



Amendment 1 to the Master Services and Purchasing Agreement

This First Amendment (“**Amendment**”) is between Axon Enterprise, Inc., a Delaware corporation (“**Axon**”), and the City of Chula Vista, California (“**Customer**”). This Amendment is effective as of the last signature date on this Amendment (“**Effective Date**”). Axon and Customer are each a “**Party**” and collectively “**Parties**”.

Axon and Customer are parties to the Master Services and Purchasing Agreement fully executed on December 7, 2023 (“**Agreement**”).

The Parties wish to incorporate further changes into the Agreement in order to add the AI Eras plan to the current purchases.

The Parties therefore agree as follows:

1. The attached documents are hereby incorporated into the Agreement:
 - a. Quote Q-707659
 - b. Appendix for AI Technology
2. All other terms and conditions of the Agreement shall remain unchanged and in full force and effect.

Each representative identified below declares that the representative is authorized to execute this Amendment as of the date of signature.

Axon Enterprise, Inc.

Customer

Signature: _____

Signature: _____

Name: Robert Driscoll

Name: John McCann

Title: Deputy General Counsel

Title: Mayor

Date: _____

Date: _____

ATTEST:

Kerry K. Bigelow, MMC, City Clerk

Approved as to form:

By: _____
Marco A. Verdugo, City Attorney



**Amendment 1 to the Master Services
and Purchasing Agreement**

Quote Appendix – See next page



Axon Enterprise, Inc.
17800 N 85th St.
Scottsdale, Arizona 85255
United States
VAT: 86-0741227
Domestic: (800) 978-2737
International: +1.800.978.2737

Q-707659-45868LG

Issued: 07/30/2025

Quote Expiration: 09/30/2025

Estimated Contract Start Date: 10/01/2025

Account Number: 106513

Payment Terms: N30

Mode of Delivery: UPS-GND

Credit/Debit Amount: \$0.00

SHIP TO	BILL TO
Chula Vista Police Dept. - CA 315 4TH AVE CHULA VISTA, CA 91910-3801 USA	Chula Vista Police Dept. - CA 315 4TH AVE CHULA VISTA CA 91910-3801 USA Email:

SALES REPRESENTATIVE	PRIMARY CONTACT
Lauren Gauer Phone: 480-580-3639 Email: lgauer@axon.com Fax:	Dan Peak Phone: (619) 691-5217 Email: dpeak@chulavistapd.org Fax:

Quote Summary

Program Length	40 Months
TOTAL COST	\$993,264.00
ESTIMATED TOTAL W/ TAX	\$993,264.00

Discount Summary

Average Savings Per Year	\$384,157.20
TOTAL SAVINGS	\$1,280,524.00

Payment Summary

Date	Subtotal	Tax	Total
Sep 2025	\$189,384.00	\$0.00	\$189,384.00
Jul 2026	\$267,960.00	\$0.00	\$267,960.00
Jul 2027	\$267,960.00	\$0.00	\$267,960.00
Jul 2028	\$267,960.00	\$0.00	\$267,960.00
Total	\$993,264.00	\$0.00	\$993,264.00

Quote Unbundled Price:	\$2,273,706.80
Quote List Price:	\$1,448,308.80
Quote Subtotal:	\$993,264.00

Pricing

All deliverables are detailed in Delivery Schedules section lower in proposal

Item	Description	Qty	Term	Unbundled	List Price	Net Price	Subtotal	Tax	Total
Program									
S00007	AXON AI - AI ERA LEADERS	290	28	\$256.69	\$155.04	\$99.00	\$803,880.00	\$0.00	\$803,880.00
A la Carte Software									
85760	AXON AUTO-TRANSCRIBE - UNLIMITED SERVICE	290	12		\$20.80	\$20.80	\$72,384.00	\$0.00	\$72,384.00
101283	AXON RECORDS - DRAFT ONE - AI-ASSISTED REPORT WRITING	150	12		\$65.00	\$65.00	\$117,000.00	\$0.00	\$117,000.00
Total							\$993,264.00	\$0.00	\$993,264.00

Delivery Schedule

Software

Bundle	Item	Description	QTY	Estimated Start Date	Estimated End Date
A la Carte	101283	AXON RECORDS - DRAFT ONE - AI-ASSISTED REPORT WRITING	150	10/01/2025	09/30/2026
A la Carte	85760	AXON AUTO-TRANSCRIBE - UNLIMITED SERVICE	290	10/01/2025	09/30/2026
AXON AI - AI ERA LEADERS	101740	AXON - AI SOFTWARE LICENSE	290	10/01/2026	01/31/2029

Services

Bundle	Item	Description	QTY
AXON AI - AI ERA LEADERS	101741	AXON - AI PROFESSIONAL SERVICES	290

Shipping Locations

Location Number	Street	City	State	Zip	Country
1	315 4TH AVE	CHULA VISTA	CA	91910-3801	USA

Payment Details

Sep 2025						
Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 1 - Draft One and Auto Transcribe	101283	AXON RECORDS - DRAFT ONE - AI-ASSISTED REPORT WRITING	150	\$117,000.00	\$0.00	\$117,000.00
Year 1 - Draft One and Auto Transcribe	85760	AXON AUTO-TRANSCRIBE - UNLIMITED SERVICE	290	\$72,384.00	\$0.00	\$72,384.00
Total				\$189,384.00	\$0.00	\$189,384.00

Jul 2026						
Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
AI Era - Year 2	S00007	AXON AI - AI ERA LEADERS	290	\$267,960.00	\$0.00	\$267,960.00
Total				\$267,960.00	\$0.00	\$267,960.00

Jul 2027						
Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
AI Era - Year 3	S00007	AXON AI - AI ERA LEADERS	290	\$267,960.00	\$0.00	\$267,960.00
Total				\$267,960.00	\$0.00	\$267,960.00

Jul 2028						
Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
AI Era - Year 4	S00007	AXON AI - AI ERA LEADERS	290	\$267,960.00	\$0.00	\$267,960.00
Total				\$267,960.00	\$0.00	\$267,960.00

Tax is estimated based on rates applicable at date of quote and subject to change at time of invoicing. If a tax exemption certificate should be applied, please submit prior to invoicing.

Exceptions to Standard Terms and Conditions

Customer Case Study: Customer agrees to participate in at least one case study on the use of AI products during the term of this Agreement, which may include providing testimonials, sharing quantitative and qualitative results, and highlighting the use and outcomes of Axon Devices and Services. Such participation may also involve interviews, performance metrics, and insights about Customer's experience with Axon. Customer further grants Axon the right to publicly reference such case study pursuant the terms of the Agreement. The rights granted herein will survive termination of the Agreement solely with respect to materials published during the term of the Agreement.

Chula Vista Police Department, being an innovative law enforcement partner of Axon, will develop policies in relation to the use of AI purchased under this Agreement, which Chula Vista Police Department will make available to Axon as well as other law enforcement agencies as a model use policy.



Appendix for AI Technology

This AI Appendix shall only apply to Customers who license Axon Cloud Services in a Quote that specifically utilize AI Technology. Unless explicitly defined otherwise, capitalized terms used in this Appendix have the same meaning as those in the Agreement.

1. Definitions

1.1 AI Technology. Refers to artificial intelligence functionalities embedded in Axon's Cloud Services, which may include: (a) Enhanced Evidence Management; (b) AI-powered redaction tools; (c) Large Language Model-based tools (e.g., "Draft One" "Policy Chat"); (d) Predictive Analytics for operational insights; or (e) Natural Language Processing (NLP) for text and speech analysis.

1.2 Model Drift. The degradation of AI model performance due to changes in input data or external conditions, requiring retraining or updates.

1.3 Bias Mitigation. Strategies and techniques used to identify, measure, and minimize bias in AI Technology.

2. Scope and Usage

2.1 Integration. Axon AI Technology is intended to improve public safety, streamline operations, and ensure data accuracy. The AI functionalities will only be used as described in the Agreement or applicable documentation.

2.2 Data Use. Axon acts as a Data Processor for AI Technology. All inquiries submitted are processed solely to provide accurate responses based on Customer Content submitted. Customer remains the Data Controller of all Customer Content. Axon and Axon's subprocessors do not train their models on Customer Content. Customers who elect to participate in Axon's ACEIP program can enter into custom agreements to assist in product development efforts like AI model training. Even in those cases, Axon operates carefully on redacted data and not on Customer Content.

2.3 Automatic Data Collection. AI Technology may automatically collect Non-Content Data about user interactions with the service and their devices to enhance the functionality and security of the system. The details collected include, but are not limited to, the following:

2.3.1 User Engagement and Activity Metrics. AI Technology may track key engagement statistics, including Daily Active Users (DAUs), Weekly Active Users (WAUs), and Monthly Active Users (MAUs). Additional metrics include new user activations, repeat usage rates, total queries submitted, follow-up query volume, session lengths, retention rates, and user satisfaction ratings (e.g., thumbs up/down feedback).

2.3.2 Sales and Adoption Tracking. Axon monitors the number of licenses and agencies purchasing the service, including those in trial phases, fully deploying the service, and conversion rates from trials to paid subscriptions.

2.3.3 End User inputs. Axon may process de-identified end-user inputs to the AI Technology, excluding Customer Content or any data that directly or indirectly identifies individuals.

3. Axon Responsibilities

3.1 Ethical AI Development. Axon shall: (a) Follow its responsible innovation framework; (b) Engage with the Ethics and Equity Advisory Council (EEAC) for feedback; (c) Conduct testing to



Amendment 1 to the Master Services and Purchasing Agreement

minimize bias and ensure reliability; and (d) Implement Bias Mitigation techniques in model development and deployment.

3.2 **Security Program.** Axon will maintain a comprehensive information security program, including logical and physical access, vulnerability, risk, and configuration management; incident monitoring and response; encryption of digital evidence; and security education.

3.3 **Transparency.** Axon will provide documentation describing AI functionalities and their intended use and disclose any material limitations, risks, or Model Drift incidents.

3.4 **Incident Response.** Axon will promptly address and rectify anomalies in AI functionalities, as outlined in its incident management procedures.

3.5 **Compliance.** Axon will ensure compliance with applicable laws, regulations, and standards, including but not limited to the EU AI Act, NIST AI standards, and ISO/IEC 27001.

4. **Customer Responsibilities**

4.1 **Ownership of Customer Content.** Customer controls and owns all rights, title, and interest in Customer Content. Axon obtains no interest in Customer Content and will only access Customer Content for limited purposes as outlined in the Agreement.

4.2 **Use of AI Technologies.** Customer must: (a) review AI-generated outputs to ensure accuracy and appropriateness; (b) maintain control over Customer Content shared with AI Technologies (c) comply with applicable laws when using Axon AI Technology and Axon Services; (d) monitor for potential issues with AI outputs, including false positives or negatives; (e) actively opt-in for programs involving data sharing through Axon's ACEIP program; and (f) provide timely feedback on Axon AI Technology performance.

4.3 **Restrictions.** AI Technology is not designed for emergencies, and in such cases, users should contact appropriate emergency services directly. Axon disclaims liability for queries containing prohibited content, such as hate, sexual material, or violence, and reserves the right to restrict such usage.

5. **Draft One.** Specifically for Customers who utilize Draft One, Axon may impose usage restrictions if a single user generates more than three hundred (300) reports per month for two or more consecutive months.