Our team of experts will work closely with you to understand your specific requirements and provide a customized solution that meets your needs.

In addition to our technical expertise, we pride ourselves on providing exceptional customer support and ongoing maintenance. Our team is available 24/7 to ensure that your Video Surveillance and Key Card systems are always up and running smoothly.

We are confident that our solution is the right fit for your organization's Video Surveillance needs and we look forward to the opportunity to partner with you. Please find our detailed proposal attached for your review.

Thank you for considering our proposal. If you have any questions or require further information, please do not hesitate to contact us.

Sincerely,

James R. Graff Jr.

Sentinel Technologies Inc.

Signature Page

**SIGNATURE PAGE**  
**GENESEE COUNTY RFP #23-334**

**NEW KEY CARD READER/ELECTRONIC PORTALS AND SECURITY CAMERA SYSTEM INCLUDING INSTALLATION**

The undersigned represents that he or she:

1. is duly authorized to make binding offers on behalf of the company,
2. has read and understands all information, terms, and conditions in the RFP,
3. has not engaged in any collusive actions with any other potential proposers for this RFP,
4. hereby offers to enter into a binding contract with Genesee County for the products and services herein offered, if selected by Genesee County within 120 days from proposal due date,
5. certify that it, its principals, and its key employees are not "Iran linked businesses," as that term is described in the Iran Economic Sanctions Act, P.A. 2012, No. 517, codified as MCL 129.311, et seq.
6. acknowledges the following addenda Addenda 1 + 2 acknowledged issued as part of the RFP:

**Conflict of Interest:**

To the best of our knowledge, the undersigned firm has no potential conflict of interest due to any other County contracts, or property interest for this proposal.

OR

The undersigned firm by attachment to this form, submits information which may be a potential conflict of interest due to other County contracts, or property interest for this Proposal.

**Exceptions** to Solicitation and/or Standard Contract: NO  YES  (include attached statement)

Name (typed): Tim Hill

Signature:  Title: CFO/Co-President

Date: 08/24/2023

Company: Sentinel Technologies, Inc.

Federal Employee Identification Number (FEIN): 36-3199182

DUNS Number: 14-490-9553

**Contact Person of company representative for matters regarding this RFP**

**James Graff** Senior Sales Executive

| CONTACT NAME                |                | POSITION |                     |
|-----------------------------|----------------|----------|---------------------|
| 17199 N Laurel Park Dr #322 | (734) 794-5714 | MI       | 48152               |
| MAILING ADDRESS             |                | CITY     | STATE ZIP CODE      |
| (734) 794-5714              | 630-769-1399   |          | jgraff@sentinel.com |
| PHONE                       | FAX            | E-MAIL   |                     |

**INSURANCE CHECKLIST**

Insurance Checklist

**GENESEE COUNTY INSURANCE CHECKLIST**

Professional Service Contract: RFP:23-334 – NEW KEY CARD READER/ELECTRONIC PORTALS AND SECURITY CAMERA SYSTEM WITH INSTALLATION

| Coverage Required   | Limits (Figures denote minimums)  |
|---|---|
| <input checked="" type="checkbox"/> 1. Workers Compensation   | Statutory limits of Michigan  |
| <input checked="" type="checkbox"/> 2. Employers' Liability   | \$100,000 accidental/disease<br>\$500,000 policy limit, disease   |
| <input checked="" type="checkbox"/> 3. General Liability  | \$1,000,000 per occurrence with \$2,000,000 aggregate<br>Including Products/Completed Operations and Contractual<br>Liability and Premises/operations |
| 4. Professional Liability   | \$1,000,000 per occurrence with \$2,000,000 aggregate<br>Including errors and omissions   |
| 5. Medical Malpractice  | \$200,000 per occurrence \$800,000 in aggregate   |
| <input checked="" type="checkbox"/> 6. Automobile liability   | \$1,000,000 combined single limit each accident – Owned,<br>Hired, Non-owned  |
| <input checked="" type="checkbox"/> 7. Umbrella liability/Excess Coverage   | \$10,000,000 BI & PD and PI   |
| <input checked="" type="checkbox"/> 8. A copy of the specific additional insured endorsement naming Genesee County or a blanket additional insured endorsement must be attached to the certificate  |   |
| 9. Other Insurance Required: Environmental Impairment Liability, \$1,000,000 limit.   |   |
| 10. A 30-day notice of cancellation or non-renewal is required for all policies   |   |
| 11. Builders Risk "All Risk" for all materials and equipment of this contract   |   |
| <input checked="" type="checkbox"/> 12. Best's rating: A VIII or better, or its equivalent (Retention Group Financial Statements)   |   |
| <input checked="" type="checkbox"/> 13. The Certificate must state proposal number and title 23-334   |   |
| **Additional coverage including excess liability, pollution and errors of omissions may be required<br>Depending on the conditions of the building and processes to be utilized. Each NSP project is to be bid<br>Separately, and each will require evaluation for possible risk exposure and additional insurance requirements |   |

**Insurance Agent's Statement**

I have reviewed the requirements with the proposer named below. In addition:

The above required policies carry the following deductibles:

Auto Liability: 1,000 collision and comprehensive deductibles; Umbrella: \$10,000 retention

Liability policies are occurrence  claims made

Rebecca Engelking

Insurance Agent

Rebecca Engelking  
Signature

**Prospective Contractor's Statement**

I understand the insurance requirements and will comply in full if awarded the contract.

Tim Hill

Contractor

[Signature]  
Signature

Required general insurance provisions are provided in the checklist above. These are based on the contract and exposures of the work to be completed under the contract. Modifications to this checklist may occur at any time prior to signing of the contract. Any changes will require approval by the vendor/contractor, the department, and County Risk Manager. To the degree possible, all changes will be made as soon as feasible.

# INSURANCE CHECKLIST

## COMMERCIAL GENERAL LIABILITY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

### **XTEND ENDORSEMENT FOR TECHNOLOGY**

This endorsement modifies insurance provided under the following:

#### COMMERCIAL GENERAL LIABILITY COVERAGE PART

**GENERAL DESCRIPTION OF COVERAGE** – This endorsement broadens coverage. However, coverage for any injury, damage or medical expenses described in any of the provisions of this endorsement may be excluded or limited by another endorsement to this Coverage Part, and these coverage broadening provisions do not apply to the extent that coverage is excluded or limited by such an endorsement. The following listing is a general coverage description only. Read all the provisions of this endorsement and the rest of your policy carefully to determine rights, duties, and what is and is not covered.

- A. Non-Owned Watercraft – 75 Feet Long Or Less
- B. Who Is An Insured – Unnamed Subsidiaries
- C. Who Is An Insured – Employees – Supervisory Positions
- D. Who Is An Insured – Newly Acquired Or Formed Limited Liability Companies
- E. Who Is An Insured – Liability For Conduct Of Unnamed Partnerships Or Joint Ventures
- F. Blanket Additional Insured – Persons Or Organizations For Your Ongoing Operations As Required By Written Contract Or Agreement
- G. Blanket Additional Insured – Broad Form Vendors
- H. Blanket Additional Insured – Controlling Interest
- I. Blanket Additional Insured – Mortgagees, Assignees, Successors Or Receivers
- J. Blanket Additional Insured – Governmental Entities – Permits Or Authorizations Relating To Premises
- K. Blanket Additional Insured – Governmental Entities – Permits Or Authorizations Relating To Operations
- L. Medical Payments – Increased Limit
- M. Blanket Waiver Of Subrogation
- N. Contractual Liability – Railroads
- O. Damage To Premises Rented To You

#### PROVISIONS

##### **A. NON-OWNED WATERCRAFT – 75 FEET LONG OR LESS**

1. The following replaces Paragraph (2) of Exclusion g., **Aircraft, Auto Or Watercraft**, in Paragraph 2. of **SECTION I – COVERAGES – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

(2) A watercraft you do not own that is:

- (a) 75 feet long or less; and
- (b) Not being used to carry any person or property for a charge;

2. The following replaces Paragraph 2.e. of **SECTION II – WHO IS AN INSURED**:

e. Any person or organization that, with your express or implied consent, either uses or

is responsible for the use of a watercraft that you do not own that is:

- (1) 75 feet long or less; and
- (2) Not being used to carry any person or property for a charge.

##### **B. WHO IS AN INSURED – UNNAMED SUBSIDIARIES**

The following is added to **SECTION II – WHO IS AN INSURED**:

Any of your subsidiaries, other than a partnership or joint venture, that is not shown as a Named Insured in the Declarations is a Named Insured if:

- a. You are the sole owner of, or maintain an ownership interest of more than 50% in, such subsidiary on the first day of the policy period; and
- b. Such subsidiary is not an insured under similar other insurance.

## INSURANCE CHECKLIST

### COMMERCIAL GENERAL LIABILITY

No such subsidiary is an insured for "bodily injury" or "property damage" that occurred, or "personal and advertising injury" caused by an offense committed:

- a. Before you maintained an ownership interest of more than 50% in such subsidiary; or
- b. After the date, if any, during the policy period that you no longer maintain an ownership interest of more than 50% in such subsidiary.

For purposes of Paragraph 1. of Section II – Who Is An Insured, each such subsidiary will be deemed to be designated in the Declarations as:

- a. A limited liability company;
- b. An organization other than a partnership, joint venture or limited liability company; or
- c. A trust;

as indicated in its name or the documents that govern its structure.

#### C. WHO IS AN INSURED – EMPLOYEES – SUPERVISORY POSITIONS

The following is added to Paragraph 2.a.(1) of SECTION II – WHO IS AN INSURED:

Paragraphs (1)(a), (b) and (c) above do not apply to "bodily injury" to a co-"employee" while in the course of the co-"employee's" employment by you arising out of work by any of your "employees" who hold a supervisory position.

#### D. WHO IS AN INSURED – NEWLY ACQUIRED OR FORMED LIMITED LIABILITY COMPANIES

The following replaces Paragraph 3. of SECTION II – WHO IS AN INSURED:

3. Any organization you newly acquire or form, other than a partnership or joint venture, and of which you are the sole owner or in which you maintain an ownership interest of more than 50%, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
  - a. Coverage under this provision is afforded only:
    - (1) Until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier, if you do not report such organization in writing to us within 180 days after you acquire or form it; or
    - (2) Until the end of the policy period, when that date is later than 180 days after you acquire or form such organization, if you report such

organization in writing to us within 180 days after you acquire or form it;

- b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

For the purposes of Paragraph 1. of Section II – Who Is An Insured, each such organization will be deemed to be designated in the Declarations as:

- a. A limited liability company;
- b. An organization, other than a partnership, joint venture or limited liability company; or
- c. A trust;

as indicated in its name or the documents that govern its structure.

#### E. WHO IS AN INSURED – LIABILITY FOR CONDUCT OF UNNAMED PARTNERSHIPS OR JOINT VENTURES

The following replaces the last paragraph of SECTION II – WHO IS AN INSURED:

No person or organization is an insured with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations. This paragraph does not apply to any such partnership or joint venture that otherwise qualifies as an insured under Section II – Who Is An Insured.

#### F. BLANKET ADDITIONAL INSURED – PERSONS OR ORGANIZATIONS FOR YOUR ONGOING OPERATIONS AS REQUIRED BY WRITTEN CONTRACT OR AGREEMENT

The following is added to SECTION II – WHO IS AN INSURED:

Any person or organization that is not otherwise an insured under this Coverage Part and that you have agreed in a written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury" or "property damage" that:

- a. Occurs subsequent to the signing of that contract or agreement; and
- b. Is caused, in whole or in part, by your acts or omissions in the performance of your ongoing operations to which that contract or

COMMERCIAL GENERAL LIABILITY

agreement applies or the acts or omissions of any person or organization performing such operations on your behalf.

The limits of insurance provided to such insured will be the minimum limits that you agreed to provide in the written contract or agreement, or the limits shown in the Declarations, whichever are less.

**G. BLANKET ADDITIONAL INSURED – BROAD FORM VENDORS**

The following is added to **SECTION II – WHO IS AN INSURED**:

Any person or organization that is a vendor and that you have agreed in a written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury" or "property damage" that:

- a. Occurs subsequent to the signing of that contract or agreement; and
- b. Arises out of "your products" that are distributed or sold in the regular course of such vendor's business.

The insurance provided to such vendor is subject to the following provisions:

- a. The limits of insurance provided to such vendor will be the minimum limits that you agreed to provide in the written contract or agreement, or the limits shown in the Declarations, whichever are less.
- b. The insurance provided to such vendor does not apply to:
  - (1) Any express warranty not authorized by you or any distribution or sale for a purpose not authorized by you;
  - (2) Any change in "your products" made by such vendor;
  - (3) Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
  - (4) Any failure to make such inspections, adjustments, tests or servicing as vendors agree to perform or normally undertake to perform in the regular course of business, in connection with the distribution or sale of "your products";
  - (5) Demonstration, installation, servicing or repair operations, except such operations

performed at such vendor's premises in connection with the sale of "your products"; or

- (6) "Your products" that, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or on behalf of such vendor.

Coverage under this provision does not apply to:

- a. Any person or organization from whom you have acquired "your products", or any ingredient, part or container entering into, accompanying or containing such products; or
- b. Any vendor for which coverage as an additional insured specifically is scheduled by endorsement.

**H. BLANKET ADDITIONAL INSURED – CONTROLLING INTEREST**

1. The following is added to **SECTION II – WHO IS AN INSURED**:

Any person or organization that has financial control of you is an insured with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" that arises out of:

- a. Such financial control; or
- b. Such person's or organization's ownership, maintenance or use of premises leased to or occupied by you.

The insurance provided to such person or organization does not apply to structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

2. The following is added to Paragraph 4. of **SECTION II – WHO IS AN INSURED**:

This paragraph does not apply to any premises owner, manager or lessor that has financial control of you.

**I. BLANKET ADDITIONAL INSURED – MORTGAGEES, ASSIGNEES, SUCCESSORS OR RECEIVERS**

The following is added to **SECTION II – WHO IS AN INSURED**:

Any person or organization that is a mortgagee, assignee, successor or receiver and that you have agreed in a written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to its

COMMERCIAL GENERAL LIABILITY

liability as mortgagee, assignee, successor or receiver for "bodily injury", "property damage" or "personal and advertising injury" that:

- a. Is "bodily injury" or "property damage" that occurs, or is "personal and advertising injury" caused by an offense that is committed, subsequent to the signing of that contract or agreement; and
- b. Arises out of the ownership, maintenance or use of the premises for which that mortgagee, assignee, successor or receiver is required under that contract or agreement to be included as an additional insured on this Coverage Part.

The insurance provided to such mortgagee, assignee, successor or receiver is subject to the following provisions:

- a. The limits of insurance provided to such mortgagee, assignee, successor or receiver will be the minimum limits that you agreed to provide in the written contract or agreement, or the limits shown in the Declarations, whichever are less.
- b. The insurance provided to such person or organization does not apply to:
  - (1) Any "bodily injury" or "property damage" that occurs, or any "personal and advertising injury" caused by an offense that is committed, after such contract or agreement is no longer in effect; or
  - (2) Any "bodily injury", "property damage" or "personal and advertising injury" arising out of any structural alterations, new construction or demolition operations performed by or on behalf of such mortgagee, assignee, successor or receiver.

**J. BLANKET ADDITIONAL INSURED – GOVERNMENTAL ENTITIES – PERMITS OR AUTHORIZATIONS RELATING TO PREMISES**

The following is added to **SECTION II – WHO IS AN INSURED**:

Any governmental entity that has issued a permit or authorization with respect to premises owned or occupied by, or rented or loaned to, you and that you are required by any ordinance, law, building code or written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" arising out of the existence, ownership, use, maintenance, repair,

construction, erection or removal of any of the following for which that governmental entity has issued such permit or authorization: advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoist away openings, sidewalk vaults, elevators, street banners or decorations.

**K. BLANKET ADDITIONAL INSURED – GOVERNMENTAL ENTITIES – PERMITS OR AUTHORIZATIONS RELATING TO OPERATIONS**

The following is added to **SECTION II – WHO IS AN INSURED**:

Any governmental entity that has issued a permit or authorization with respect to operations performed by you or on your behalf and that you are required by any ordinance, law, building code or written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" arising out of such operations.

The insurance provided to such governmental entity does not apply to:

- a. Any "bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the governmental entity; or
- b. Any "bodily injury" or "property damage" included in the "products-completed operations hazard".

**L. MEDICAL PAYMENTS – INCREASED LIMIT**

The following replaces Paragraph 7. of **SECTION III – LIMITS OF INSURANCE**:

- 7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person, and will be the higher of:
  - a. \$10,000; or
  - b. The amount shown in the Declarations of this Coverage Part for Medical Expense Limit.

**M. BLANKET WAIVER OF SUBROGATION**

The following is added to Paragraph 8., **Transfer Of Rights Of Recovery Against Others To Us**, of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**:

If the insured has agreed in a contract or agreement to waive that insured's right of recovery against any person or organization, we

## INSURANCE CHECKLIST

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### COMMERCIAL GENERAL LIABILITY

waive our right of recovery against such person or organization, but only for payments we make because of:

- a. "Bodily injury" or "property damage" that occurs; or
- b. "Personal and advertising injury" caused by an offense that is committed;

subsequent to the execution of the contract or agreement.

#### **N. CONTRACTUAL LIABILITY – RAILROADS**

1. The following replaces Paragraph c. of the definition of "insured contract" in the **DEFINITIONS** Section:
  - c. Any easement or license agreement;

2. Paragraph f.(1) of the definition of "insured contract" in the **DEFINITIONS** Section is deleted.

#### **O. DAMAGE TO PREMISES RENTED TO YOU**

The following replaces the definition of "premises damage" in the **DEFINITIONS** Section:

"Premises damage" means "property damage" to:

- a. Any premises while rented to you or temporarily occupied by you with permission of the owner; or
- b. The contents of any premises while such premises is rented to you, if you rent such premises for a period of seven or fewer consecutive days.

**REFERENCES**

## References

| Reference #1  |  |
|---|--|
| Customer Name   | Saline Schools   |
| Contact Name  | Jay Grossman   |
| Contact Email   | <a href="mailto:grossmaj@salineschools.org">grossmaj@salineschools.org</a>   |
| Contact Phone   | 734.401.4751   |
| Contact Address   | 1300 Campus Parkway Technology Dept<br>Saline MI 48176-8886  |
| Description of Comparative System – please be specific and detailed | <p>Saline Schools upgraded their existing video surveillance system which was comprised of a couple of manufacturers of cameras to a Verkada camera system. There are 7 buildings with over 450 cameras that have been upgraded. This new camera system is fully integrated to utilize the Verkada Command User Interface for a single pane of glass. In addition to the Camera system, Saline Schools has also upgraded the following systems:</p> <ul style="list-style-type: none"> <li>• Guest sign in/out system from Raptor to the Verkada Guest Management System</li> <li>• Integrated the Verkada Entrance Intercom system</li> </ul> |

| Reference #2  |   |
|---|---|
| Customer Name   | Livonia Public Schools  |
| Contact Name  | Tim Klan  |
| Contact Email   | <a href="mailto:tklan@livoniapublicschools.org">tklan@livoniapublicschools.org</a>  |
| Contact Phone   | 734.744.2549  |
| Contact Address   | 15125 Farmington Rd<br>Livonia, MI  |
| Description of Comparative System – please be specific and detailed | <p>LPS upgraded their Security video surveillance system from older EOL Cisco Cameras to Verkada cameras. There are over 25 buildings and over 680 indoor and outdoor cameras upgraded in this solution. This new camera system is fully integrated to utilize the Verkada Command User Interface for a single pane of glass.</p> |

## REFERENCES

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| Reference #3    |  |
|-----------------|--|
| Customer Name   | Vicksburg Community Schools  |
| Contact Name    | Don Puckett  |
| Contact Email   | <a href="mailto:dpuckett@vicksburgschools.org">dpuckett@vicksburgschools.org</a> |
| Contact Phone   | 269.321.1040   |
| Contact Address | 301 S Kalamazoo St<br>Vicksburg, MI  |

NOTE: Sentinel is proud to have a significant number of customers willing to share their experiences with our prospective customers such as Genesee County. We have provided the above references at your request. As a courtesy to our current customers (and the same courtesy we will afford you in the future when we have the opportunity to share your name as a reference), we would like to request that you please contact your Sentinel Sales Executive to check with these customers to find a time that would be mutually convenient for your schedules.

## Statement of Exceptions

No exceptions.

COST PROPOSAL FORM

Cost Proposal Form

|  |                        |                      |                   |  |
|--|------------------------|----------------------|-------------------|--|
| <b>COST PROPOSAL FORM</b>  |                        |                      |                   |  |
| <b>Please itemize charges by building.</b>   |                        |                      |                   |  |
| <b>New Facility</b>  |                        |                      |                   |  |
| <b>Product New/Additional</b>  | <b>Units Requested</b> | <b>Cost per unit</b> | <b>Total cost</b> |  |
| New Key Card Readers (AC33)  | 119                    | \$ 178.56            | \$ 21,248.64      |  |
| (16) Door Controller (AC62)  | 8                      | \$ 2,712.00          | \$ 21,696.00      |  |
| (4) Door Controller (AC42)   | 0                      | \$ 921.00            | \$ -              |  |
| Door Licensing - 5 Year  | 119                    | \$ 511.12            | \$ 60,823.28      |  |
| Security Camera - Indoor (CD42)  | 57                     | \$ 511.12            | \$ 29,133.84      |  |
| Security Camera - Outdoor (CD52-E)   | 70                     | \$ 715.77            | \$ 50,103.90      |  |
| Camera License - 5 Year  | 127                    | \$ 459.96            | \$ 58,414.92      |  |
| Installation Cost - Outdoor Camera   | 70                     | \$ 405.00            | \$ 28,350.00      |  |
| Installation Cost - Indoor Camera  | 57                     | \$ 291.67            | \$ 16,625.19      |  |
| Installation Cost - (16) Door Controller   | 8                      | \$ 4,668.00          | \$ 37,344.00      |  |
| Installation Cost - (4) Door Controller  | 0                      | \$ 1,982.00          | \$ -              |  |
| Installation Cost - Card Reader  | 119                    | \$ 433.34            | \$ 51,567.46      |  |
| <b>Wiring Cost - Options</b>   |                        |                      |                   |  |
| Provide and install 1 new plenum category 6 network data drops for new camera locations -  |                        | \$ 567.00            | \$ -              |  |
| Provide and install 1 new plenum rated composite access control cable (controller to door) |                        | \$ 1,700.00          | \$ -              |  |

COST PROPOSAL FORM

|   |                                   |                      |                   |   |
|---|-----------------------------------|----------------------|-------------------|---|
| Provide and install 1 new electric strike |                                   | \$ 1,267.00          | \$ -              |   |
| Recorder Server(s) Cost                   | <i>Included with Subscription</i> | \$ -                 | \$ -              | <i>30 days on device retention; unlimited cloud archiving</i> |
| Maintenance                               | <i>Included with Subscription</i> | \$ -                 | \$ -              |   |
| Security                                  | <i>Included with Subscription</i> | \$ -                 | \$ -              |   |
| Upgrades and Patching                     | <i>Included with Subscription</i> | \$ -                 | \$ -              |   |
| <b>Circuit Court</b>                      |                                   |                      |                   |   |
| <b>Product New/Additional</b>             | <b>Units Requested</b>            | <b>Cost per unit</b> | <b>Total cost</b> |   |
| New Key Card Readers (AC33)               | <b>1</b>                          | \$ 178.56            | \$ 178.56         |   |
| Existing Key Card Readers                 | <b>84</b>                         |                      |                   | <i>Can Reuse existing card readers</i>                        |
| (16) Door Controller (AC62)               | <b>6</b>                          | \$ 2,712.00          | \$ 16,272.00      |   |
| (4) Door Controller (AC42)                | <b>0</b>                          | \$ 921.00            | \$ -              |   |
| Door Licensing - 5 Year                   | <b>85</b>                         | \$ 511.12            | \$ 43,445.20      | <i>(1) new reader + (84) existing</i>                         |
| Security Camera - Indoor (CD42)           | <b>70</b>                         | \$ 511.12            | \$ 35,778.40      | <i>Replace all existing cameras</i>                           |
| Security Camera - Outdoor (CD52-E)        | <b>13</b>                         | \$ 715.77            | \$ 9,305.01       | <i>Replace all existing cameras</i>                           |
| Camera License - 5 Year                   | <b>83</b>                         | \$ 459.96            | \$ 38,176.68      |   |
| Installation Cost - Outdoor Camera        | <b>13</b>                         | \$ 405.00            | \$ 5,265.00       |   |
| Installation Cost - Indoor Camera         | <b>70</b>                         | \$ 291.67            | \$ 20,416.90      |   |
| Installation Cost - (16) Door Controller  | <b>6</b>                          | \$ 4,668.00          | \$ 28,008.00      |   |
| Installation Cost - (4) Door Controller   | <b>0</b>                          | \$ 1,982.00          | \$ -              |   |
| Installation Cost - Card Reader           | <b>1</b>                          | \$ 433.34            | \$ 433.34         |   |

COST PROPOSAL FORM

|  |                                   |                      |                   |  |
|--|-----------------------------------|----------------------|-------------------|--|
| <b>Wiring Cost - Options</b>   |                                   |                      |                   |  |
| Provide and install 1 new plenum category 6 network data drops for new camera locations -  |                                   | \$ 567.00            | \$ -              |  |
| Provide and install 1 new plenum rated composite access control cable (controller to door) |                                   | \$ 1,700.00          | \$ -              |  |
| Provide and install 1 new electric strike  |                                   | \$ 1,267.00          | \$ -              |  |
| Recorder Server(s) Cost  |                                   | \$ -                 | \$ -              | 30 days on device retention; unlimited cloud archiving |
|  | <i>Included with Subscription</i> |                      |                   |  |
| Maintenance  | <i>Included with Subscription</i> | \$ -                 | \$ -              |  |
| Security   | <i>Included with Subscription</i> | \$ -                 | \$ -              |  |
| Upgrades and Patching  | <i>Included with Subscription</i> | \$ -                 | \$ -              |  |
| <b>McCree</b>  |                                   |                      |                   |  |
| <b>Product New/Additional</b>  | <b>Units Requested</b>            | <b>Cost per unit</b> | <b>Total cost</b> |  |
| New Key Card Readers (AC33)  | 4                                 | \$ 178.56            | \$ 714.24         |  |
| Existing Key Card Readers  | 88                                |                      |                   | Can Reuse existing card readers                        |
| (16) Door Controller (AC62)  | 6                                 | \$ 2,712.00          | \$ 16,272.00      |  |
| (4) Door Controller (AC42)   | 0                                 | \$ 921.00            | \$ -              |  |
| Door Licensing - 5 Year  | 92                                | \$ 511.12            | \$ 47,023.04      |  |
| Security Camera - Indoor (CD42)  | 50                                | \$ 511.12            | \$ 25,556.00      | Replace all existing cameras                           |
| Security Camera - Outdoor (CD52-E)   | 15                                | \$ 715.77            | \$ 10,736.55      | Replace all existing cameras                           |
| Camera License - 5 Year  | 65                                | \$ 459.96            | \$ 29,897.40      |  |
| Installation Cost - Outdoor Camera   | 15                                | \$ 405.00            | \$ 6,075.00       |  |
| Installation Cost - Indoor Camera  | 50                                | \$ 291.67            | \$ 14,583.50      |  |

COST PROPOSAL FORM

|  |                                   |                      |                     |                                     |
|--|-----------------------------------|----------------------|---------------------|-------------------------------------|
| Installation Cost - (16) Door Controller   | <b>6</b>                          | <b>\$ 4,668.00</b>   | <b>\$ 28,008.00</b> |                                     |
| Installation Cost - (4) Door Controller  | <b>0</b>                          | <b>\$ 1,982.00</b>   | <b>\$ -</b>         |                                     |
| Installation Cost - Card Reader  | <b>4</b>                          | <b>\$ 433.34</b>     | <b>\$ 1,733.36</b>  |                                     |
| <b>Wiring Cost - Options</b>   |                                   |                      |                     |                                     |
| Provide and install 1 new plenum category 6 network data drops for new camera locations -  |                                   | <b>\$ 567.00</b>     | <b>\$ -</b>         |                                     |
| Provide and install 1 new plenum rated composite access control cable (controller to door) |                                   | <b>\$ 1,700.00</b>   | <b>\$ -</b>         |                                     |
| Provide and install 1 new electric strike  |                                   | <b>\$ 1,267.00</b>   | <b>\$ -</b>         |                                     |
| Recorder Server(s) Cost  | <i>Included with Subscription</i> | <b>\$ -</b>          | <b>\$ -</b>         |                                     |
| Maintenance  | <i>Included with Subscription</i> | <b>\$ -</b>          | <b>\$ -</b>         |                                     |
| Security   | <i>Included with Subscription</i> | <b>\$ -</b>          | <b>\$ -</b>         |                                     |
| Upgrades and Patching  | <i>Included with Subscription</i> | <b>\$ -</b>          | <b>\$ -</b>         |                                     |
| <b>Davison (Out Court)</b>   |                                   |                      |                     |                                     |
| <b>Product New/Additional</b>  | <b>Units Requested</b>            | <b>Cost per unit</b> | <b>Total cost</b>   |                                     |
| New Key Card Readers (AC33)  | <b>5</b>                          | <b>\$ 178.56</b>     | <b>\$ 892.80</b>    |                                     |
| (16) Door Controller (AC62)  | <b>0</b>                          | <b>\$ 2,712.00</b>   | <b>\$ -</b>         |                                     |
| (4) Door Controller (AC42)   | <b>2</b>                          | <b>\$ 921.00</b>     | <b>\$ 1,842.00</b>  |                                     |
| Door Licensing - 5 Year  | <b>5</b>                          | <b>\$ 511.12</b>     | <b>\$ 2,555.60</b>  |                                     |
| Security Camera - Indoor (CD42)  | <b>2</b>                          | <b>\$ 511.12</b>     | <b>\$ 1,022.24</b>  | <i>Replace all existing cameras</i> |
| Security Camera - Outdoor (CD52-E)   | <b>3</b>                          | <b>\$ 715.77</b>     | <b>\$ 2,147.31</b>  | <i>Replace all existing cameras</i> |
| Camera License - 5 Year  | <b>5</b>                          | <b>\$ 459.96</b>     | <b>\$ 2,299.80</b>  |                                     |
| Installation Cost - Outdoor Camera   | <b>3</b>                          | <b>\$ 405.00</b>     | <b>\$ 1,215.00</b>  |                                     |

COST PROPOSAL FORM

|  |                                   |                      |                   |  |
|--|-----------------------------------|----------------------|-------------------|--|
| Installation Cost - Indoor Camera  | 2                                 | \$ 291.67            | \$ 583.34         |  |
| Installation Cost - (16) Door Controller   | 0                                 | \$ 4,668.00          | \$ -              |  |
| Installation Cost - (4) Door Controller  | 2                                 | \$ 1,982.00          | \$ 3,964.00       |  |
| Installation Cost - Card Reader  | 5                                 | \$ 433.34            | \$ 2,166.70       |  |
| <b>Wiring Cost - Options</b>   |                                   |                      |                   |  |
| Provide and install 1 new plenum category 6 network data drops for new camera locations -  |                                   | \$ 567.00            | \$ -              |  |
| Provide and install 1 new plenum rated composite access control cable (controller to door) |                                   | \$ 1,700.00          | \$ -              |  |
| Provide and install 1 new electric strike  |                                   | \$ 1,267.00          | \$ -              |  |
| Recorder Server(s) Cost  |                                   | \$ -                 | \$ -              | 30 days on device retention; unlimited cloud archiving |
|  | <i>Included with Subscription</i> |                      |                   |  |
| Maintenance  |                                   | \$ -                 | \$ -              |  |
|  | <i>Included with Subscription</i> |                      |                   |  |
| Security   |                                   | \$ -                 | \$ -              |  |
|  | <i>Included with Subscription</i> |                      |                   |  |
| Upgrades and Patching  |                                   | \$ -                 | \$ -              |  |
|  | <i>Included with Subscription</i> |                      |                   |  |
| <b>Mt. Morris (Out Court)</b>  |                                   |                      |                   |  |
| <b>Product New/Additional</b>  | <b>Units Requested</b>            | <b>Cost per unit</b> | <b>Total cost</b> |  |
| New Key Card Readers (AC33)  | 5                                 | \$ 178.56            | \$ 892.80         |  |
| (16) Door Controller (AC62)  | 0                                 | \$ 2,712.00          | \$ -              |  |
| (4) Door Controller (AC42)   | 2                                 | \$ 921.00            | \$ 1,842.00       |  |
| Door Licensing - 5 Year  | 5                                 | \$ 511.12            | \$ 2,555.60       |  |
| Security Camera - Indoor (CD42)  | 3                                 | \$ 511.12            | \$ 1,533.36       | Replace all existing cameras                           |
| Security Camera - Outdoor (CD52-E)   | 4                                 | \$ 715.77            | \$ 2,863.08       | Replace all existing cameras                           |
| Camera License - 5 Year  | 7                                 | \$ 459.96            | \$ 3,219.72       |  |

COST PROPOSAL FORM

|  |                                   |                      |                    |  |
|--|-----------------------------------|----------------------|--------------------|--|
| Installation Cost - Outdoor Camera   | <b>4</b>                          | <b>\$ 405.00</b>     | <b>\$ 1,620.00</b> |  |
| Installation Cost - Indoor Camera  | <b>3</b>                          | <b>\$ 291.67</b>     | <b>\$ 875.01</b>   |  |
| Installation Cost - (16) Door Controller   | <b>0</b>                          | <b>\$ 4,668.00</b>   | <b>\$ -</b>        |  |
| Installation Cost - (4) Door Controller  | <b>2</b>                          | <b>\$ 1,982.00</b>   | <b>\$ 3,964.00</b> |  |
| Installation Cost - Card Reader  | <b>5</b>                          | <b>\$ 433.34</b>     | <b>\$ 2,166.70</b> |  |
| <b>Wiring Cost - Options</b>   |                                   |                      |                    |  |
| Provide and install 1 new plenum category 6 network data drops for new camera locations -  |                                   | <b>\$ 567.00</b>     | <b>\$ -</b>        |  |
| Provide and install 1 new plenum rated composite access control cable (controller to door) |                                   | <b>\$ 1,700.00</b>   | <b>\$ -</b>        |  |
| Provide and install 1 new electric strike  |                                   | <b>\$ 1,267.00</b>   | <b>\$ -</b>        |  |
| Recorder Server(s) Cost  | <i>Included with Subscription</i> | <b>\$ -</b>          | <b>\$ -</b>        |  |
| Maintenance  | <i>Included with Subscription</i> | <b>\$ -</b>          | <b>\$ -</b>        |  |
| Security   | <i>Included with Subscription</i> | <b>\$ -</b>          | <b>\$ -</b>        |  |
| Upgrades and Patching  | <i>Included with Subscription</i> | <b>\$ -</b>          | <b>\$ -</b>        |  |
| <b>Flushing (Out Court)</b>  |                                   |                      |                    |  |
| <b>Product New/Additional</b>  | <b>Units Requested</b>            | <b>Cost per unit</b> | <b>Total cost</b>  |  |
| New Key Card Readers (AC33)  | <b>5</b>                          | <b>\$ 178.56</b>     | <b>\$ 892.80</b>   | <i>Can Reuse existing card readers</i> |
| (16) Door Controller (AC62)  | <b>0</b>                          | <b>\$ 2,712.00</b>   | <b>\$ -</b>        |  |
| (4) Door Controller (AC42)   | <b>2</b>                          | <b>\$ 921.00</b>     | <b>\$ 1,842.00</b> |  |
| Door Licensing - 5 Year  | <b>5</b>                          | <b>\$ 511.12</b>     | <b>\$ 2,555.60</b> |  |
| Security Camera - Indoor (CD42)  | <b>3</b>                          | <b>\$ 511.12</b>     | <b>\$ 1,533.36</b> | <i>Replace all existing cameras</i>    |
| Security Camera - Outdoor (CD52-E)   | <b>4</b>                          | <b>\$ 715.77</b>     | <b>\$ 2,863.08</b> | <i>Replace all existing cameras</i>    |

COST PROPOSAL FORM

|  |                                   |                      |                   |  |
|--|-----------------------------------|----------------------|-------------------|--|
| Camera License - 5 Year  | 7                                 | \$ 459.96            | \$ 3,219.72       |  |
| Installation Cost - Outdoor Camera   | 4                                 | \$ 405.00            | \$ 1,620.00       |  |
| Installation Cost - Indoor Camera  | 3                                 | \$ 291.67            | \$ 875.01         |  |
| Installation Cost - (16) Door Controller   | 0                                 | \$ 4,668.00          | \$ -              |  |
| Installation Cost - (4) Door Controller  | 2                                 | \$ 1,982.00          | \$ 3,964.00       |  |
| Installation Cost - Card Reader  | 5                                 | \$ 433.34            | \$ 2,166.70       |  |
| <b>Wiring Cost - Options</b>   |                                   |                      |                   |  |
| Provide and install 1 new plenum category 6 network data drops for new camera locations -  |                                   | \$ 567.00            | \$ -              |  |
| Provide and install 1 new plenum rated composite access control cable (controller to door) |                                   | \$ 1,700.00          | \$ -              |  |
| Provide and install 1 new electric strike  |                                   | \$ 1,267.00          | \$ -              |  |
| Recorder Server(s) Cost  |                                   | \$ -                 | \$ -              | 30 days on device retention; unlimited cloud archiving |
|  | <i>Included with Subscription</i> |                      |                   |  |
| Maintenance  |                                   | \$ -                 | \$ -              |  |
|  | <i>Included with Subscription</i> |                      |                   |  |
| Security   |                                   | \$ -                 | \$ -              |  |
|  | <i>Included with Subscription</i> |                      |                   |  |
| Upgrades and Patching  |                                   | \$ -                 | \$ -              |  |
|  | <i>Included with Subscription</i> |                      |                   |  |
| <b>Fenton (Out Court)</b>  |                                   |                      |                   |  |
| <b>Product New/Additional</b>  | <b>Units Requested</b>            | <b>Cost per unit</b> | <b>Total cost</b> |  |
| New Key Card Readers (AC33)  | 5                                 | \$ 178.56            | \$ 892.80         | Can Reuse existing card readers                        |
| (16) Door Controller (AC62)  | 0                                 | \$ 2,712.00          | \$ -              |  |
| (4) Door Controller (AC42)   | 2                                 | \$ 921.00            | \$ 1,842.00       |  |
| Door Licensing - 5 Year  | 5                                 | \$ 511.12            | \$ 2,555.60       |  |
| Security Camera - Indoor (CD42)  | 3                                 | \$ 511.12            | \$ 1,533.36       | Replace all existing cameras                           |

COST PROPOSAL FORM

|  |                                   |                      |                   |                              |
|--|-----------------------------------|----------------------|-------------------|------------------------------|
| Security Camera - Outdoor (CD52-E)   | 4                                 | \$ 715.77            | \$ 2,863.08       | Replace all existing cameras |
| Camera License - 5 Year  | 7                                 | \$ 459.96            | \$ 3,219.72       |                              |
| Installation Cost - Outdoor Camera   | 4                                 | \$ 405.00            | \$ 1,620.00       |                              |
| Installation Cost - Indoor Camera  | 3                                 | \$ 291.67            | \$ 875.01         |                              |
| Installation Cost - (16) Door Controller   | 0                                 | \$ 4,668.00          | \$ -              |                              |
| Installation Cost - (4) Door Controller  | 2                                 | \$ 1,982.00          | \$ 3,964.00       |                              |
| Installation Cost - Card Reader  | 5                                 | \$ 433.34            | \$ 2,166.70       |                              |
| <b>Wiring Cost - Options</b>   |                                   |                      |                   |                              |
| Provide and install 1 new plenum category 6 network data drops for new camera locations -  |                                   | \$ 567.00            | \$ -              |                              |
| Provide and install 1 new plenum rated composite access control cable (controller to door) |                                   | \$ 1,700.00          | \$ -              |                              |
| Provide and install 1 new electric strike  |                                   | \$ 1,267.00          | \$ -              |                              |
| Recorder Server(s) Cost  | <i>Included with Subscription</i> | \$ -                 | \$ -              |                              |
| Maintenance  | <i>Included with Subscription</i> | \$ -                 | \$ -              |                              |
| Security   | <i>Included with Subscription</i> | \$ -                 | \$ -              |                              |
| Upgrades and Patching  | <i>Included with Subscription</i> | \$ -                 | \$ -              |                              |
| <b>Grand Blanc (Out Court)</b>   |                                   |                      |                   |                              |
| <b>Product New/Additional</b>  | <b>Units Requested</b>            | <b>Cost per unit</b> | <b>Total cost</b> |                              |
| New Key Card Readers (AC33)  | 5                                 | \$ 178.56            | \$ 892.80         |                              |
| (16) Door Controller (AC62)  | 0                                 | \$ 2,712.00          | \$ -              |                              |
| (4) Door Controller (AC42)   | 2                                 | \$ 921.00            | \$ 1,842.00       |                              |
| Door Licensing - 5 Year  | 5                                 | \$ 511.12            | \$ 2,555.60       |                              |

COST PROPOSAL FORM

|  |                                   |                      |                   |   |
|--|-----------------------------------|----------------------|-------------------|---|
| Security Camera - Indoor (CD42)  | 4                                 | \$ 511.12            | \$ 2,044.48       | <i>Replace all existing cameras</i>                           |
| Security Camera - Outdoor (CD52-E)   | 5                                 | \$ 715.77            | \$ 3,578.85       | <i>Replace all existing cameras</i>                           |
| Camera License - 5 Year  | 9                                 | \$ 459.96            | \$ 4,139.64       |   |
| Installation Cost - Outdoor Camera   | 5                                 | \$ 405.00            | \$ 2,025.00       |   |
| Installation Cost - Indoor Camera  | 4                                 | \$ 291.67            | \$ 1,166.68       |   |
| Installation Cost - (16) Door Controller   | 0                                 | \$ 4,668.00          | \$ -              |   |
| Installation Cost - (4) Door Controller  | 2                                 | \$ 1,982.00          | \$ 3,964.00       |   |
| Installation Cost - Card Reader  | 5                                 | \$ 433.34            | \$ 2,166.70       |   |
| <b>Wiring Cost - Options</b>   |                                   |                      |                   |   |
| Provide and install 1 new plenum category 6 network data drops for new camera locations -  |                                   | \$ 567.00            | \$ -              |   |
| Provide and install 1 new plenum rated composite access control cable (controller to door) |                                   | \$ 1,700.00          | \$ -              |   |
| Provide and install 1 new electric strike  |                                   | \$ 1,267.00          | \$ -              |   |
| Recorder Server(s) Cost  |                                   | \$ -                 | \$ -              | <i>30 days on device retention; unlimited cloud archiving</i> |
|  | <i>Included with Subscription</i> |                      |                   |   |
| Maintenance  | <i>Included with Subscription</i> | \$ -                 | \$ -              |   |
| Security   | <i>Included with Subscription</i> | \$ -                 | \$ -              |   |
| Upgrades and Patching  | <i>Included with Subscription</i> | \$ -                 | \$ -              |   |
| <b>Burton (Out Court)</b>  |                                   |                      |                   |   |
| <b>Product New/Additional</b>  | <b>Units Requested</b>            | <b>Cost per unit</b> | <b>Total cost</b> |   |
| New Key Card Readers (AC33)  | 5                                 | \$ 178.56            | \$ 892.80         |   |
| (16) Door Controller (AC62)  | 0                                 | \$ 2,712.00          | \$ -              |   |
| (4) Door Controller (AC42)   | 2                                 | \$ 921.00            | \$ 1,842.00       |   |

COST PROPOSAL FORM

|  |                                   |                      |                   |  |
|--|-----------------------------------|----------------------|-------------------|--|
| Door Licensing - 5 Year  | <b>5</b>                          | \$ 511.12            | \$ 2,555.60       |  |
| Security Camera - Indoor (CD42)  | <b>6</b>                          | \$ 511.12            | \$ 3,066.72       | <i>Replace all existing cameras</i>    |
| Security Camera - Outdoor (CD52-E)   | <b>7</b>                          | \$ 715.77            | \$ 5,010.39       | <i>Replace all existing cameras</i>    |
| Camera License - 5 Year  | <b>13</b>                         | \$ 459.96            | \$ 5,979.48       |  |
| Installation Cost - Outdoor Camera   | <b>7</b>                          | \$ 405.00            | \$ 2,835.00       |  |
| Installation Cost - Indoor Camera  | <b>6</b>                          | \$ 291.67            | \$ 1,750.02       |  |
| Installation Cost - (16) Door Controller   | <b>0</b>                          | \$ 4,668.00          | \$ -              |  |
| Installation Cost - (4) Door Controller  | <b>2</b>                          | \$ 1,982.00          | \$ 3,964.00       |  |
| Installation Cost - Card Reader  | <b>5</b>                          | \$ 433.34            | \$ 2,166.70       |  |
| <b>Wiring Cost - Options</b>   |                                   |                      |                   |  |
| Provide and install 1 new plenum category 6 network data drops for new camera locations -  |                                   | \$ 567.00            | \$ -              |  |
| Provide and install 1 new plenum rated composite access control cable (controller to door) |                                   | \$ 1,700.00          | \$ -              |  |
| Provide and install 1 new electric strike  |                                   | \$ 1,267.00          | \$ -              |  |
| Recorder Server(s) Cost  | <i>Included with Subscription</i> | \$ -                 | \$ -              |  |
| Maintenance  | <i>Included with Subscription</i> | \$ -                 | \$ -              |  |
| Security   | <i>Included with Subscription</i> | \$ -                 | \$ -              |  |
| Upgrades and Patching  | <i>Included with Subscription</i> | \$ -                 | \$ -              |  |
| <b>Jail</b>  |                                   |                      |                   |  |
| <b>Product New/Additional</b>  | <b>Units Requested</b>            | <b>Cost per unit</b> | <b>Total cost</b> |  |
| New Key Card Readers (AC33)  | <b>3</b>                          | \$ 178.56            | \$ 535.68         |  |
| Existing Key Card Readers  | <b>0</b>                          |                      |                   | <i>Can Reuse existing card readers</i> |

COST PROPOSAL FORM

|  |                                   |             |              |  |
|--|-----------------------------------|-------------|--------------|--|
| (16) Door Controller (AC62)  | 0                                 | \$ 2,712.00 | \$ -         |  |
| (4) Door Controller (AC42)   | 0                                 | \$ 921.00   | \$ -         |  |
| Door Licensing - 5 Year  | 3                                 | \$ 511.12   | \$ 1,533.36  |  |
| Security Camera - Indoor (CD42)  | 107                               | \$ 511.12   | \$ 54,689.84 | Replace all existing cameras                           |
| Security Camera - Outdoor (CD52-E)   | 17                                | \$ 715.77   | \$ 12,168.09 | Replace all existing cameras                           |
| Camera License - 5 Year  | 124                               | \$ 459.96   | \$ 57,035.04 |  |
| Installation Cost - Outdoor Camera   | 17                                | \$ 405.00   | \$ 6,885.00  |  |
| Installation Cost - Indoor Camera  | 107                               | \$ 291.67   | \$ 31,208.69 |  |
| Installation Cost - (16) Door Controller   | 0                                 | \$ 4,668.00 | \$ -         |  |
| Installation Cost - (4) Door Controller  | 0                                 | \$ 1,982.00 | \$ -         |  |
| Installation Cost - Card Reader  | 3                                 | \$ 433.34   | \$ 1,300.02  |  |
| <b>Wiring Cost - Options</b>   |                                   |             |              |  |
| Provide and install 1 new plenum category 6 network data drops for new camera locations -  |                                   | \$ 567.00   | \$ -         |  |
| Provide and install 1 new plenum rated composite access control cable (controller to door) |                                   | \$ 1,700.00 | \$ -         |  |
| Provide and install 1 new electric strike  |                                   | \$ 1,267.00 | \$ -         |  |
| Recorder Server(s) Cost  |                                   | \$ -        | \$ -         | 30 days on device retention; unlimited cloud archiving |
|  | <i>Included with Subscription</i> |             |              |  |
| Maintenance  | <i>Included with Subscription</i> | \$ -        | \$ -         |  |
| Security   | <i>Included with Subscription</i> | \$ -        | \$ -         |  |
| Upgrades and Patching  | <i>Included with Subscription</i> | \$ -        | \$ -         |  |

COST PROPOSAL FORM

| <b>Animal Control</b>  |                                   |                      |                     |   |
|--|-----------------------------------|----------------------|---------------------|---|
| <b>Product New/Additional</b>  | <b>Units Requested</b>            | <b>Cost per unit</b> | <b>Total cost</b>   |   |
| New Key Card Readers (AC33)  | <b>14</b>                         | <b>\$ 178.56</b>     | <b>\$ 2,499.84</b>  |   |
| Existing Key Card Readers  | <b>0</b>                          |                      |                     | <i>Can Reuse existing card readers</i>                        |
| (16) Door Controller (AC62)  | <b>1</b>                          | <b>\$ 2,712.00</b>   | <b>\$ 2,712.00</b>  |   |
| (4) Door Controller (AC42)   | <b>0</b>                          | <b>\$ 921.00</b>     | <b>\$ -</b>         |   |
| Door Licensing - 5 Year  | <b>14</b>                         | <b>\$ 511.12</b>     | <b>\$ 7,155.68</b>  |   |
| Security Camera - Indoor (CD42)  | <b>54</b>                         | <b>\$ 511.12</b>     | <b>\$ 27,600.48</b> | <i>Replace all existing cameras</i>                           |
| Security Camera - Outdoor (CD52-E)   | <b>30</b>                         | <b>\$ 715.77</b>     | <b>\$ 21,473.10</b> | <i>Replace all existing cameras</i>                           |
| Camera License - 5 Year  | <b>84</b>                         | <b>\$ 459.96</b>     | <b>\$ 38,636.64</b> |   |
| Installation Cost - Outdoor Camera   | <b>30</b>                         | <b>\$ 405.00</b>     | <b>\$ 12,150.00</b> |   |
| Installation Cost - Indoor Camera  | <b>54</b>                         | <b>\$ 291.67</b>     | <b>\$ 15,750.18</b> |   |
| Installation Cost - (16) Door Controller   | <b>1</b>                          | <b>\$ 4,668.00</b>   | <b>\$ 4,668.00</b>  |   |
| Installation Cost - (4) Door Controller  | <b>0</b>                          | <b>\$ 1,982.00</b>   | <b>\$ -</b>         |   |
| Installation Cost - Card Reader  | <b>14</b>                         | <b>\$ 433.34</b>     | <b>\$ 6,066.76</b>  |   |
| <b>Wiring Cost - Options</b>   |                                   |                      |                     |   |
| Provide and install 1 new plenum category 6 network data drops for new camera locations -  |                                   | <b>\$ 567.00</b>     | <b>\$ -</b>         |   |
| Provide and install 1 new plenum rated composite access control cable (controller to door) |                                   | <b>\$ 1,700.00</b>   | <b>\$ -</b>         |   |
| Provide and install 1 new electric strike  |                                   | <b>\$ 1,267.00</b>   | <b>\$ -</b>         |   |
| Recorder Server(s) Cost  |                                   | <b>\$ -</b>          | <b>\$ -</b>         | <i>30 days on device retention; unlimited cloud archiving</i> |
|  | <i>Included with Subscription</i> |                      |                     |   |
| Maintenance  | <i>Included with Subscription</i> | <b>\$ -</b>          | <b>\$ -</b>         |   |
| Security   | <i>Included with Subscription</i> | <b>\$ -</b>          | <b>\$ -</b>         |   |
| Upgrades and Patching  | <i>Included with Subscription</i> | <b>\$ -</b>          | <b>\$ -</b>         |   |

**COST PROPOSAL FORM**

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|   |  |                   |                       |  |
|---|--|-------------------|-----------------------|--|
| <b>Total Cost – All Buildings</b>                       |  |                   |                       |  |
|   |  | <b>Total cost</b> |                       |  |
| Using existing key card readers and cameras             |  | <b>N/A</b>        |                       |  |
| With new key card readers and cameras                   |  | <b>N/A</b>        |                       |  |
| Using existing key card readers but replace all cameras |  |                   | <b>\$1,194,977.87</b> |  |

**OPTIONAL EQUIPMENT**

## Optional Equipment

| Part Number    | Description   | Qty | Unit Price  |
|----------------|---|-----|-------------|
| CH52-1TBE-HW   | CH52-E Outdoor Multisensor Camera, 1TB, 30 Days Max | 0   | \$ 1,842.00 |
| CD62-30-HW     | CD62 Indoor Dome Camera, 512GB, 30 Days Max         | 0   | \$ 767.00   |
| CD62-30E-HW    | CD62-E Outdoor Dome Camera, 512GB, 30 Days Max      | 0   | \$ 870.00   |
| LIC-CH52-5Y    | 5-Year CH52 Multisensor Camera License              | 0   | \$ 1,381.00 |
| CB52-256E-HW   | CB52-E Outdoor Bullet Camera, 256GB, 30 Days Max    | 0   | \$ 716.00   |
| CB52-256TE-HW  | CB52-TE Outdoor Bullet Camera, 256GB, 30 Days Max   | 0   | \$ 767.00   |
| CB62-512E-HW   | CB62-E Outdoor Bullet Camera, 512GB, 30 Days Max    | 0   | \$ 921.00   |
| CB62-512TE-HW  | CB62-TE Outdoor Bullet Camera, 512GB, 30 Days Max   | 0   | \$ 972.00   |
| CD32-256-HW    | CD32 Indoor Dome Camera, 256GB, 30 Days Max         | 0   | \$ 409.00   |
| CD32-256E-HW   | CD32-E Outdoor Dome Camera, 256GB, 30 Days Max      | 0   | \$ 512.00   |
| CF81-30E-HW    | CF81-E Outdoor Fisheye Camera, 512GB, 30 Days Max   | 0   | \$ 1,023.00 |
| INJ-POE-PLUS   | PoE Plus (802.3at) Injector, GigE                   | 0   | \$ 66.00    |
| ACC-POE-60W    | PoE++ (802.3bt-2018) Injector, GigE                 | 0   | \$ 77.00    |
| ACC-MNT-POLE-1 | Pole Mount  | 0   | \$ 107.00   |
| ACC-MNT-REC-1  | Recessed Ceiling Mount                              | 0   | \$ 77.00    |
| ACC-MNT-10     | Corner Mount  | 0   | \$ 102.00   |
| ACC-MNT-2      | Arm Mount   | 0   | \$ 46.00    |
| ACC-MNT-3      | L-Bracket Mount                                     | 0   | \$ 66.00    |
| ACC-MNT-7      | Angle Mount   | 0   | \$ 77.00    |
| ACC-MNT-8      | Pendant Cap Mount                                   | 0   | \$ 36.00    |
| ACC-MNT-9      | Pole Mount, 2nd Generation                          | 0   | \$ 107.00   |

**OPTIONAL EQUIPMENT**

| <b>Part Number</b> | <b>Description</b>                                 | <b>Qty</b> | <b>Unit Price</b> |
|--------------------|--|------------|-------------------|
| LIC-10Y            | 10-Year Camera License                             | 0          | \$ 921.00         |
| LIC-CH52-10Y       | 10-Year CH52 Multisensor Camera License            | 0          | \$ 2,763.00       |
| VX52-HW            | VX52 Viewing Station                               | 0          | \$ 256.00         |
| LIC-VX-5Y          | 5-Year Viewing Station License                     | 0          | \$ 1,023.00       |
| LIC-VX-10Y         | 10-Year Viewing Station License                    | 0          | \$ 2,046.00       |
| SV21-HW            | SV21 Environmental Sensor                          | 0          | \$ 464.00         |
| SV23-HW            | SV23 Environmental Sensor                          | 0          | \$ 663.00         |
| SV25-HW            | SV25 Environmental Sensor                          | 0          | \$ 861.00         |
| LIC-SV-5Y          | 5-Year SV License                                  | 0          | \$ 407.00         |
| LIC-SV-10Y         | 10-Year SV License                                 | 0          | \$ 814.00         |
| ACCX-PRT-1         | Brother QL-820NWB/QL-820NWBc Label Printer         | 0          | \$ 290.00         |
|                    |  | 0          | \$ -              |
| ACCX-PRT-LBL-1     | Labels for Brother QL-820NWB, Qty 200, Color White | 0          | \$ 23.00          |
| ACCX-TBL-1         | 10.2 inch iPad, 64GB                               | 0          | \$ 383.00         |
| ACCX-TBL-STD-1     | iPad Stand   | 0          | \$ 46.00          |
| LIC-WP-10Y         | Verkada 10-Year Workplace License                  | 0          | \$ 14,652.00      |
| LIC-WP-5Y          | Verkada 5-Year Workplace License                   | 0          | \$ 8,373.00       |
| ACC-INT-ANGLE      | Intercom Angle Mount                               | 0          | \$ 153.00         |
| ACC-INT-SURF       | Intercom Surface Mount                             | 0          | \$ 102.00         |
| LIC-TD-10Y         | 10-Year Intercom License                           | 0          | \$ 1,023.00       |
| LIC-TD-5Y          | 5-Year Intercom License                            | 0          | \$ 512.00         |
| LIC-TX-10Y         | 10-Year Desk Station License                       | 0          | \$ 1,023.00       |
| LIC-TX-5Y          | 5-Year Desk Station License                        | 0          | \$ 512.00         |

OPTIONAL EQUIPMENT

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| Part Number  | Description                  | Qty | Unit Price |
|--------------|------------------------------|-----|------------|
| TD52-HW      | TD52 Video Intercom          | 0   | \$ 819.00  |
| ACC-BAT-18AH | 18AH Backup Battery          | 0   | \$ 358.00  |
| ACC-BAT-4AH  | 4AH Backup Battery           | 0   | \$ 66.00   |
| ACC-PROX-1   | Verkada Prox Cards, 100 Pack | 0   | \$ 307.00  |
| ACC-EV3-1    | Desfire EV3 Encrypted Cards  | 0   | \$ 409.00  |

## Executive Summary

Sentinel Technologies, partnered with Verkada, is responding to the camera and access control RFP with full service solution. The innovation and service from Sentinel combined with leading edge solutions from Verkada provide a complete solution, one that fits the current and future requirements for Genesee County. Sentinel has been providing IT Solutions since 1982 and Verkada has quickly moved into the leader in the physical security space. Below you will find biographies for both companies:

Sentinel has stayed at the forefront of IT developments and maintained a singular focus on providing practical and innovative solutions. With single-source accountability, Sentinel processes and teams can efficiently address a range of IT needs – from communications, to data center, to cloud and managed services. Our proven success has allowed us to expand from our original charter of providing technology maintenance services to our current standing as one of the leading IT services and solutions provider in the U.S.

Sentinel Technologies is a trusted partner for businesses of all sizes. The company's products and services are designed to help organizations protect their assets, people, and data from a variety of threats.

Here are some of the benefits of using Sentinel Technologies:

- **Expertise:** Sentinel Technologies has over 30 years of experience in providing physical security solutions.
- **Reliability:** Sentinel Technologies's products and services are designed to be reliable and to meet the needs of even the most demanding organizations.
- **Security:** Sentinel Technologies's systems are highly secure and can help organizations prevent unauthorized access and protect their assets.
- **Scalability:** Sentinel Technologies's solutions can be scaled to meet the needs of organizations of all sizes.
- **Cost-effectiveness:** Sentinel Technologies's solutions are cost-effective and can help organizations save money on security.

If you're looking for a reliable and secure physical security solution, Sentinel Technologies is a great option. The company has a wide range of products and services to meet the needs of businesses of all sizes.

Verkada is a cloud-based physical security platform that offers a suite of solutions for video surveillance, access control, and environmental monitoring. The platform is designed to be simple to use, scalable, and secure.

Verkada cameras are all-in-one security cameras that combine onboard storage and edge-based processing with the benefits of the cloud. They offer 24/7 live streaming, 1080p HD video, and infrared night vision. Verkada cameras can be used indoors or outdoors, and they are weatherproof and vandal-resistant.

Verkada access control combines enterprise-grade access control with a powerful, cloud-based management platform. It offers real-time visibility, remote management, and limitless scale. Verkada access control can be integrated with Verkada cameras to provide a unified view of physical security.

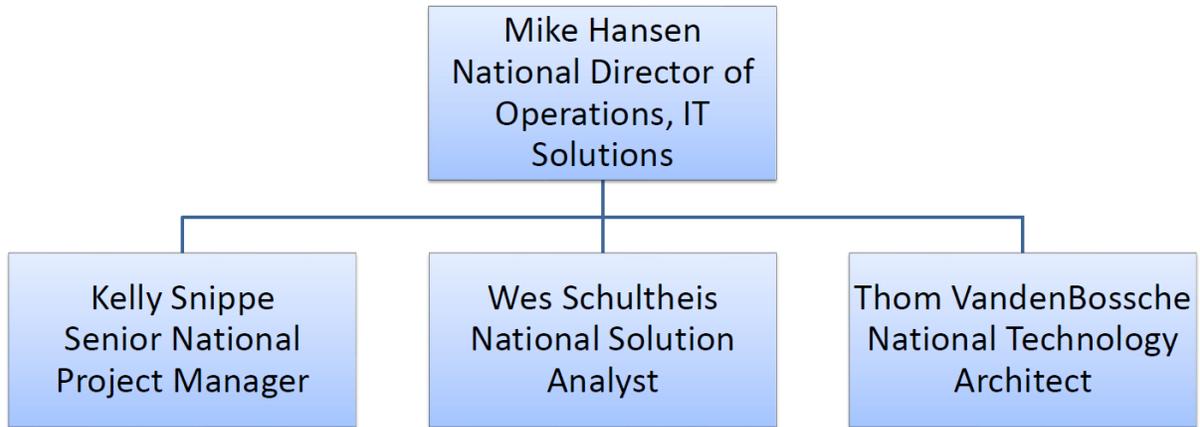
### Benefits of Verkada cameras and access control:

- **Simplified security management:** Verkada's cloud-based platform makes it easy to manage all of your security devices from a single location. You can easily add and remove cameras and access control devices, and you can update firmware and software remotely.
- **Enhanced security:** Verkada cameras and access control are designed to be highly secure. They use 256-bit encryption to protect your data, and they are regularly updated with the latest security patches.
- **Scalability:** Verkada's platform can be scaled to meet the needs of any organization, from small businesses to large enterprises. You can add as many cameras and access control devices as you need, without having to worry about hardware limitations.
- **Cost-effectiveness:** Verkada's cameras and access control are a cost-effective way to improve your physical security. You don't have to purchase and maintain any on-premises hardware, and you only pay for the devices and services that you need.

### Use cases for Verkada cameras and access control:

- **Enterprises:** Verkada's cameras and access control are ideal for enterprises of all sizes. They can be used to secure offices, warehouses, manufacturing facilities, and other high-value assets.
- **Schools:** Verkada's cameras and access control can be used to improve school security. They can be used to monitor hallways, classrooms, and other areas, and they can be used to track student and staff attendance.
- **Retail:** Verkada's cameras and access control can be used to deter theft and improve customer service in retail stores. They can be used to monitor cash registers, dressing rooms, and other areas, and they can be used to track customer behavior.
- **Healthcare:** Verkada's cameras and access control can be used to improve patient safety and security in healthcare facilities. They can be used to monitor patient rooms, hallways, and other areas, and they can be used to track staff and visitor access.

## Organization Chart



**WORK PLAN**

## Work Plan

| Task Name                                      | Duration        | Start | Finish | Resource Names               | Notes   |
|--|-----------------|-------|--------|------------------------------|---|
| <b>Genesee County Verkada Security Project</b> |                 |       |        |                              |   |
| <b>Initiation</b>                              | <b>3 days</b>   |       |        |                              |   |
| Kick Off Meeting                               | 0.5 days        |       |        |                              |   |
| <b>Discovery and Design Session</b>            | <b>0.5 days</b> |       |        |                              |   |
| Dashboard Access                               | 0.5 days        |       |        | Challenger/Sentinel/Genessee |   |
| Onsite Access                                  | 0.5 days        |       |        | Genessee County              |   |
| Review Project Requirements                    | 0.5 days        |       |        | Challenger/Sentinel/Genessee |   |
| <b>Initial Project Site Walk</b>               | <b>3 days</b>   |       |        |                              |   |
| Tower  | 2 days          |       |        | Challenger/Sentinel/Genessee |   |
| Circuit  | 1 day           |       |        | Challenger/Sentinel/Genessee |   |
| McCree   | 1 day           |       |        | Challenger/Sentinel/Genessee |   |
| Jail   | 3 days          |       |        | Challenger/Sentinel/Genessee |   |
| Out Courts                                     | 1 day           |       |        | Challenger/Sentinel/Genessee |   |
| Animal Control                                 | 1 day           |       |        | Challenger/Sentinel/Genessee |   |
| <b>Planning</b>                                | <b>7.5 days</b> |       |        |                              |   |
| Order and Track Equipment                      | 1.5 wks         |       |        | Challenger                   |   |
| <b>Final Site Walks</b>                        | <b>3 days</b>   |       |        |                              | <b>This is optional based on initial site walks and customer preference</b> |
| Tower  | 2 days          |       |        | Challenger/Sentinel/Genessee |   |
| Circuit  | 1 day           |       |        | Challenger/Sentinel/Genessee |   |
| McCree   | 1 day           |       |        | Challenger/Sentinel/Genessee |   |
| Jail   | 3 days          |       |        | Challenger/Sentinel/Genessee |   |
| Out Courts                                     | 1 day           |       |        | Challenger/Sentinel/Genessee |   |
| Animal Control                                 | 1 day           |       |        | Challenger/Sentinel/Genessee |   |
| Scheduling                                     | 3 days          |       |        | Kelly Snippe (Sentinel PM)   |   |

**WORK PLAN**

|  |                |  |  |                              |                                     |
|--|----------------|--|--|------------------------------|-------------------------------------|
| <b>Execution; Verkada Installation and Configuration</b> | <b>10 days</b> |  |  |                              |                                     |
| <b>Circuit Court and McCree</b>                          | <b>8 days</b>  |  |  |                              |                                     |
| Circuit Court Verkada Installation                       | 1 wk           |  |  | Challenger                   |                                     |
| McCree Verkada Installation                              | 1 wk           |  |  | Challenger                   |                                     |
| Verkada Configuration                                    | 3 days         |  |  | Sentinel (W. Shultheis)      |                                     |
| Camera Placement Review                                  | 1 day          |  |  | Challenger/Sentinel/Genessee | Remote. Review camera angle/ image/ |
| Camera Aiming Adjustments                                | 3 days         |  |  |                              |                                     |
| <b>Out Courts and Animal Control</b>                     | <b>5 days</b>  |  |  |                              |                                     |
| Out Court Verkada Installation                           | 1 wk           |  |  | Challenger                   |                                     |
| Animal Control Verkada Installation                      | 1 wk           |  |  | Challenger                   |                                     |
| Verkada Configuration                                    | 3 days         |  |  | Sentinel (W. Shultheis)      |                                     |
| Camera Placement Review                                  | 1 day          |  |  | Challenger/Sentinel/Genessee |                                     |
| Camera Aiming Adjustments                                | 3 days         |  |  | Challenger                   |                                     |
| <b>Tower</b>   | <b>10 days</b> |  |  |                              |                                     |
| Tower Verkada Installation                               | 2 wks          |  |  | Challenger                   |                                     |
| Verkada Configuration                                    | 3 days         |  |  | Sentinel (W. Shultheis)      |                                     |
| Camera Placement Review                                  | 1 day          |  |  | Genessee/Sentinel/Challenger |                                     |
| Camera Aiming Adjustments                                | 3 days         |  |  | Challenger                   |                                     |
| <b>Jail</b>  | <b>10 days</b> |  |  |                              |                                     |
| Jail Verkada Installation                                | 2 wks          |  |  | Challenger                   |                                     |
| Verkada Configuration                                    | 3 days         |  |  | Sentinel (W. Shultheis)      |                                     |
| Camera Placement Review                                  | 1 day          |  |  | Genessee/Sentinel/Challenger |                                     |
| Camera Aiming Adjustments                                | 3 days         |  |  | Challenger                   |                                     |
| <b>Closure</b>   | <b>0 days</b>  |  |  |                              |                                     |
| Review Dashboard and Configurations                      |                |  |  | Sentinel (W. Shultheis)      |                                     |
| Review Live Maps   |                |  |  | Sentinel (W. Shultheis)      |                                     |

**WORK PLAN**

---

|                         |  |  |  |                         |  |
|-------------------------|--|--|--|-------------------------|--|
| Naming within Dashboard |  |  |  | Sentinel (W. Shultheis) |  |
| Knowledge Transfer      |  |  |  | Challenger/Sentinel     |  |
| Project Closeout        |  |  |  |                         |  |

## Current Work Assignments and Contractual Obligations

### Work Assignment Document



|                            |                                     |
|----------------------------|-------------------------------------|
| <b>Customer:</b>           | Genesee County                      |
| <b>Project Name:</b>       | Verkada Security and Access Control |
| <b>Date:</b>               | August 29, 2023                     |
| <b>Start Date:</b>         | TBD                                 |
| <b>Planned Completion:</b> | TBD                                 |

| Required Personnel:      | Role                     |
|--------------------------|--------------------------|
| Kelly Snippe             | Project Manager          |
| Thom VandenBossche       | Team Lead Engineer       |
| Scott Spencer            | IT Solutions Manager     |
| Wesley Schultheis        | Implementation Engineer  |
| James Graff              | Account Manager          |
| Dan Ristovski            | Solution Architect       |
| Steve McComb/ Challenger | Implementation Engineers |

| Estimated Labor | Resource                | Task                                |
|-----------------|-------------------------|-------------------------------------|
| 90 Hours        | Kelly Snippe (Sentinel) | Project Coordination and Scheduling |
| 350             | Challenger              | Install Cameras and Access Control  |
| 250             | Sentinel (Engineering)  | Verkada Configuration and Naming    |

Demonstration of Financial Stability



Assurance

**SENTINEL TECHNOLOGIES, INC. AND SUBSIDIARY**

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 AND 2021

LOCAL  
KNOWLEDGE,  
GLOBAL  
EXPERTISE

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## DEMONSTRATION OF FINANCIAL STABILITY

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### SENTINEL TECHNOLOGIES, INC. AND SUBSIDIARY AUDITED CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2022 AND 2021

#### CONTENTS

|  | <u>PAGE</u> |
|--|-------------|
| <b>Financial Statements</b>                                |             |
| Independent Auditor's Report                               | 1 - 2       |
| Consolidated Balance Sheets                                | 3           |
| Consolidated Statements of Income                          | 4           |
| Consolidated Statements of Changes in Stockholders' Equity | 5           |
| Consolidated Statements of Cash Flows                      | 6 - 7       |
| Notes to Consolidated Financial Statements                 | 8 - 21      |



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
of Sentinel Technologies, Inc. and Subsidiary and Subsidiaries

### Opinion

We have audited the accompanying consolidated financial statements of Sentinel Technologies, Inc. and Subsidiary, which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the related consolidated statements of income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, financial statements).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sentinel Technologies, Inc. and Subsidiary as of December 31, 2022 and 2021, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Sentinel Technologies, Inc. and Subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Adoption of New Accounting Standard

As discussed in Note 2 to the financial statements, for the year ended December 31, 2022, Sentinel Technologies, Inc. and Subsidiary adopted Accounting Standards Update 2016-02, *Leases (Topic 842)*. Our opinion is not modified with respect to this matter.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

-1-

Certified Public Accountants ■ Business & Financial Advisors  
Offices in Elgin, Chicago, Orland Park, Naperville, Des Plaines & Sarasota

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### Responsibilities of Management for the Financial Statements, Continued

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Sentinel Technologies, Inc. and Subsidiary's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Sentinel Technologies, Inc. and Subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Sentinel Technologies, Inc. and Subsidiary's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*PKF Mueller*

Elgin, Illinois  
March 30, 2023

**DEMONSTRATION OF FINANCIAL STABILITY**

SENTINEL TECHNOLOGIES, INC. AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

ASSETS

|  | 2022                  | 2021              |
|--|-----------------------|-------------------|
| <b>Current assets:</b>                       |                       |                   |
| Cash and cash equivalents                    | \$ 1,431,279          | 5,316,818         |
| Accounts receivable, net                     | 76,371,728            | 50,517,966        |
| Inventories, net                             | 7,915,369             | 4,889,655         |
| Current portion of prepaid expenses          | 14,087,558            | 12,845,934        |
| Total current assets                         | 99,805,934            | 73,570,373        |
| <b>Property and equipment, net</b>           | <b>3,274,018</b>      | <b>3,374,315</b>  |
| <b>Other assets:</b>                         |                       |                   |
| Life insurance - cash surrender value        | 6,482,743             | 6,612,365         |
| Prepaid expenses, net of current portion     | 4,901,838             | 3,262,901         |
| Deferred income taxes, net                   | 3,460,334             | 2,753,364         |
| Right of uses assets - operating leases, net | 6,534,149             | -                 |
| Other assets                                 | 126,753               | 318,690           |
| Total other assets                           | 21,505,817            | 12,947,320        |
|  | <b>\$ 124,585,769</b> | <b>89,892,008</b> |

LIABILITIES AND STOCKHOLDERS' EQUITY

|  | 2022                  | 2021              |
|--|-----------------------|-------------------|
| <b>Current liabilities:</b>                                |                       |                   |
| Accounts payable   | \$ 37,366,244         | 25,106,206        |
| Accrued liabilities  | 11,994,699            | 11,420,169        |
| Income taxes payable                                       | 207,091               | 7,039             |
| Current portion of unearned revenue                        | 28,323,019            | 22,864,083        |
| Short-term borrowings                                      | 2,000,000             | -                 |
| Current portion of deferred compensation                   | 166,518               | 108,045           |
| Current portion of obligations under operating leases      | 2,077,669             | -                 |
| Current portion of obligations under finance leases        | 303,091               | 178,833           |
| Total current liabilities                                  | 82,438,331            | 59,684,375        |
| <b>Noncurrent liabilities:</b>                             |                       |                   |
| Unearned revenue, net of current portion                   | 7,994,299             | 4,918,512         |
| Deferred compensation, net of current portion              | 6,557,095             | 5,812,418         |
| Obligations under operating leases, net of current portion | 4,468,612             | -                 |
| Obligations under finance leases, net of current portion   | 402,132               | 182,274           |
| Total noncurrent liabilities                               | 19,422,138            | 10,913,204        |
| <b>Stockholders' equity</b>                                | <b>22,725,300</b>     | <b>19,294,429</b> |
| Total liabilities and stockholders' equity                 | <b>\$ 124,585,769</b> | <b>89,892,008</b> |

The accompanying notes are an integral part of the consolidated financial statements.

**DEMONSTRATION OF FINANCIAL STABILITY**

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**SENTINEL TECHNOLOGIES, INC. AND SUBSIDIARY**

**CONSOLIDATED STATEMENTS OF INCOME**

**YEARS ENDED DECEMBER 31, 2022 AND 2021**

|   | <u>2022</u>         | <u>% OF NET<br/>REVENUES</u> | <u>2021</u>        | <u>% OF NET<br/>REVENUES</u> |
|---|---------------------|------------------------------|--------------------|------------------------------|
| Revenues, net                                   | \$ 311,338,089      | 100.0                        | 249,181,581        | 100.0                        |
| Cost of revenue                                 | <u>244,302,696</u>  | <u>78.5</u>                  | <u>190,988,702</u> | <u>76.6</u>                  |
| Gross profit                                    | 67,035,393          | 21.5                         | 58,192,879         | 23.4                         |
| Selling, general and<br>administrative expenses | <u>61,126,395</u>   | <u>19.6</u>                  | <u>52,347,635</u>  | <u>21.0</u>                  |
| Income from operations                          | <u>5,908,998</u>    | <u>1.9</u>                   | <u>5,845,244</u>   | <u>2.4</u>                   |
| Other income (expense):                         |                     |                              |                    |                              |
| Miscellaneous expense                           | (132,366)           | -                            | (169,574)          | (0.1)                        |
| Interest income                                 | 73                  | -                            | 153                | -                            |
| Interest expense                                | <u>(120,918)</u>    | <u>-</u>                     | <u>(12,295)</u>    | <u>-</u>                     |
|   | <u>(253,211)</u>    | <u>-</u>                     | <u>(181,716)</u>   | <u>(0.1)</u>                 |
| Income before income taxes                      | 5,655,787           | 1.9                          | 5,663,528          | 2.3                          |
| Provision for income taxes                      | <u>1,497,650</u>    | <u>0.5</u>                   | <u>1,631,400</u>   | <u>0.7</u>                   |
| Net income                                      | <u>\$ 4,158,137</u> | <u>1.4</u>                   | <u>4,032,128</u>   | <u>1.6</u>                   |

The accompanying notes are an integral part of the consolidated financial statements.

## DEMONSTRATION OF FINANCIAL STABILITY

SENTINEL TECHNOLOGIES, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021

|                            | COMMON STOCK |        | ADDITIONAL             | TREASURY STOCK |                 | RETAINED EARNINGS | TOTAL         |
|----------------------------|--------------|--------|------------------------|----------------|-----------------|-------------------|---------------|
|                            | SHARES       | AMOUNT | PAID-IN CAPITAL AMOUNT | SHARES         | AMOUNT          |                   |               |
| Balance, January 1, 2021   | 106,345      | \$ -   | 819,029                | 42,404         | \$ (11,275,645) | 29,326,146        | \$ 18,869,530 |
| Purchase of treasury stock | -            | -      | -                      | 7,487          | (5,100,463)     | -                 | (5,100,463)   |
| Sale of treasury stock     | -            | -      | -                      | (2,192)        | 1,493,234       | -                 | 1,493,234     |
| Net income                 | -            | -      | -                      | -              | -               | 4,032,128         | 4,032,128     |
| Balance, December 31, 2021 | 106,345      | -      | 819,029                | 47,699         | (14,882,874)    | 33,358,274        | 19,294,429    |
| Purchase of treasury stock | -            | -      | -                      | 1,465          | (1,103,896)     | -                 | (1,103,896)   |
| Sale of treasury stock     | -            | -      | -                      | (500)          | 376,630         | -                 | 376,630       |
| Net income                 | -            | -      | -                      | -              | -               | 4,158,137         | 4,158,137     |
| Balance, December 31, 2022 | 106,345      | \$ -   | 819,029                | 48,664         | \$ (15,610,140) | 37,516,411        | \$ 22,725,300 |

The accompanying notes are an integral part of the consolidated financial statements.

**DEMONSTRATION OF FINANCIAL STABILITY**

**SENTINEL TECHNOLOGIES, INC. AND SUBSIDIARY**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

**YEARS ENDED DECEMBER 31, 2022 AND 2021**

|  | 2022         | 2021        |
|--|--------------|-------------|
| <b>Cash provided (used) by operating activities:</b>                                     |              |             |
| Net income   | \$ 4,158,137 | 4,032,128   |
| Adjustments to reconcile net income to net cash provided (used by) operating activities: |              |             |
| Depreciation and amortization  | 1,251,937    | 1,417,683   |
| Decrease in allowance for doubtful accounts and returns on accounts receivable           | (4,375)      | (49,274)    |
| Increase in provision for obsolete and excess inventory                                  | (22,991)     | (3,991)     |
| Deferred income taxes  | (706,970)    | (281,371)   |
| Decrease in life insurance - cash surrender value, net of premiums paid                  | 129,622      | 208,677     |
| Gain on sale of assets   | (452)        | -           |
| Amortization of right to use assets under operating leases                               | 2,205,547    | -           |
| Amortization of right to use assets under finance leases                                 | 210,570      | -           |
| Changes in:  |              |             |
| Accounts receivable  | (25,849,387) | (1,357,424) |
| Inventories  | (3,002,723)  | (960,626)   |
| Prepaid expenses   | (2,880,561)  | 467,999     |
| Other assets   | 191,937      | (63,029)    |
| Accounts payable   | 12,260,038   | (3,827,848) |
| Accrued liabilities  | 574,530      | (311,851)   |
| Income taxes payable   | 200,052      | 7,039       |
| Unearned revenue   | 8,534,723    | (4,038,607) |
| Deferred compensation  | 803,150      | 1,770,220   |
| Obligations under operating leases   | (2,193,415)  | -           |
| Net cash used by operating activities  | (4,140,631)  | (2,990,275) |
| <b>Cash provided (used) by investing activities:</b>                                     |              |             |
| Purchases of property and equipment  | (794,433)    | (1,768,579) |
| Proceeds from sale of property and equipment   | 7,500        | -           |
| Net cash used by operating activities  | (786,933)    | (1,768,579) |
| <b>Cash provided (used) by financing activities:</b>                                     |              |             |
| Proceeds from short-term borrowings  | 2,000,000    | -           |
| Principal payments on obligations under finance leases                                   | (230,709)    | (211,575)   |
| Sale of treasury stock   | 376,630      | 1,493,234   |
| Purchase of treasury stock   | (1,103,896)  | (5,100,463) |
| Net cash provided (used by) financing activities   | 1,042,025    | (3,818,804) |
| Net decrease in cash and cash equivalents  | (3,885,539)  | (8,577,658) |
| Cash and cash equivalents, beginning of year   | 5,316,818    | 13,894,476  |
| Cash and cash equivalents, end of year   | \$ 1,431,279 | 5,316,818   |

## DEMONSTRATION OF FINANCIAL STABILITY

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### SENTINEL TECHNOLOGIES, INC. AND SUBSIDIARY

#### CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2022 AND 2021

|   | <u>2022</u>         | <u>2021</u>      |
|---|---------------------|------------------|
| <b>Noncash financing transactions</b>   |                     |                  |
| Noncash right of use assets and obligations under right of use assets - operating | \$ <u>5,594,896</u> | <u>-</u>         |
| Noncash right of use assets and obligations under right of use assets - financing | \$ <u>574,825</u>   | <u>-</u>         |
| <b>Other cash flow information:</b>   |                     |                  |
| Interest paid   | \$ <u>120,918</u>   | <u>12,295</u>    |
| Income taxes paid   | \$ <u>2,004,567</u> | <u>1,709,112</u> |

The accompanying notes are an integral part of the consolidated financial statements.

SENTINEL TECHNOLOGIES, INC. AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021

**NOTE 1 - NATURE OF OPERATIONS**

Sentinel Technologies, Inc. (Sentinel) and Sentinel Technologies, Inc. AZ (consolidated as the Companies) specializes in consulting, integration, sale, and installation of advanced technology solutions. The Companies maintain their principal offices in Downers Grove, Illinois and have satellite facilities in Illinois, Arizona, Colorado, Michigan and Wisconsin.

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Principles of Consolidation

The consolidated financial statements include the accounts of Sentinel and its wholly owned subsidiary, Sentinel Technologies, Inc. AZ. All intercompany transactions and accounts have been eliminated.

Accounting Estimates

The preparation of consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

The Companies' revenue is generally derived from the sale of advanced technology solutions to customers, including the reselling of third-party products and services, professional services, and managed services. Revenue is recognized in accordance with Accounting Standards Codification ("ASC") Topic 606, Revenue from Contracts with Customers.

The Companies' have elected to use the portfolio approach practical expedient. The Companies' contracts with customers contain similar terms and as a result, the Companies have elected to apply its revenue recognition policies to a portfolio of contracts with similar characteristics. The Companies do not expect the results of doing so to differ materially from applying the guidance to individual contracts.

Under ASC 606, the Companies recognize revenue when they have a contract with a customer and as they satisfy the performance obligations of that contract through transfer of the promised good or service to the customer. A product or service is transferred when the customer obtains control of that product or service. A contract may contain multiple performance obligations. Prices are specifically identified for each performance obligation within a contract. Costs incurred to obtain a contract are expensed as incurred when the amortization period is less than a year. Incidental items that are immaterial in the context of the contract are recognized as expense.

## DEMONSTRATION OF FINANCIAL STABILITY

### SENTINEL TECHNOLOGIES, INC. AND SUBSIDIARY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2022 AND 2021

#### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

##### Revenue Recognition, Continued

Third-party products and services consist of reselling hardware, software and software as a service licenses, and software support. Revenue for third-party products and services is recognized at the point in time when the customer obtains control of the product and services, generally when shipped. As a provider of third-party products and services, the Companies assess whether they have promised to provide the customer the specific product or service itself (as a principal) in which case revenue is recognized on a gross basis, or to arrange for those specific products and services to be provided by another party (as an agent) in which case revenue is recognized on a net basis. A primary factor used in the assessment of principal versus agent accounting guidance is the Companies' role in fulfilling the promise to provide the specific products and services.

For sales of third party products (including software and software as a service), the Companies are the principal with revenues recognized on the gross basis. For sales of third party maintenance (including software support) that do not require the Companies' services, the Companies are the agent with revenue recognized on the net basis.

Professional services consist of project management, staging, configuration, and integration services. The customer contract terms determine whether professional service revenues are recognized on a time and material basis, in which case revenue is determined by applying the agreed upon billing rate as services are performed, or on a fixed fee basis, in which case revenues are recognized over time in proportion to the progress toward complete satisfaction of the performance obligation.

Managed services consist of stand-ready maintenance services provided by the Companies over the term of a contract, generally one month to five years. Revenues are recognized on a straight-line basis over the term of the contract.

The following table disaggregates the revenues of the Companies' revenue based on the timing of satisfaction of performance obligations for the years ended December 31, 2022 and 2021:

|  | <u>2022</u>           | <u>2021</u>           |
|--|-----------------------|-----------------------|
| Performance obligations satisfied at a point in time | \$ 182,557,897        | \$ 132,440,907        |
| Performance obligations satisfied over time          | <u>128,780,192</u>    | <u>116,740,674</u>    |
|  | <u>\$ 311,338,089</u> | <u>\$ 249,181,581</u> |

## DEMONSTRATION OF FINANCIAL STABILITY

### SENTINEL TECHNOLOGIES, INC. AND SUBSIDIARY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2022 AND 2021

#### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

##### Contract Balances

The timing of revenue recognition, billings, and cash collections results in billed accounts receivable and deferred revenue on the balance sheets. The beginning and ending contract balances were as follows:

|                     | <u>December 31, 2022</u> | <u>December 31, 2021</u> | <u>December 31, 2020</u> |
|---------------------|--------------------------|--------------------------|--------------------------|
| Accounts receivable | \$ 77,046,475            | 51,197,088               | 49,839,664               |
| Unearned revenue    | \$ 36,317,318            | 27,782,595               | 31,821,202               |

##### Accounts Receivable and Unearned Revenue

Billings may be based on payment schedules that differ from the timing of revenue recognition. These differences are reflected in the consolidated balance sheets as accounts receivable and unearned revenue.

Accounts receivable are uncollateralized customer obligations due under normal trade terms that generally require payment within 30 days from the invoice date. The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of the amounts that will not be collected. Accounts receivable is presented net of allowance for doubtful accounts and returns of \$674,747 and \$679,122 at December 31, 2022 and 2021, respectively.

##### Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, cash deposits in banks and highly liquid investments with original maturities of three months or less.

##### Inventories

Inventories are stated at the lower of cost or net realizable value. The average cost method is used to determine the cost for maintenance inventories while the specific identification cost method is used to determine the cost for inventories held for resale. Inventories include both new and used computer parts. Inventories are stated net of a market adjustment for obsolete and excess inventories totaling \$124,000 and \$101,009 at of December 31, 2022, and 2021, respectively.

##### Property and Equipment

The cost of property and equipment is depreciated over the estimated useful lives of the related assets. Leasehold improvements are amortized over the lesser of the term of the related lease or the estimated useful lives of the assets. Depreciation and amortization are computed under the straight-line method of depreciation. The useful lives of property and equipment for purposes of computing depreciation are as follows:

|                        |               |
|------------------------|---------------|
| Equipment              | 3 - 7 years   |
| Furniture and fixtures | 3 - 7 years   |
| Leasehold improvements | Life of lease |

SENTINEL TECHNOLOGIES, INC. AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Property and Equipment, continued

Depreciation and amortization expense for property and equipment charged to operations was \$1,462,507 and \$1,417,683 for the years ended December 31, 2022 and 2021, respectively.

Concentration of Credit Risk

The Companies maintain their cash in bank deposits which, at times, may exceed federally insured limits. The Companies believe they are not exposed to any significant credit risk on cash. As of December 31, 2022 and 2021, cash held in excess of insured limits was \$2,986,546 and \$5,989,653, respectively.

The principal markets for the products for the Companies are in the United States of America. Management performs continuing credit evaluations of its customers and generally does not require collateral. Historically, the Companies have not experienced significant losses related to receivables from individual customers.

Income Taxes

The Companies account for income taxes using an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences attributable to differences between consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred taxes are measured using enacted tax laws and rates expected to be recovered or settled.

The Companies recognize the consolidated financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. The Companies are no longer subject to federal, state, and local income tax examinations by tax authorities for the years before the 2019 tax year. Based on the evaluation of the Companies tax positions, management believes all positions taken would be upheld under an examination; therefore, no provision for the effects of uncertain tax positions has been recorded for the years ended December 31, 2022 and 2021.

Stock Option Plans

The Companies have stock option plans that provide for the issuance of common stock, which are described in Note 11. Effective January 1, 2006, the Companies adopted the fair value method of accounting for employee stock compensation cost.

Going Concern Evaluation

In accordance with U.S. GAAP, management performed an evaluation to determine if adverse conditions or events, considered in the aggregate, raise substantial doubt about the Companies ability to continue as a going concern for the one-year period from the date the consolidated financial statements were available to be issued.

SENTINEL TECHNOLOGIES, INC. AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Going Concern Evaluation, Continued

Management's evaluation did not identify any conditions or events that raise substantial doubt about the Companies ability to continue as a going concern for the period from March 30, 2023 to March 30, 2024.

Adoption of New Accounting Standard -- Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842). The FASB also subsequently issued additional ASUs, which amend and clarify Topic 842. The most significant change in the new leasing guidance is the requirement to recognize right-of-use assets and lease liabilities for operating leases on the balance sheet. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2021.

The Companies elected to adopt these ASUs effective January 1, 2022 and utilized the available practical expedients. As a result of adoption, the Companies recorded ROU assets and lease liabilities of \$3,144,800 effective January 1, 2022 and there was no impact to beginning retained earnings.

Leases

The Companies lease certain buildings, equipment, and vehicles. The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Operating leases are included in right-of-use ("ROU") operating leases, net, current portion of obligations under operating leases, and obligations under operating leases, net of current portion in the balance sheets. Finance leases are included in property and equipment, current portion of obligations under finance leases, and obligations under finance leases, net of current portion in the balance sheets.

ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Companies use the implicit rate when it is readily determinable. Since most of the Companies' leases do not provide an implicit rate, to determine the present value of lease payments, management uses the risk-free borrowing rate based on the information available at lease commencement. Operating lease ROU assets also includes any lease payments made and excludes any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Companies' lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise the option.

SENTINEL TECHNOLOGIES, INC. AND SUBSIDIARY  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Leases, Continued

The Companies have lease agreements with lease and non-lease components, which are generally accounted for separately with amounts allocated to the lease and non-lease components based on stand-alone prices. The Companies have elected the practical expedient not to separate lease and non-lease components for leases. Additionally, for equipment leases, the Companies apply a portfolio approach to account for the operating lease ROU assets and liabilities.

New Accounting Standard – Credit Losses

In June 2016, the FASB issued guidance to change the accounting for credit losses. The guidance requires an entity to utilize a new impairment model known as the current expected credit loss ("CECL") model to estimate its lifetime "expected credit losses" and record an allowance that presents the net amount expected to be collected on the financial assets. The CECL framework is expected to result in earlier recognition of credit losses. The Company intends to adopt the guidance as of December 1, 2023 and is currently evaluating the effect it is expected to have on its financial statements and related disclosures.

Subsequent Events

The Companies have evaluated subsequent events through March 30, 2023, the date the consolidated financial statements were available to be issued.

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable consists of the following at December 31:

|   | <u>2022</u>          | <u>2021</u>          |
|---|----------------------|----------------------|
| Billed receivables:                         |                      |                      |
| Trade receivables                           | \$ 65,203,843        | \$ 41,967,252        |
| Allowance for doubtful accounts and returns | <u>(674,747)</u>     | <u>(679,122)</u>     |
|   | 64,529,096           | 41,288,130           |
| Unbilled receivables                        | <u>11,842,632</u>    | <u>9,229,836</u>     |
| Total                                       | <u>\$ 76,371,728</u> | <u>\$ 50,517,966</u> |

**DEMONSTRATION OF FINANCIAL STABILITY**

**SENTINEL TECHNOLOGIES, INC. AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 4 - PREPAID EXPENSES**

Prepaid expenses consist of the following at December 31:

|   | <u>2022</u>          | <u>2021</u>          |
|---|----------------------|----------------------|
| Prepaid subcontracted expense             | \$ 11,398,642        | \$ 10,791,220        |
| Prepaid insurance                         | 63,816               | 22,439               |
| Other prepaid expenses                    | <u>2,625,100</u>     | <u>2,032,275</u>     |
| Current prepaid expenses                  | 14,087,558           | 12,845,934           |
| Non-current prepaid subcontracted expense | <u>4,901,838</u>     | <u>3,262,901</u>     |
|   | <u>\$ 18,989,396</u> | <u>\$ 16,108,835</u> |

**NOTE 5 - PROPERTY AND EQUIPMENT**

Property and equipment, net consists of the following at December 31:

|   | <u>2022</u>         | <u>2021</u>         |
|---|---------------------|---------------------|
| Equipment                                       | \$ 1,055,434        | \$ 556,898          |
| Furniture and fixtures                          | 14,426,139          | 14,727,907          |
| Leasehold improvements                          | <u>1,538,077</u>    | <u>1,565,216</u>    |
|   | 17,019,650          | 16,850,021          |
| Less: accumulated depreciation and amortization | <u>(13,745,632)</u> | <u>(13,475,706)</u> |
|   | <u>\$ 3,274,018</u> | <u>\$ 3,374,315</u> |

**NOTE 6 - ACCRUED LIABILITIES**

Accrued liabilities consists of the following at December 31:

|                                   | <u>2022</u>          | <u>2021</u>          |
|-----------------------------------|----------------------|----------------------|
| Accrued payroll and payroll taxes | \$ 9,207,656         | \$ 8,740,824         |
| Accrued health insurance          | 2,008,602            | 2,133,082            |
| Other accrued liabilities         | <u>778,441</u>       | <u>546,263</u>       |
| Current accrued liabilities       | <u>\$ 11,994,699</u> | <u>\$ 11,420,169</u> |

SENTINEL TECHNOLOGIES, INC. AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021

**NOTE 7 - SHORT-TERM BORROWINGS**

The Companies have a credit agreement that provides up to \$17,500,000 as cash advance working capital. In general, the agreement allows the Companies to borrow funds at the LIBOR rate plus 250 basis points (6.625% at December 31, 2022) subject to terms and conditions of the agreement that include the Companies maintaining certain collateral levels and financial covenant requirements. As of December 31, 2022, the credit agreement was collateralized by general assignments on all the assets of the Companies.

For the year ended December 31, 2022 there was \$2,000,000 in outstanding borrowed balance and the Companies were in compliance for all required financial covenants. For the year ended December 31, 2021 there was no outstanding borrowed balance and the Companies were in compliance for all required financial covenants.

**Loan Bearing Interest Pegged to LIBOR**

The loan agreement includes fallback provisions that govern the benchmark interest rate that will become effective when, in June 2023, one-month LIBOR will cease to be published. At that date, the line of credit will commence bearing interest at the 90-day Secured Overnight Financing Rate (SOFR) index published by the New York Federal Reserve Bank plus a credit spread to be determined. At this time, it is not known whether the replacement interest rate and credit spread will result in interest cost that is comparable to the current terms.

**NOTE 8 - DEFERRED COMPENSATION**

During 2010, The Companies entered into an agreement to pay certain employees deferred compensation in recognition of meeting and exceeding certain operational and sales goals. The original participants at the inception of the plan were fully vested immediately. All new participants' deferred compensation will vest after ten years of service. The vested amounts in the plan are available for distribution upon the latter of attaining age sixty-five or separation of service. Distribution payments shall be paid in annual installments over ten years. The deferred compensation liability was \$6,723,613 and \$5,920,463 as of December 31, 2022 and 2021, respectively, and calculated using the net present value method.

DEMONSTRATION OF FINANCIAL STABILITY

SENTINEL TECHNOLOGIES, INC. AND SUBSIDIARY  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2022 AND 2021

**NOTE 9 - INCOME TAXES**

The components of the provision for income taxes are as follows at December 31:

|                                | <u>2022</u>         | <u>2021</u>         |
|--------------------------------|---------------------|---------------------|
| Current:                       |                     |                     |
| Federal                        | \$ 1,594,862        | \$ 1,343,297        |
| State                          | 609,758             | 569,474             |
| Deferred tax expense (benefit) | <u>(706,970)</u>    | <u>(281,371)</u>    |
|                                | <u>\$ 1,497,650</u> | <u>\$ 1,631,400</u> |

The tax effect of temporary differences that give rise to significant portions of the deferred tax assets and liabilities is presented as follows:

|   | <u>2022</u>         | <u>2021</u>         |
|---|---------------------|---------------------|
| Deferred tax assets:                            |                     |                     |
| Provision for obsolete and excess inventory     | \$ 50,941           | \$ 37,811           |
| Allowance for doubtful accounts and returns     | 184,341             | 185,536             |
| Other accrued expenses                          | 375,423             | 425,943             |
| Deferred compensation                           | 1,807,373           | 1,592,112           |
| Unearned revenue                                | <u>1,684,432</u>    | <u>1,330,122</u>    |
|   | <u>4,102,510</u>    | <u>3,571,524</u>    |
| Deferred tax liability -                        |                     |                     |
| Property and equipment depreciation differences | <u>(642,176)</u>    | <u>(818,160)</u>    |
| Deferred income taxes, net                      | <u>\$ 3,460,334</u> | <u>\$ 2,753,364</u> |

The provision for income taxes differs from the amounts computed by applying the statutory federal income tax rate as follows:

|   | <u>2022</u>         | <u>2021</u>         |
|---|---------------------|---------------------|
| Statutory federal income tax provision      | \$ 1,148,861        | \$ 1,189,341        |
| Adjustments:                                |                     |                     |
| State income taxes - net of federal benefit | 345,753             | 357,935             |
| Other permanent differences                 | <u>3,036</u>        | <u>84,124</u>       |
|   | <u>\$ 1,497,650</u> | <u>\$ 1,631,400</u> |

SENTINEL TECHNOLOGIES, INC. AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021

**NOTE 10 - COMMON STOCK**

The authorized shares of the Companies' no-par value common stock were 147,000 at December 31, 2022 and 2021. The issued shares of the Companies' no-par value common stock were 106,345 shares for both years. The outstanding shares of the Companies' no-par value common stock were 57,681 and 58,646 on December 31, 2022 and 2021, respectively. The transfer, sale, assignment, pledge, or other disposition of common stock by stockholders is subject to the terms and conditions of Stock Restriction Agreements, which provide the Companies and other stockholders with the right of first refusal before certain transfers detailed in the Agreements are transacted.

During 2022 and 2021, the Companies purchased 1,465 and 7,487 shares of common stock for \$753.26 and \$681.22 per share for a total of \$1,103,896 and \$5,100,463, respectively.

During 2022, the Companies issued 500 shares of common stock from treasury for \$753.26 per share for a total of \$376,630. During 2021, the Companies issued 2,192 shares of common stock from treasury for \$681.22 per share for a total of \$1,493,234.

**NOTE 11 - STOCK OPTIONS**

**Stock Options Granted Prior to 1997**

Stock options granted prior to 1997 are compensatory and grant the right to purchase shares of common stock at a purchase price of one cent per share. The options vest at a rate of 20% per year beginning in the year in which they are granted. Options become fully vested in the event of merger or sale of the Companies, death or disability of the participant, retirement, or voluntary or involuntary termination of employment for reason other than cause. Options are exercisable in the year in which they vest, with the participant's right to purchase the shares forfeited if the participant elects not to exercise his/her options during the exercise period. Deferred compensation expense with respect to options is amortized on a straight-line basis over the five-year vesting period. At December 31, 2022 and 2021, no options granted prior to 1997 were outstanding and 7,600 shares remain available for future options under pre-1997 option plans.

**Stock Options Granted After 1996**

Stock options granted after 1996 have been granted with an exercise price equal to the fair value at the date of grant. The fair value is determined by referring to the most recent independent valuation of the Companies' common stock. Options granted after 1996 generally vest over three years and expire twenty years from the date of grant (amended from ten years in 2007). In 2017 the expiration date for these options was extended ten years to 2027. Options become fully vested in the event of merger or sale of the Companies, death or disability of the participant, or retirement of the participant.

## DEMONSTRATION OF FINANCIAL STABILITY

### SENTINEL TECHNOLOGIES, INC. AND SUBSIDIARY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2022 AND 2021

#### NOTE 11 - STOCK OPTIONS, CONTINUED

Stock options outstanding at December 31, 2022 were as follows:

| <u>Exercise Price</u> | <u>Number Outstanding and Exercisable</u> | <u>Average Remaining Life of Contract</u> | <u>Weighted Average Exercise Price</u> |
|-----------------------|---|---|--|
| \$ 68.68              | 4,400                                     | 4.5 years                                 | \$ 68.68                               |

There were no options granted, exercised or forfeited during 2022.

#### 2018 Stock Option Plan

In December 2017 the Companies adopted a 2018 Stock Option Plan that grants the right to purchase shares of common stock at a minimum purchase price that is equal to or above the fair value at the date of grant. The fair value is determined by referring to the most recent independent valuation of the Companies' common stock. These options have vesting periods ranging from immediate to five years (20% vesting per year). The option must be exercised while the participant is employed by the Companies. If the participant's employment with the Companies terminates for any reason, all unexercised vested and non-vested options automatically terminate. There are a total of 20,250 shares set aside for this option plan. At December 31, 2022 and 2021, none of these options had been granted.

#### NOTE 12 - LEASES

##### As of and for the Year Ended December 31, 2022

The Companies have operating lease agreements that require monthly payments ranging from \$544 to \$87,820 and lease maturity dates up through June 2029. The Companies are also obligated by lease agreements that meets the criteria of a finance lease. The finance leases require monthly payments ranging from \$1,156 to \$1,938 and the leases maturity dates up through May 2026.

Certain leases include optional renewal periods. When it is reasonably certain that a renewal option will be exercised that renewal period is included in the lease term, and the related payments are reflected in the ROU asset and lease liability.

All of the Companies' leases include fixed rental payments. While the majority of the leases are gross leases, the Companies also have a number of leases which require separate payments to the lessor based on the property taxes assessed on the property, as well as a portion of the common area maintenance associated with the property, and for equipment leases, including vehicles, the Companies account for the lease and non-lease components as a single lease. The Companies have elected the practical expedient not to separate lease and non-lease components for leases.

DEMONSTRATION OF FINANCIAL STABILITY

SENTINEL TECHNOLOGIES, INC. AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021

**NOTE 12 - LEASES, CONTINUED**

**As of and for the Year Ended December 31, 2022, Continued**

Lease expense for the year ended December 31, 2022 was as follows.

|                            |              |
|----------------------------|--------------|
| Finance leases:            |              |
| Amortization of ROU assets | \$ 210,570   |
| Interest expenses          | 21,389       |
| Operating leases           |              |
| Fixed rent expense         | 2,614,345    |
|                            | \$ 2,846,304 |

The amount recognized as a ROU asset related to the finance leases is included in property and equipment, net in the accompanying balance sheet, while the related lease liability is included in current portion of long-term debt and long-term debt. As of December 31, 2022 and 2021, right-of-use assets and lease liabilities related to finance leases were as follows:

|  | 2022       | 2021       |
|--|------------|------------|
| ROU assets                             | \$ 696,821 | \$ 385,293 |
| Finance lease obligations - current    | 303,091    | 178,833    |
| Finance lease obligations - noncurrent | 402,132    | 182,274    |
|  | \$ 705,223 | \$ 361,107 |

The following is a schedule of future minimum rental payments that existed at December 31, 2022:

|               | Operating    | Finance    | Total        |
|---------------|--------------|------------|--------------|
| 2023          | \$ 2,160,049 | \$ 317,558 | \$ 2,477,607 |
| 2024          | 1,683,020    | 243,754    | 1,926,774    |
| 2025          | 1,308,371    | 149,810    | 1,458,181    |
| 2026          | 1,218,483    | 34,408     | 1,252,891    |
| 2027          | 240,271      | -          | 240,271      |
| Thereafter    | 140,353      | -          | 140,353      |
|               | 6,750,547    | 745,530    | 7,496,077    |
| Less interest | (204,266)    | (40,307)   | (244,573)    |
|               | \$ 6,546,281 | \$ 705,223 | \$ 7,251,504 |

As of December 31, 2022, the weighted-average remaining lease term for all operating leases is 3.72 years while the remaining lease term for the finance leases is 2.65 years.

SENTINEL TECHNOLOGIES, INC. AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021

**NOTE 12 - LEASES, CONTINUED**

Because the Companies generally do not have access to the rate implicit in the lease, the Companies utilize risk free rates as the discount rate. The weighted-average discount rate associated with operating leases as of December 31, 2022 is 1.48% while the weighted-average discount rate associated with finance leases as of December 31, 2022 was 3.99%.

**As of and for the Year Ended December 31, 2021**

The Companies were obligated under operating leases primarily for buildings and vehicles, expiring at various dates between April 2022 through July 2029. The leases required the Companies to pay taxes, insurance, utilities, and maintenance costs. Total rent expense under these leases was \$2,926,306 for the year ended December 31, 2021.

**NOTE 13 - EMPLOYEE BENEFIT PLANS**

**Retirement Plan and Trust**

The Sentinel Technologies Retirement Plan and Trust (Plan), to which the Companies and eligible employees contribute, was established in accordance with Section 401(k) of the Internal Revenue Code. Employees are permitted to make annual contributions through salary deductions up to 50% of their annual salary. Annual employee contributions (including catch-up contributions) may not exceed \$27,000 and \$26,000 for 2022 and 2021, respectively. Discretionary employer contributions of \$1,546,210 and \$1,328,379 were made by the Companies for the years ended December 31, 2022 and 2021, respectively.

**Employee Stock Ownership Plan**

The Sentinel Technologies, Inc. Employee Stock Ownership Plan (ESOP) was established in 1988. The ESOP is a noncontributory plan covering eligible employees with a year of service. At January 1, 2022 and 2021, 20,103 and 21,568 shares, with an appraised share value of \$753.26 and \$681.22, respectively, have been allocated to participants. There were no discretionary contributions made by the Companies for the years ended December 31, 2022, and 2021. Allocations of the Companies' contributions and shares are based on participant earnings or account balances. There were no accrued liabilities for contributions payable to the ESOP at December 31, 2022 and 2021.

**NOTE 14 - CONTINGENCIES**

The Companies are generally self-insured for losses and liabilities related to health claims up to pre-determined amounts, above which, third party insurance applies. Losses are accrued based upon the Companies' estimates of the aggregate liability for claims incurred based on prior experience. Individual claim exposure is \$110,000 for 2022 and 2021. The aggregate maximum claim exposure amounts were \$8,600,000 and \$8,998,000 at December 31, 2022 and 2021, respectively. At December 31, 2022 and 2021, accrued expenses of \$2,008,602 and \$2,133,082, respectively, are included in accrued liabilities (see Note 6).

SENTINEL TECHNOLOGIES, INC. AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 16 - CONCENTRATIONS

At December 31, 2022, one customer accounted for 8% of the total gross accounts receivable balance with no other customer greater than 4%. At December 31, 2021, no customers accounted for greater than 3% of the total gross accounts receivable balance.

One customer accounted for 11% of total revenue in 2022 with no other customers accounting for greater than 4%. One customer accounted for 9% of total revenue in 2021 with no other customers accounting for greater than 2%.

## Statement of the Project

This project will install and configure a Verkada access control and camera system at locations provided in the RFP. The system will consist of the following:

- (359) New Indoor Cameras.
- (172) New Exterior Cameras.
- (531) 5-year Camera licenses.
- (171) Key Card Readers.
- (21) 16-channel door controller.
- (12) 4-channel door controller.
- (338) 5-year door licenses.

Optional hardware and licensing have been provided at unit prices.

The system will be used to monitor Genesee's facilities for unauthorized access, to track employee and visitor activity, and to provide video evidence in the event of an incident.

## Project Goals

The goals of this project are to:

- Improve the security of the Genesee County facilities.
- Increase the efficiency of the Genesee County access control system.
- Provide a visual record of activity in Genesee County facilities.

## Project Requirements

The following are the requirements for this project:

- The system must be able to record video for at least 30 days.
- Be able to store "archived" videos off site/locations.
- The system must be accessible from a remote location.
- Easy administration of access control and ability to find relevant videos quickly.
- Easy support and maintenance.

## Project Closure

The project will be considered closed when the following criteria have been met:

- The system has been installed and configured.
- The system has been tested and is operational.
- The system has been accepted by the stakeholders.

## Litigation

No litigation as related to the performance of services.