

**AMENDMENT NO. 1
LINKING AGREEMENT**

(PROFORCE MARKETING, INC., DBA PROFORCE LAW ENFORCEMENT, Contract No. C24-0725)

This Amendment No. 1 (“Amendment”) to the Linking (“Agreement”) is made this _____ day of _____, 2024, (“Effective Date”), by and between the City of Glendale, an Arizona municipal corporation (“City”) and Proforce Marking, Inc, an Arizona corporation, authorized to do business in Arizona (“Contractor”).

RECITALS

- A. City and Proforce Marketing, Inc. dba Proforce Law Enforcement (“Contractor”) previously entered into a Linking Agreement, Contract No. C24-0725, dated August 13, 2024 (“Agreement”); and
- B. The Agreement is in effect until March 31, 2025
- C. The State of Arizona, member of the Cooperative Purchasing program entered into Contract ID CTR049168. The Cooperative Agreement allows its cooperative use by other governmental agencies including the City. The master contract expires March 31, 2025 (Exhibit A).
- D. City and Contractor wish to modify and amend the Agreement subject to and strictly in accordance with the terms of this Amendment.

AGREEMENT

In consideration of the mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and Contractor hereby agree as follows:

- 1. **Recitals.** The recitals set forth above are not merely recitals, but form an integral part of this Amendment.
- 2. **Term.** The term of the Agreement is unchanged and shall expire on March 31, 2025.
- 3. **Scope of Work.** Contractor shall provide products identified in the quote attached as Exhibit B.
- 4. **Compensation.** The total compensation for this Agreement has increased by \$100,000 for a new not to exceed amount of \$176,000.
- 5. **Insurance Certificate.** Current certificate will expire on December 1, 2024 and a new certificate applying to the extended term must be provided prior to this date to Materials Management and the Contract Administrator.

6. **Non-discrimination.** Contractor must not discriminate against any employee or applicant for employment on the basis of race, color, religion, sex, national origin, age, marital status, sexual orientation, gender identity or expression, genetic characteristics, familial status, U.S. military veteran status or any disability. Contractor will require any Sub-contractor to be bound to the same requirements as stated within this section. Contractor, and on behalf of any subcontractors, warrants compliance with this section.
7. **No Boycott of Israel.** To the extent A.R.S § 35-393 through § 35-393.03 are applicable, the parties hereby certify that they are not currently engaged in, and agree for the duration of the Agreement to not engage in, a boycott of goods or services from Israel, as that term is defined in A.R.S § 35-393.
8. **Uyghur Forced Labor Prevention Act (UFLPA).** Contractor certifies that it does not currently, and during the term of this Agreement, will not use:
 - (a) the forced labor of ethnic Uyghurs in the People’s Republic of China;
 - (b) any goods or services produced by the forced labor of ethnic Uyghurs in the People’s Republic of China; and
 - (c) any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People’s Republic of China.
9. **Attestation of PCI Compliance.** When applicable, the Contractor will provide the City annually with a Payment Card Industry Data Security Standard (PCI DSS) attestation of compliance certificate signed by an officer of Contractor with oversight responsibility.
10. **Ratification of Agreement.** City and Contractor hereby agree that except as expressly provided herein, the provisions of the Agreement shall be, and remain in full force and effect and that if any provision of this Amendment conflicts with the Agreement, then the provisions of this Amendment shall prevail.

[Signatures on the following page.]

CITY OF GLENDALE, an Arizona
municipal corporation

Kevin R. Phelps, City Manager

ATTEST:


Julie K. Bower, City Clerk (SEAL)

APPROVED AS TO FORM:

Michael D. Bailey, City Attorney

Proforce Marketing, Inc.
dba Proforce Law Enforcement
an Arizona corporation

By: Hilda Gschweng
Its: Authorized Signer

| | | | |
|---|---------------------------|------------------|---|
|  | Contract Amendment | | Arizona Department of Administration State Procurement Office 1400 W Washington St Suite 3100 Phoenix, Arizona 85007 |
| | Contract No.: CTR049168 | | |
| | | Amendment No: 09 | |

Firearms (weapons Lethal, Less-Lethal, Accessories, Consumables)

1. In accordance with Terms and Conditions Section 5.1, Amendments, this Contract will have an extension to March 31st 2025. Pricing for 2024 is available in APP via a separate pricing spreadsheet.

ALL OTHER REQUIREMENTS, SPECIFICATIONS, TERMS AND CONDITIONS REMAIN UNCHANGED

**ALL OTHER REQUIREMENTS, SPECIFICATIONS, TERMS AND CONDITIONS REMAIN UNCHANGED
ACKNOWLEDGEMENT AND AUTHORIZATION**

This change order shall be fully executed upon the approval electronically in Arizona Procurement Portal by an authorized representative of the Contractor and applied to the contract in APP by the Procurement Officer or delegate.

Contract Header

Label Firearms (Weapons Lethal, Less-Lethal, accessories, consumables)/Amendment #5
Supplier PROFFORCE MARKETING INC - PROFFORCE LAW ENFORCEMENT
Currency USD
Co-Op Contract Designation YES

Type Master Agreement
Contract Code CTR049168-5
Contract Amount

Subcontractor Data

0 Record(s)

Distributor Data

0 Record(s)

Contract Scope

Organizations State of Arizona
Commodities Defense and Law Enforcement and Security and Safety Equipment and Supplies

Contract Validity

Start Date 3/31/2020
End Date 3/31/2025
Extended to Date 3/31/2025



Request for Proposal

Solicitation No. **BPM002192**

Description:

Firearms (Weapons Lethal, Less-Lethal, accessories, consumables)

Arizona Department of Administration

State Procurement Office

100 N 15th Ave., Suite 402
Phoenix, AZ 85007

Attachment 1 Offer and Acceptance Form

SUBMISSION OF OFFER: Undersigned hereby offers and agrees to provide Firearms (Weapons Lethal, Less-Lethal, accessories, consumables) in compliance with the Solicitation indicated above and our Offer indicated by the latest dated version below:

| | | | | | | | | | |
|-----------------------|---------|-----------|---------|---------|---|---------|---------|---|---------|
| Initial Offer: | 1. | 1/27/2020 | DR | | | | | | |
| | Date | | initial | | | | | | |
| Revised Offers: | 2. | x | x | 3. | x | x | 4. | x | x |
| | date #1 | | initial | date #1 | | initial | date #1 | | initial |
| | 5. | x | x | 6. | x | x | 7. | x | x |
| | date #4 | | initial | date #5 | | initial | date #6 | | initial |
| Best and Final Offer: | 8. | 3/24/2020 | DR | | | | | | |
| | Date | | initial | | | | | | |

Proforce Marketing, Inc. dba Proforce Law Enforcement

Offeror company name

2625 Stearman Rd.

Address

Prescott, Az. 86301

City | State | ZIP

86-1022874

Federal tax identifier (EIN or SSN)

x

Signature of person authorized to sign Offer

Dan Rooney, Senior Vice President

Printed name and title

Karen M. Berggren, Contract Specialist

Contact name and title

Sales@proforceonline.com

928-776-7192

Contact Email Address

Contact phone number

CERTIFICATION: By signature in the above, Offeror certifies that it:

- will not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, [Arizona] State Executive Order 2009-9 or A.R.S. §§ 41-1461 through 1465;
- has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer. Failure to provide a valid signature affirming the stipulations required by this clause will result in rejection of the Offer. Signing the Offer with a false statement will void the Offer, any resulting contract, and may be subject to legal penalties under law;
- complies with A.R.S. § 41-3532 when offering electronics or information technology products, services, or maintenance; and
- is not debarred from, or otherwise prohibited from participating in any contract awarded by federal, state, or local government.

ACCEPTANCE OF OFFER: State hereby accepts the initial Offer, Revised Offer, or Best and Final Offer identified by the latest date and number at the top of this form (the Accepted Offer). Offeror is now bound (as Contractor) to carry out the Work under the attached Contract, of which the Accepted Offer forms a part. Contractor is cautioned not to commence any billable work or to provide any material or perform any service under the Contract until Contractor receives the applicable Order or written notice to proceed from Procurement Officer.

State's Contract No. is: _____ The effective date of the Contract is: _____ Contract awarded _____
Date Date Date

Procurement Officer Signature

Procurement Officer Printed Name

PART 3 of the Solicitation Documents
Template version 6.0 (18-NOV-2019)

SECTION 3-B: Offer Forms
Page 15 of 40

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Available online at: APP.AZ.gov



Request for Proposal

Solicitation No. **BPM002192**

Description:

Firearms (Weapons Lethal, Less-Lethal, accessories, consumables)

Arizona Department of Administration

State Procurement Office

100 N 15th Ave., Suite 402
Phoenix, AZ 85007

Attachment 2-A Experience and Capacity Questionnaire

STATE MAY DETERMINE YOUR PROPOSAL IS NON-RESPONSIVE IF YOU DO NOT ANSWER ALL QUESTIONS FULLY.

The Offeror shall provide a narrative response to each question that demonstrates their understanding of the Scope of Work requirements and describes your company's overall method of approach for providing the service stated in this solicitation. If there is a question that is not applicable to the services required by the Scope of Work, you may mark it N/A.

EXPERIENCE AND CAPACITY QUESTIONS:

Question 1: **Company Profile**

The Offeror must include a narrative description of its organization. The narrative must include the following:

- a. Brief overview of business operations, with an emphasis on experience in regards to the scope of work.
- b. Date established;
- c. Ownership (public, partnership, subsidiary, etc.);
- d. Location in which the Offeror is incorporated;
- e.
- f. Address of "Main Office" (e.g. Corporate Headquarters and any satellite offices responsible for performance of proposed tasks;
- g. Full disclosure of any potential conflict of interest between the Offeror and any State employee who functions or has responsibilities in the review or approval of the undertaking or carrying out of the Contract;
- h. A Statement of whether, in the last five (5) years, the Offeror has filed (or had filed against it) any bankruptcy or insolvency proceeding, whether voluntary or involuntary, or undergone the appointment of a receiver, trustee, or assignee for the benefit of creditors, and if so, an explanation providing relevant details and current status;
- i. A Statement of whether there are any pending Securities Exchange Commission investigations involving the Offeror, and if such are pending or in progress, an explanation providing relevant details and an attached opinion of counsel as to whether the pending investigation(s) may impair the Offeror's performance in a Contract under this RFP;
- j. A Statement documenting all open or pending litigation initiated by Offeror or where Offeror is a defendant or party in any litigation that may have a material impact on Offeror's ability to deliver the contracted services;
- k. A Statement documenting all open or pending litigation initiated by Offeror or where Offeror is a defendant or party in any litigation with a Public sector client;
- l. Full disclosure of any Public Sector contracts terminated for cause or convenience in the past five (5) years; and,
- m. Full disclosure of any criminal or civil offense.



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- n. Offeror shall provide evidence of any Arizona required business license to provide these services.
- n. Offeror shall provide copies of any professional or industry certifications that represent the services detailed in this RFP.
- o. Offeror shall provide copies of Manufacturer Agreements including pricing structure as requested.

Offeror Response:

- a. Proforce Law Enforcement was established in 2001 when the law enforcement side of Davidson's, Inc separated from Davidson's. Davidson's has been in business since 1932. Proforce Law Enforcement sells exclusively to Law Enforcement, Fire Professionals, First Responders, Security Agencies and both Active and Retired Military and, as such, has a focus on the specific needs and requirements of these professionals. We have outside sales professionals who travel throughout specific territories to assess the needs of agencies, demonstrate products, size body armor and solve issues. The Proforce Law Enforcement Support Center, located in Prescott, Arizona, employs highly trained sales professionals to answer questions, facilitate sales and work closely with law enforcement professionals. Proforce Law Enforcement has grown professionally in 19 years since its incorporation, adding sales and support professionals to meet the needs of the law enforcement community. We have a commitment to customer service and satisfaction. Our sales professionals' goal is to quote the products agencies request in any form requested. We represent many vendors and, because of our sales volume, we are able to negotiate law enforcement pricing to meet the budgetary needs of most law enforcement agencies. Vendors may not always have product available in a timely manner, but our relationship with Davidson's, Inc. enables us to deliver the product to our customers much sooner. Through direct contact with our vendor representatives, we are also able to suggest alternative products to meet specific requirements of the agencies.
- b. Proforce Law Enforcement was incorporated on March 12th, 2001.
- c. Proforce Law Enforcement's ownership is divided between Bryan Tucker (an individual) (75%) and the Tucker Irrevocable Trust (25%).
- d. Proforce Law Enforcement is a State of Arizona Corporation.
- e. Proforce Law Enforcement Corporate office is located at 2625 Stearman Rd. Ste A Prescott, AZ 86301
- f. There are no conflicts of interest between Proforce Law Enforcement and any state employees who function or have responsibilities in the review or approval of the undertaking or carrying out of the contract.
- g. Proforce Law Enforcement has not filed (or had filed against it) for bankruptcy or insolvency proceeding, whether voluntary or involuntary, or undergone the appointment of a receiver, trustee, or assignee for the benefit of creditors.
- h. There are no pending Securities Exchange Commission investigations involving Proforce Law Enforcement.
- i. There are no open or pending litigations initiated by Proforce Law Enforcement or whereas Proforce Law Enforcement is a defendant or party in any litigation that may have a material impact on the ability to deliver the contracted services
- j. Proforce Law Enforcement is not involved in any litigations.
- k. There are no Public Sector contracts terminated for cause or convenience in the past (5) years.
- l. There is no history of criminal or civil offenses to report.
- m. Proforce Law Enforcement's Arizona Business License is attached.
- n. Proforce Law Enforcement's Federal Firearms License, and Approved Vendor Forms are attached.
- o. Manufacturer agreements and pricing structure are available upon request



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Question 2: Company Experience

- A. What market(s) are your current clients primarily in?
- B. What experience do you have serving clients in Business Markets within the State of Arizona?
- C. What is the range in size of your current clients?
- D. Provide two (2) examples that exhibit your experience with different types and sizes of (Firearms (Weapons Lethal, Less-Lethal, accessories, consumables) related goods/services for clients?
- E. How long have you provided goods/services to your longest tenured client?
- F. Why did your last three former clients cancel their contracts?
- G. With what relevant trade and/or professional associations are you involved? How does this participation give you an advantage over your competition?

Offeror Response:

- A. Proforce Law Enforcement sells exclusively to Law Enforcement, Fire Professionals, First Responders, Security Agencies and both Active and Retired Military and as such has a focus on the specific needs and requirements of these professionals.
- B. Proforce Law Enforcement engages in daily business with government agencies within the State of Arizona and holds contracts with these agencies, including the State of Arizona contract currently.
- C. Proforce Law Enforcement currently sells to a base of both individual officers and agencies nationwide. We have a combined total of approx 80,000 customers. The agency size we work with currently ranges from 1 officer to over 10,000 officers.
- D. Proforce Law Enforcement currently holds the Glock contract for the Phoenix Police Department that supplied the agency with approx 400 firearms last year. Proforce also holds the less lethal contract for Albuquerque Police Department which supplied the agency with approx 85 less lethal launchers and munitions.
- E. Proforce Law Enforcement has been providing equipment to the City of Huntington Beach Police Department since 08/20/2004.
- F. The previous three contracts came to end of term, no cause for termination was given.
- G. Proforce Law Enforcement is a sponsor and attendee of 60 plus law enforcement association trade shows per year, which grants access to meet with customers and manufacturer representatives face to face as well as get first-hand information on new products.

Question 3: Financial/Accounting Information

Offeror must provide evidence of financial stability and capability to fund all costs associated with providing the services throughout the term of the Contract. The latest two (2) years audited annual financial statements including Total Revenue, Net Income, and Total Assets must be submitted with the Offeror's proposal. If audited financial data is unavailable, explain in full the reason, and provide the latest non-audited financial information to include Balance Sheet, Income Statement, as well as Statements of Cash flows and Change in Financial Position. Include information to attest to the accuracy of the information provided.

Offeror shall provide information regarding any irregularities that were discovered in any accounts maintained by the Offeror on behalf of others. Describe the circumstances and disposition of the irregularities.

Offeror Response:

See Attachment 2-B Supplements #1 and #2 of 7. Independent Auditor's Report included for each. No irregularities were discovered.



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Question 4: Proposed Project Members and Organization

Utilize Attachment 3-B to identify Key Personnel to be utilized to perform services within a resultant contract.

In addition, also state the Members related experience with large local, state or federal government agencies.

Offeror Response:

Proforce Law Enforcement will utilize its resources and experience in the industry to execute this contract and provide the services required. We have vast experience working with state, local and federal agencies, evaluating circumstances and providing them with useful advice, goods and services to meet their agencies' needs.

Question 5: Subcontractors

Utilize Attachment 3-C to identify Proposed Subcontractors to be utilized to perform services within a resultant contract.

Offeror Response:

No Subcontractors will be utilized in the performance of this contract.



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Arizona Department of Administration

State Procurement Office

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Phoenix, AZ 85007

EXPERIENCE REFERENCES:

The State intends to conduct reference checks for account referenced provided by Offerors. It may, at its sole discretion contact additional clients not presented as references.

Offerors shall provide at least three (3) client references for assignments that replicate or mirror the requirements of this RFP.

All assignments shall be for assignments received and completed within the last five (5) years.

| 1 | Client Company/Address | Contact | Begin Date | End Date |
|--|---|-----------------------------|------------|------------|
| | Maricopa Co./ 320 W. Lincoln, 2 nd Floor | Chris Jefferys | 04/03/2007 | 09/27/2019 |
| | Phone Number | Email Address | | |
| | (623)628-9240 | C_Jefferys@mcs.maricopa.gov | | |
| Event Scope and deliverables, include number of resources engaged in project, timeline of project (major milestones) | | | | |
| 1,526 S&W pistols delivered in 2019 after award of contract. Last shipment by 9/27/2019. This purchase also included trade in of old firearms. | | | | |
| List job positions provided and technologies utilized to supplement services. | | | | |
| Contract Specialist, Inside Sales Rep, Outside Sales Rep, VP of Sales, Senior Vice President | | | | |

| 2 | Client Company/Address | Contact | Begin Date | End Date |
|---|------------------------------------|------------------|------------|----------|
| | AZDPS/ PO Box 6638, Mail Drop 1330 | Pat Jonas | 11/01/2005 | current |
| | Phone Number | Email Address | | |
| | (602)223-2451 | pjonas@azdps.gov | | |
| Event Scope and deliverables, include number of resources engaged in project, timeline of project (major milestones) | | | | |
| Arizona DPS has been a customer of Proforce since 2005. In 2019 various types equipment were provided, including 746 Glock pistols. | | | | |
| List job positions provided and technologies utilized to supplement services. | | | | |
| Contract Specialist, Inside Sales Rep, Outside Sales Rep, VP of Sales, Senior Vice President | | | | |



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 Phoenix, AZ 85007

| 3 | Client Company/Address | Contact | Begin Date | End Date |
|---|-------------------------------------|------------------------------|------------|----------|
| | City of Chandler/ PO Box 4008 MS303 | Juan Martinez | 11/07/2006 | current |
| | Phone Number | Email Address | | |
| | (480)782-2401 | Juan.Martinez@chandleraz.gov | | |
| Event Scope and deliverables, include number of resources engaged in project, timeline of project(major milestones) | | | | |
| Provided AR15 rifles and accessories. | | | | |
| List job positions provided and technologies utilized to supplement services. | | | | |
| Contract Specialist, Inside Sales Rep, Outside Sales Rep, VP of Sales, Senior Vice President | | | | |

| 4 | Client Company/Address | Contact | Begin Date | End Date |
|---|------------------------------------|-----------------------------------|------------|----------|
| | City of Prescott/222 S. Marina St. | Jon Brambila | 04/13/2007 | current |
| | Phone Number | Email Address | | |
| | (928)778-1444 | Jonathon.brambila@prescott-az.gov | | |
| Project Scope and deliverables, include number of resources engaged in project, timeline of project(major milestones) | | | | |
| Various types of equipment provided including training equipment and duty pistols. | | | | |
| List job positions provided and technologies utilized to supplement services. | | | | |
| Contract Specialist, Inside Sales Rep, Outside Sales Rep, VP of Sales, Senior Vice President | | | | |

End of Attachment 2-A



Request for Proposal

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Firearms (Weapons Lethal, Less-Lethal, accessories, consumables)

Arizona Department of Administration

State Procurement Office

100 N 15th Ave., Suite 402
Phoenix, AZ 85007

Attachment 2-B Organization Profile

STATE MAY DETERMINE YOUR PROPOSAL IS NON-RESPONSIVE IF YOU DO NOT ANSWER ALL QUESTIONS FULLY.

ORGANIZATION PROFILE

| Firm Name | Proforce Law Enforcement | | Year established | 03/12/2001 |
|--|--|-------------------------|-------------------------|-----------------------------------|
| Principal address (street, city, state) | 2625 Stearman Rd. Ste. A, Prescott, AZ 86301 | | | |
| Entity type: | Corporation | Structure: | S Corporation | |
| Branch or Division: | Law Enforcement Sales | Parent: | None | |
| Years of experience providing goods similar in type and quantity as required by this Solicitation. | | | 19 | |
| Years of experience performing services similar in size and scope as required by this Solicitation. | | | 19 | |
| Years the organization has conducted business in Arizona. | | | 19 | |
| Contract Representatives to Contact | | | | |
| | Name | Title | Telephone Number | E-Mail Address |
| 1. | Dan Rooney | Sr. Vice President | (928)899-7749 | Dan.Rooney@proforceonline.com |
| 2. | Mark Salazar | Vice President of Sales | (714)357-0675 | Mark.Salazar@proforceonline.com |
| 3. | Karen Berggren | Contract Specialist | (928)478-1098 | Karen.Berggren@proforceonline.com |
| Licenses/Certifications | | | | |
| | Description | Issuer | Number | Expiration |
| 1. | Arizona Special Tax Stamp | U.S. Dept of Justice | 86-1022874 | 06/30/2020 |
| 2. | FFL Type 01 | U.S. Dept of Justice | 9-86-025-01-0G-00508 | 07/01/2020 |
| 3. | FFL Type 09 | U.S. Dept of Justice | 9-86-025-09-2B-03770 | 02/01/2022 |
| 4. | Arizona TPT License | State of Arizona | 20091928 | 12/31/2020 |



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| Financial Information (attach financial statements with income/balance sheets as Supplements) | | | | |
|---|---|---|--------------------------|--|
| | Rating/Issuer | Score/Rank | Date | |
| 1. | See Attachment 2-B Supplements 1 and 2. | See Supplements 1 and 2. | See Supplements 1 and 2. | |
| Capacity | | | | |
| | Location | Work Performed | Number Staff | Capacity |
| 2. | Support Center/ 2625 Stearman Rd. Ste A. Prescott, AZ 86301 | Weapons Lethal, Less Lethal, accessories, consumables sales | 16 | Capacity of Law Enforcement equipment sales exceeding 34mil per year |
| 3. | Retail Location/ 655 N Berry St. Brea, CA 92821 | Retail Firearm and Accessories Sales | 10 | Capacity of Law Enforcement equipment sales exceeding 34mil per year |

ATTACHMENT 2-B SUPPLEMENTS:

(Offeror to insert as required and list here or type "None" on first line)

| | Title | Document Date | No. of pages | Purpose in Offer |
|----|--|---------------|--------------|-------------------------|
| 1. | Financial Statements Nov 2019 and 2018 | 2/3/2020 | 15 | Financial Information |
| 2. | Financial Statements Nov 2018 and 2017 | 2/8/2019 | 14 | Financial Information |
| 3. | Federal Firearms License Type 01 | 06/14/2019 | 1 | Licenses/Certifications |
| 4. | Federal Firearms License Type 09 | 06/14/2019 | 1 | Licenses/Certifications |
| 5. | Special Tax Stamp | 05/13/2019 | 1 | Licenses/Certifications |
| 6. | Transaction Privilege Tax License | 12/31/2019 | 3 | License/Certifications |
| 7. | Form W9 | 01/28/2020 | 6 | Financial Information |

End of Attachment 2-B



Financial Statements
November 30, 2019 and 2018
Proforce Marketing, Inc.

Proforce Marketing, Inc.
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November 30, 2019 and 2018

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Independent Auditor's Report

The Board of Directors
Proforce Marketing, Inc.
Prescott, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of Proforce Marketing, Inc. (the Company), which comprise the balance sheets as of November 30, 2019 and 2018, and the related statements of operations, stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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 the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of November 30, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Eide Bailly LLP

Phoenix, Arizona
February 3, 2020

Proforce Marketing, Inc.

Balance Sheets

November 30, 2019 and 2018

| | 2019 | 2018 |
|---|---------------|---------------|
| Assets | | |
| Current Assets | | |
| Cash | \$ 572,887 | \$ 298,514 |
| Trade receivables, net of allowance for doubtful accounts of \$13,548 in 2019 and \$23,663 in 2018 | 4,843,961 | 3,919,062 |
| Inventories, net of reserve of \$212,664 in 2019 and \$198,783 in 2018 | 7,217,926 | 7,847,917 |
| Prepaid expenses and other assets | 122,416 | 96,291 |
| Total current assets | 12,757,190 | 12,161,784 |
| Property and Equipment, Net | 287,455 | 221,365 |
| | \$ 13,044,645 | \$ 12,383,149 |
| Liabilities and Stockholders' Equity | | |
| Current Liabilities | | |
| Accounts payable, accrued expenses and other payables | \$ 3,054,552 | \$ 2,605,323 |
| Deferred revenue | 334,611 | 543,211 |
| Note payable to stockholder | - | 500,000 |
| Total current liabilities | 3,389,229 | 3,648,594 |
| Revolving Line of Credit | 2,397,380 | 3,597,662 |
| Total liabilities | 5,786,609 | 7,246,256 |
| Commitments and Contingencies | | |
| Stockholders' Equity | | |
| Common stock | 1,000 | 1,000 |
| Retained earnings | 7,257,036 | 5,135,893 |
| Total stockholders' equity | 7,258,036 | 5,136,893 |
| | \$ 13,044,645 | \$ 12,383,149 |

Proforce Marketing, Inc.
Statements of Operations
Years Ended November 30, 2019 and 2018

| | 2019 | 2018 |
|------------------------------|---------------|---------------|
| Revenues | | |
| Sales | \$ 36,179,377 | \$ 34,238,513 |
| Commissions | 365,273 | 334,104 |
| Total revenues | 36,544,650 | 34,572,617 |
| Cost of Sales | 29,915,314 | 28,871,211 |
| Gross profit | 6,629,336 | 5,701,406 |
| Operating Expenses | 4,432,720 | 4,283,679 |
| Operating Income | 2,196,616 | 1,417,727 |
| Other Income (Expense) | | |
| Interest expense | (100,769) | (62,585) |
| Other income | 25,296 | 30,038 |
| Total other income (expense) | (75,473) | (32,547) |
| Net Income | \$ 2,121,143 | \$ 1,385,180 |

Proforce Marketing, Inc.
 Statements of Stockholders' Equity
 Years Ended November 30, 2019 and 2018

| | <u>Common Stock</u> | <u>Retained Earnings</u> | <u>Total</u> |
|----------------------------|-------------------------|------------------------------|---------------------|
| Balance, November 30, 2017 | \$ 1,000 | \$ 3,750,713 | \$ 3,751,713 |
| Net income | - | 1,385,180 | 1,385,180 |
| Balance, November 30, 2018 | 1,000 | 5,135,893 | 5,136,893 |
| Net income | - | 2,121,143 | 2,121,143 |
| Balance, November 30, 2019 | <u>\$ 1,000</u> | <u>\$ 7,257,036</u> | <u>\$ 7,258,036</u> |

Proforce Marketing, Inc.
Statements of Cash Flows
Years Ended November 30, 2019 and 2018

| | 2019 | 2018 |
|---|--------------|--------------|
| Cash Flows from Operating Activities | | |
| Net income | \$ 2,121,143 | \$ 1,385,180 |
| Adjustments to reconcile net income to net cash from (used for) operating activities | | |
| Depreciation | 97,730 | 77,366 |
| Gain on sale of property and equipment | (6,144) | (5,369) |
| Bad debt expense | 2,799 | 29,620 |
| Provision for inventories | 13,881 | (97,441) |
| Changes in assets and liabilities | | |
| Trade receivables | (927,698) | (1,436,038) |
| Inventories | 616,110 | (1,609,238) |
| Prepaid expenses and other assets | (26,125) | 137,894 |
| Accounts payable, accrued expenses, and other payables | 449,229 | 614,068 |
| Deferred revenue | (208,594) | 543,271 |
| | 2,132,331 | (360,687) |
| Cash Flows from Investing Activities | | |
| Purchase of property and equipment | (174,703) | (125,094) |
| Proceeds from sale of property and equipment | 17,027 | 12,863 |
| | (157,676) | (112,231) |
| Cash Flows from Financing Activities | | |
| Net change in revolving line of credit | (1,200,282) | 1,133,030 |
| Proceeds from note payable to stockholder | - | 500,000 |
| Payments note payable to stockholder | (500,000) | (1,000,000) |
| | (1,700,282) | 633,030 |
| Net Change in Cash | 274,373 | 160,112 |
| Cash, Beginning of Year | 298,514 | 138,402 |
| Cash, End of Year | \$ 572,887 | \$ 298,514 |
| Supplemental Disclosures of Cash Flow Information | | |
| Cash paid for interest | \$ 104,381 | \$ 54,649 |

Note 1 - Principal Business Activity and Significant Accounting Policies

Principal Business Activity

Proforce Marketing, Inc. (the Company) is incorporated in the State of Arizona, and its operations consist primarily of the distribution and retail sales of firearms and accessories to law enforcement agencies and officers throughout the United States.

Revenue Recognition

Sales are recognized when risk of ownership and title pass to the buyer, generally upon the shipment of the product.

Commissions represent amounts earned from sales transactions between a certain supplier of the Company and customers of the Company. Commissions are recognized when ownership and title of the supplier's product passes from the supplier to the customer.

Deferred revenue consists of advance payments from one customer, in the form of cash, for revenue to be recognized in the following year.

Shipping and Handling Costs

Shipping and handling costs are recorded as cost of sales and amounts billed to customers for shipping and handling costs are recorded in revenue.

Cash

For the purpose of the statement of cash flows, cash is considered to be bank checking and savings accounts. The Company maintains its cash in bank deposit accounts, which, at times, may exceed the federally insured limits.

Trade Receivables and Credit Policy

Trade receivables due from customers are uncollateralized customer obligations due under normal trade terms requiring payment within 30 days from the invoice date. Trade receivables are stated at the amount billed to the customer. The Company does not charge interest on overdue customer account balances. Payments of trade receivables are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoices.

The Company estimates an allowance for doubtful accounts based upon an evaluation of the current status of receivables, historical experience, and other factors as necessary. It is reasonably possible that the Company's estimate of the allowance for doubtful accounts will change.

Inventories

As of December 1, 2017, the Company adopted Accounting Standards Update (ASU) 2015-11, *Inventory: Simplifying the Measurement of Inventory*. This update requires inventory to be measured at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. Adoption of this accounting standard update is on a prospective basis.

Inventories consist principally of firearms and accessories which are stated at the lower of cost or net realizable value. Cost is determined on a weighted-average cost basis.

Property and Equipment

Property and equipment is recorded at cost. Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are charged to expense. When equipment is retired or sold, the cost and related accumulated depreciation are eliminated from the accounts and the resultant gain or loss is reflected in income.

Depreciation is provided using the straight-line and accelerated methods, based on the following useful lives:

| | Years |
|--------------------------------|---|
| Leasehold improvements | Shorter of respective lease period or useful life |
| Furniture and equipment | 5 |
| Vehicles | 3-5 |
| Computer hardware and software | 3-5 |

The Company reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition, and other economic factors. Based on this assessment there was no impairment at November 30, 2019 and 2018.

Income Taxes

The Company, with the consent of its stockholders, has elected to be taxed under sections of federal and applicable states income tax law, which provide that, in lieu of corporate income taxes, the stockholders separately account for their pro rata share of the Company's items of income, deductions, losses, and credits. Therefore, no provision or liability for federal income taxes has been included in the financial statements. Certain specific deductions and credits flow through the Company to its stockholders.

The Company evaluates its tax positions that have been taken or are expected to be taken on income tax returns to determine if an accrual is necessary for uncertain tax positions. As of November 30, 2019 and 2018, the unrecognized tax benefit accrual was zero. The Company will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense, if incurred.

Sales Taxes and Fees

Various states impose a sales tax on the Company's sales to nonexempt customers. The Company collects the sales tax from customers and remits the entire amount to each respective state. The Company's accounting policy is to exclude the tax collected and remitted to the states from revenues and cost of sales in the accompanying statements of operations.

The California Department of Justice charges a dealer record of sale (DROS) fee on each firearm sold. The Company's accounting policy is to include the DROS fees collected and remitted to the states in revenues and cost of sales. As of November 30, 2019 and 2018, DROS fees of approximately \$190,800 and \$175,200, respectively, are included in both sales and cost of sales in the accompanying statements of operations.

Advertising

The Company expenses advertising costs as incurred. Such costs approximated \$101,000 and \$99,000 for the years ended November 30, 2019 and 2018, respectively.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) amended the Accounting Standards Codification (ASC) by issuing ASC 606, Revenue from Contracts with Customers. This standard affects all entities that enter into contracts with customers to transfer goods or services. The core principle of the new standard requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Entities will apply five basic steps to transactions to determine the revenue to be recognized. The new standard will be effective for years beginning after December 15, 2018, or December 1, 2019 for the Company, with retrospective application. The adoption of the new standard is not expected to have a material effect on the Company's financial position, results of operations or cash flows.

Proforce Marketing, Inc.
Notes to Financial Statements
November 30, 2019 and 2018

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which requires lessees to recognize leases on the balance sheet and disclose key information about leasing arrangements. The new standard establishes a right-of-use (ROU) model that requires a lessee to recognize a ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of the expense recognition in the statement of operations. The new standard is effective for the Company beginning December 1, 2021. The Company is currently assessing the impact of the adoption of the standard.

Subsequent Events

The Company has evaluated subsequent events through February 3, 2020, the date which the financial statements were available to be issued.

Note 2 - Property and Equipment

Property and equipment at November 30, 2019 and 2018 consists of the following:

| | <u>2019</u> | <u>2018</u> |
|--------------------------------|-------------------|-------------------|
| Leasehold improvements | \$ 329,449 | \$ 329,449 |
| Furniture and equipment | 118,484 | 118,693 |
| Vehicles | 303,817 | 189,914 |
| Computer hardware and software | 299,908 | 292,749 |
| | <u>1,051,658</u> | <u>930,805</u> |
| Less accumulated depreciation | <u>(764,203)</u> | <u>(709,440)</u> |
| | <u>\$ 287,455</u> | <u>\$ 221,365</u> |

Depreciation expense totaled \$97,730 and \$77,366 for the years ended November 30, 2019 and 2018, respectively.

Proforce Marketing, Inc.
Notes to Financial Statements
November 30, 2019 and 2018

Note 3 - Accounts Payable, Accrued Expenses, and Other Payables

Accounts payable, accrued expenses, and other payables at November 30, 2019 and 2018 consists of the following:

| | <u>2019</u> | <u>2018</u> |
|------------------|---------------------|---------------------|
| Accounts payable | \$ 1,805,048 | \$ 1,726,785 |
| Accrued expenses | 1,133,048 | 637,895 |
| Other payables | <u>116,456</u> | <u>240,643</u> |
| | <u>\$ 3,054,552</u> | <u>\$ 2,605,323</u> |

Note 4 - Line of Credit

The Company has a revolving loan agreement with a bank. The revolving loan agreement is subject to a borrowing base limitation based on the qualifying trade receivables and inventories as defined in the agreement. At November 30, 2019 and 2018, the maximum amount available to borrow under this agreement was \$5,000,000, of which \$2,397,380 and \$3,597,662 was borrowed and advanced, respectively. The revolving loan agreement requires interest only payments with the outstanding balance due upon expiration of the agreement on April 30, 2021. Interest on the outstanding balance of the loans is payable at the Prime Rate (4.75% and 5.25% as of November 30, 2019 and 2018, respectively) minus a margin; which is 1% in the event that the average outstanding balance on the loan is greater than \$1,000,000 or 0.75% in all other events. The loan agreement is collateralized by substantially all assets of the Company.

In conjunction with the loan agreement, the Company has agreed to comply with certain restrictive covenants which include, among others, requirements related to payment of distributions, tangible net worth, liabilities and earnings, and limits on the amount of annual expenditures for property and equipment.

Note 5 - Note Payable to Stockholder

The amount due to the stockholder bears interest at the same rate payable on the revolving loan agreement and is due on demand. Interest expense to the stockholder for the years ended November 30, 2019 and 2018 was approximately \$1,000 and \$9,100, respectively. The outstanding balance on the note payable to stockholder was \$0 and \$500,000 as of November 30, 2019 and 2018, respectively. The loan was paid off in full in December 2018.

Note 6 - Major Suppliers

The following table summarizes the Company's supplier concentrations of purchases as of and for the years ended November 30, 2019 and 2018:

| | 2019 | | 2018 | |
|------------|------------------|----------------------------|------------------|----------------------------|
| | Annual Purchases | Liability as of 11/30/2019 | Annual Purchases | Liability as of 11/30/2018 |
| Supplier A | 21% | \$ - | 23% | \$ - |
| Supplier B | 18% | \$ - | 14% | \$ - |

Note 7 - Employee Benefit Plan

The Company sponsors a 401(k) plan for the benefit of its employees. This plan covers all eligible employees after 90 days of continuous service. Participants may make contributions up to the IRS approved limits. The Company contributed approximately \$29,000 and \$24,000 to the plan in the years ended November 30, 2019 and 2018, respectively.

Note 8 - Lease Obligations

The Company leased its previous Arizona office and warehouse facility under an operating lease agreement from a related party through common ownership. This lease was terminated in June 2018. Rent expense approximated \$22,500 for the year ended November 30, 2018.

The Company leases office warehouse space in Arizona from related parties through common ownership. The leases expire at various dates through March 2022. Rent expense totaled \$135,000 and \$93,000, respectively, for the years ended November 30, 2019 and 2018.

The Company leases its California office and warehouse facility under an operating lease agreement. The lease requires monthly payments with a rent escalator and expires in April 2022. The Company is responsible for payment of maintenance, insurance, and taxes. Rent expense under this lease agreement approximated \$78,000 and \$74,000 for the years ended November 30, 2019 and 2018, respectively.

Proforce Marketing, Inc.
Notes to Financial Statements
November 30, 2019 and 2018

Future minimum lease payments are as follows at November 30:

| | Related Party | Non- Related Party | Total |
|------|-------------------|-----------------------|-------------------|
| 2020 | \$ 77,220 | \$ 77,644 | \$ 154,864 |
| 2021 | 77,220 | 79,708 | 156,928 |
| 2022 | 25,740 | 33,570 | 59,310 |
| | <u>\$ 180,180</u> | <u>\$ 190,922</u> | <u>\$ 371,102</u> |

Note 9 - Related Party Transactions

There is an administration fee charged by Davidson's to the Company. Davidson's is owned 100% by the Company's stockholders and is a wholesale distributor of firearms and accessories throughout the United States. The fees paid were approximately \$228,000 and \$102,000 for the years ended November 30, 2019 and 2018, respectively. These agreements may be terminated by either party by giving 30 days written notice.

The Company has reoccurring transactions with Davidson's through the course of normal operations. For the years ended November 30, 2019 and 2018, the financial statements include sales to Davidson's of approximately \$1,674,000 and \$845,000, respectively, and purchases from Davidson's of approximately \$233,000 and \$125,000, respectively. As of November 30, 2019 and 2018, approximately \$23,000 and \$330,000, respectively, was due from Davidson's.

Note 10 - Common Stock

The number of shares of common stock issued and outstanding for the Company consisted of the following as of November 30:

| | 2019 | 2018 |
|---|-----------------|-----------------|
| Proforce Marketing, Inc. - Class A, Voting Common Stock, \$1 par value, 10,000 shares authorized, 1,000 shares issued and outstanding | \$ 1,000 | \$ 1,000 |
| Proforce Marketing, Inc. - Class B, Non-Voting Common Stock, no par value, 90,000 shares authorized, 90,000 shares issued and outstanding | - | - |
| | <u>\$ 1,000</u> | <u>\$ 1,000</u> |

Note 11 - Legal Actions

From time to time, the Company may become involved in various legal proceedings. In the opinion of management, any liability resulting from such proceedings would not have a material adverse effect on the financial statements.



Financial Statements
November 30, 2018 and 2017
Proforce Marketing, Inc.

Proforce Marketing, Inc.
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November 30, 2018 and 2017

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report

The Board of Directors
Proforce Marketing, Inc.
Prescott, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of Proforce Marketing, Inc. (the Company), which comprise the balance sheets as of November 30, 2018 and 2017, and the related statements of operations, stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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 the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of November 30, 2018 and 2017, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Eide Bailly LLP

Phoenix, Arizona
February 8, 2019

What inspires you, inspires us. | eidebailly.com

Proforce Marketing, Inc.
Balance Sheets
November 30, 2018 and 2017

| | 2018 | 2017 |
|---|---------------|--------------|
| Assets | | |
| Current Assets | | |
| Cash | \$ 298,514 | \$ 138,402 |
| Trade receivables, net of allowance for doubtful accounts of \$23,663 in 2018 and \$10,000 in 2017 | 3,919,062 | 2,512,644 |
| Inventories, net of reserve of \$198,783 in 2018 and \$296,224 in 2017 | 7,847,917 | 6,141,238 |
| Prepaid expenses and other assets | 96,291 | 234,185 |
| Total current assets | 12,161,784 | 9,026,469 |
| Property and Equipment, Net | 221,365 | 181,131 |
| | \$ 12,383,149 | \$ 9,207,600 |
| Liabilities and Stockholders' Equity | | |
| Current Liabilities | | |
| Accounts payable, accrued expenses and other payables | \$ 2,605,323 | \$ 1,991,255 |
| Deferred revenue | 543,271 | - |
| Note payable to stockholder | 500,000 | 1,000,000 |
| Total current liabilities | 3,648,594 | 2,991,255 |
| Revolving Line of Credit | 3,597,662 | 2,464,632 |
| Total liabilities | 7,246,256 | 5,455,887 |
| Commitments and Contingencies | | |
| Stockholders' Equity | | |
| Common stock | 1,000 | 1,000 |
| Retained earnings | 5,135,893 | 3,750,713 |
| Total liabilities and stockholders' equity | 5,136,893 | 3,751,713 |
| | \$ 12,383,149 | \$ 9,207,600 |

Proforce Marketing, Inc.
 Statements of Operations
 Years Ended November 30, 2018 and 2017

| | 2018 | 2017 |
|------------------------------|---------------|---------------|
| Revenues | | |
| Sales | \$ 34,238,513 | \$ 33,774,746 |
| Commissions | 334,104 | 651,637 |
| Total revenues | 34,572,617 | 34,426,383 |
| Cost of Sales | 28,871,211 | 29,092,275 |
| Gross profit | 5,701,406 | 5,334,108 |
| Operating Expenses | 4,283,679 | 4,264,864 |
| Operating Income | 1,417,727 | 1,069,244 |
| Other Income (Expense) | | |
| Interest expense | (62,585) | (83,837) |
| Other income | 30,038 | 23,570 |
| Total other income (expense) | (32,547) | (60,267) |
| Net Income | \$ 1,385,180 | \$ 1,008,977 |

Proforce Marketing, Inc.
 Statements of Stockholders' Equity
 Years Ended November 30, 2018 and 2017

| | Common Stock | Retained Earnings | Total |
|----------------------------|-----------------|----------------------|--------------|
| Balance, November 30, 2016 | \$ 1,000 | \$ 5,372,668 | \$ 5,373,668 |
| Net income | - | 1,008,977 | 1,008,977 |
| Distributions | - | (2,630,932) | (2,630,932) |
| Balance, November 30, 2017 | 1,000 | 3,750,713 | 3,751,713 |
| Net income | - | 1,385,180 | 1,385,180 |
| Balance, November 30, 2018 | \$ 1,000 | \$ 5,135,893 | \$ 5,136,893 |

Proforce Marketing, Inc.
Statements of Cash Flows
Years Ended November 30, 2018 and 2017

| | 2018 | 2017 |
|---|-------------------|--------------------|
| Cash Flows from Operating Activities | | |
| Net income | \$ 1,385,180 | \$ 1,008,977 |
| Adjustments to reconcile net income to net cash used for operating activities | | |
| Depreciation | 77,366 | 81,927 |
| Gain on sale of property and equipment | (5,369) | (7,931) |
| Bad debt expense | 29,620 | 11,893 |
| Provision for inventory | (97,441) | 203,263 |
| Changes in assets and liabilities | | |
| Trade receivables | (1,436,038) | (290,136) |
| Inventories | (1,609,238) | (3,011,033) |
| Prepaid expenses and other assets | 137,894 | 300,552 |
| Accounts payable, accrued expenses, and other payables | 614,068 | 165,048 |
| Deferred revenue | 543,271 | - |
| Net Cash used for Operating Activities | <u>(360,687)</u> | <u>(1,537,440)</u> |
| Cash Flows from Investing Activities | | |
| Purchase of property and equipment | (125,094) | (94,569) |
| Proceeds from sale of property and equipment | 12,863 | 15,827 |
| Net Cash used for Investing Activities | <u>(112,231)</u> | <u>(78,742)</u> |
| Cash Flows from Financing Activities | | |
| Net change in revolving line of credit | 1,133,030 | 2,464,632 |
| Distributions to stockholder | - | (2,630,932) |
| Proceeds from note payable to stockholder | 500,000 | 1,000,000 |
| Payments note payable to stockholder | (1,000,000) | - |
| Net Cash from Financing Activities | <u>633,030</u> | <u>833,700</u> |
| Net Change in Cash | 160,112 | (782,482) |
| Cash, Beginning of Year | 138,402 | 920,884 |
| Cash, End of Year | <u>\$ 298,514</u> | <u>\$ 138,402</u> |
| Supplemental Disclosures of Cash Flow Information | | |
| Cash paid for interest | <u>\$ 54,649</u> | <u>\$ 80,409</u> |

Note 1 - Principal Business Activity and Significant Accounting Policies**Principal Business Activity**

Proforce Marketing, Inc. (the Company) is incorporated in the State of Arizona, and its operations consist primarily of the distribution and retail sales of firearms and accessories to law enforcement agencies and officers throughout the United States.

Revenue Recognition

Sales are recognized when risk of ownership and title pass to the buyer, generally upon the shipment of the product.

Commissions represent amounts earned from sales transactions between a certain supplier of the Company and customers of the Company. Commissions are recognized when ownership and title of the supplier's product passes from the supplier to the customer.

Deferred revenue consists of advance payments from one customer, in the form of cash, for revenue to be recognized in the following year.

Shipping and Handling Costs

Shipping and handling costs are recorded as cost of sales and amounts billed to customers for shipping and handling costs are recorded in revenue.

Cash

For the purpose of the statement of cash flows, cash is considered to be bank checking and savings accounts. The Company maintains its cash in bank deposit accounts, which, at times, may exceed the federally insured limits.

Trade Receivables and Credit Policy

Trade receivables due from customers are uncollateralized customer obligations due under normal trade terms requiring payment within 30 days from the invoice date. Trade receivables are stated at the amount billed to the customer. The Company does not charge interest on overdue customer account balances. Payments of trade receivables are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoices.

The Company estimates an allowance for doubtful accounts based upon an evaluation of the current status of receivables, historical experience, and other factors as necessary. It is reasonably possible that the Company's estimate of the allowance for doubtful accounts will change.

Inventories

As of December 1, 2017, the Company adopted Accounting Standards Update (ASU) 2015-11, *Inventory: Simplifying the Measurement of Inventory*. This update requires inventory to be measured at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. Adoption of this accounting standard update is on a prospective basis.

Inventories consist principally of firearms and accessories which are stated at the lower of cost or net realizable value. Cost is determined on a weighted-average cost basis.

Property and Equipment

Property and equipment is recorded at cost. Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are charged to expense. When equipment is retired or sold, the cost and related accumulated depreciation are eliminated from the accounts and the resultant gain or loss is reflected in income.

Depreciation is provided using the straight-line and accelerated methods, based on the following useful lives:

| | <u>Years</u> |
|--------------------------------|--|
| Leasehold improvements | Shorter of respective lease period or useful life |
| Furniture and equipment | 5 |
| Vehicles | 5 |
| Computer hardware and software | 3-5 |

The Company reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition, and other economic factors. Based on this assessment there was no impairment at November 30, 2018 and 2017.

Income Taxes

The Company, with the consent of its stockholders, has elected to be taxed under sections of federal and Arizona income tax law, which provide that, in lieu of corporate income taxes, the stockholders separately account for their pro rata share of the Company's items of income, deductions, losses, and credits. Therefore, no provision or liability for federal income taxes has been included in the financial statements. Certain specific deductions and credits flow through the Company to its stockholders.

The Company evaluates its tax positions that have been taken or are expected to be taken on income tax returns to determine if an accrual is necessary for uncertain tax positions. As of November 30, 2018 and 2017, the unrecognized tax benefit accrual was zero. The Company will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense, if incurred.

Sales Taxes and Fees

Various states impose a sales tax on the Company's sales to nonexempt customers. The Company collects the sales tax from customers and remits the entire amount to each respective state. The Company's accounting policy is to exclude the tax collected and remitted to the states from revenues and cost of sales in the accompanying statements of operations.

The California Department of Justice charges a dealer record of sale (DROS) fee on each firearm sold. The Company's accounting policy is to include the DROS fees collected and remitted to the states in revenues and cost of sales. As of November 30, 2018 and 2017, DROS fees of approximately \$175,200 and \$198,000, respectively, are included in both sales and cost of sales in the accompanying statements of operations.

Advertising

The Company expenses advertising costs as incurred. Such costs approximated \$99,000 and \$96,000 for the years ended November 30, 2018 and 2017, respectively.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on net income or stockholders' equity.

Recent Accounting Guidance

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, to provide guidance on recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements, specifically differentiating between different types of leases. The core principle of ASU No. 2016-02 is that a lessee should recognize the assets and liabilities that arise from all leases. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee have not significantly changed from previous GAAP. There continues to be a differentiation between finance leases and operating leases. However, the principal difference from previous guidance is that the lease assets and lease liabilities arising from operating leases should be recognized in the statement of financial position. The accounting applied by a lessor is largely unchanged from that applied under previous GAAP. The amendments in this standard are effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. The modified retrospective approach includes a number of optional practical expedients that entities may elect to apply. These practical expedients relate to the identification and classification of leases that commenced before the effective date, initial direct costs for leases that commenced before the effective date, and the ability to use hindsight in evaluating lessee options to extend or terminate a lease or to purchase the underlying asset. An entity that elects to apply the practical expedients will, in effect, continue to account for leases that commence before the effective date in accordance with previous GAAP unless the lease is modified, except that lessees are required to recognize a right-of-use asset and a lease liability for all operating leases at each reporting date based on the present value of the remaining minimum rental payments that were tracked and disclosed under previous GAAP. The Company is currently evaluating the impact of these amendments on its financial statements.

Proforce Marketing, Inc.
Notes to Financial Statements
November 30, 2018 and 2017

Subsequent Events

The Company has evaluated subsequent events through February 8, 2019, the date which the financial statements were available to be issued.

Note 2 - Property and Equipment

Property and equipment at November 30, 2018 and 2017 consists of the following:

| | 2018 | 2017 |
|--------------------------------|------------|------------|
| Leasehold improvements | \$ 329,449 | \$ 312,312 |
| Furniture and equipment | 118,693 | 108,851 |
| Vehicles | 189,914 | 138,303 |
| Computer hardware and software | 292,749 | 292,749 |
| | 930,805 | 852,215 |
| Less accumulated depreciation | (709,440) | (671,084) |
| | \$ 221,365 | \$ 181,131 |

Depreciation expense totaled \$77,366 and \$81,927 for the years ended November 30, 2018 and 2017, respectively.

Note 3 - Accounts Payable, Accrued Expenses, and Other Payables

Accounts payable, accrued expenses, and other payables at November 30, 2018 and 2017 consists of the following:

| | 2018 | 2017 |
|------------------|--------------|--------------|
| Accounts payable | \$ 1,726,785 | \$ 1,202,178 |
| Accrued expenses | 637,895 | 683,883 |
| Other payables | 240,643 | 105,194 |
| | \$ 2,605,323 | \$ 1,991,255 |

Note 4 - Line of Credit

The Company has a revolving loan agreement with a bank. The revolving loan agreement is subject to a borrowing base limitation based on the qualifying trade receivables and inventories as defined in the agreement. At November 30, 2018 and 2017, the maximum amount available to borrow under this agreement was \$5,000,000, of which \$3,597,662 and \$2,464,632 was borrowed and advanced, respectively. The revolving loan agreement requires interest-only payments with the outstanding balance due upon expiration of the agreement on April 30, 2021. Interest on the outstanding balance of the loans is payable at the Prime Rate (5.25% and 4.25% as of November 30, 2018 and 2017, respectively) minus a margin; which is 1% in the event that the average outstanding balance on the loan is greater than \$1,000,000 or 0.75% in all other events. The loan agreement is collateralized by substantially all assets of the Company.

In conjunction with the loan agreement, the Company has agreed to comply with certain restrictive covenants which include, among others, requirements related to payment of distributions, tangible net worth, liabilities and earnings, and limits on the amount of annual expenditures for property and equipment.

Note 5 - Note Payable to Stockholder

The amount due to the stockholder bears interest at the same rate payable on the revolving loan agreement and is due on demand. Interest expense to the stockholder for the years ended November 30, 2018 and 2017 was approximately \$9,100 and \$12,300, respectively. The outstanding balance on the note payable to stockholder was \$500,000 and \$1,000,000 as of November 30, 2018 and 2017, respectively. The loan was paid in full in December 2018.

The amount due to the stockholder is secured with substantially all of the assets of the Company and is subordinated to the bank facility shown in Note 4. The Company is allowed to repay amounts to the stockholder in accordance with covenants outlined in the agreement.

Note 6 - Major Suppliers

The following table summarizes the Company's supplier concentrations of purchases as of and for the years ended November 30, 2018 and 2017:

| | 2018 | | 2017 | |
|------------|------------------|----------------------------|------------------|----------------------------|
| | Annual Purchases | Liability as of 11/30/2018 | Annual Purchases | Liability as of 11/30/2017 |
| Supplier A | 23% | \$ - | 28% | \$ - |
| Supplier B | 14% | - | 27% | 81,000 |

Note 7 - Employee Benefit Plan

The Company sponsors a 401(k) plan for the benefit of its employees. This plan covers all eligible employees after 90 days of continuous service. Participants may make contributions up to the IRS approved limits. The Company contributed approximately \$24,000 and \$34,000 to the plan in the years ended November 30, 2018 and 2017, respectively.

Note 8 - Lease Obligations

The Company leases its Arizona office and warehouse facility under an operating lease agreement from a related party through common ownership. The Company is responsible for payment of maintenance, insurance, and taxes. This lease was terminated in June 2018. Rent expense approximated \$22,500 and \$45,000 for the years ended November 30, 2018 and 2017, respectively.

Proforce Marketing, Inc.
Notes to Financial Statements
November 30, 2018 and 2017

Davidson's, Inc. (Davidson's) is owned 100% by the Company's stockholders and is a wholesale distributor of firearms and accessories throughout the United States. The Company has entered into two leases with Davidson's for its Arizona office and warehouse facility. The leases require monthly payments and expire in 2019. The Company is responsible for payment of maintenance, insurance, and taxes. Rent expense under these two related party lease agreements approximated \$93,000 and \$55,000 for the years ended November 30, 2018 and 2017, respectively.

The Company leases its California office and warehouse facility under an operating lease agreement. The lease requires monthly payments with a rent escalator and expires in April 2022. The Company is responsible for payment of maintenance, insurance, and taxes. Rent expense under this lease agreement approximated \$74,000 and \$63,000 for the years ended November 30, 2018 and 2017, respectively.

Future minimum lease payments are as follows at November 30:

| | Related Party | Non- Related Party | Total |
|------|------------------|-----------------------|-------------------|
| 2019 | \$ 71,223 | \$ 75,580 | \$ 146,803 |
| 2020 | - | 77,644 | 77,644 |
| 2021 | - | 79,708 | 79,708 |
| 2022 | - | 33,570 | 33,570 |
| | <u>\$ 71,223</u> | <u>\$ 266,502</u> | <u>\$ 337,725</u> |

Note 9 - Related Party Transactions

There is an administration fee charged by Davidson's to the Company. The fees paid were approximately \$102,000 for both years ended November 30, 2018 and 2017. These agreements may be terminated by either party by giving 30 days written notice.

The Company has reoccurring transactions with Davidson's through the course of normal operations. For the years ended November 30, 2018 and 2017, the financial statements include sales to Davidson's of approximately \$845,000 and \$40,000, respectively, and purchases from Davidson's of approximately \$125,000 and \$150,000, respectively. As of November 30, 2018 and 2017, approximately \$330,000 and \$0, respectively, was due from Davidson's.

Proforce Marketing, Inc.
Notes to Financial Statements
November 30, 2018 and 2017

Note 10 - Common Stock

The number of shares of common stock issued and outstanding for the Company consisted of the following as of November 30:

| | 2018 | 2017 |
|---|----------|----------|
| Proforce Marketing, Inc. - Class A, Voting Common Stock, \$1 par value, 10,000 shares authorized, 1,000 shares issued and outstanding | \$ 1,000 | \$ 1,000 |
| Proforce Marketing, Inc. - Class B, Non-Voting Common Stock, no par value, 90,000 shares authorized, 90,000 shares issued and outstanding | - | - |
| | \$ 1,000 | \$ 1,000 |

Note 11 - Legal Actions

From time to time, the Company may become involved in various legal proceedings. In the opinion of management, any liability resulting from such proceedings would not have a material adverse effect on the financial statements.

U.S. Department of Justice
Bureau of Alcohol, Tobacco, Firearms and Explosives

Federal Firearms License
(18 U.S.C. Chapter 44)

In accordance with the provisions of Title I, Gun Control Act of 1968, and the regulations issued thereunder (27 CFR Part 478), you are licensed to engage in the business specified in this license, within the limitations of Chapter 44, Title 18, United States Code, and the regulations issued thereunder, until the expiration date shown. **THIS LICENSE IS NOT TRANSFERABLE UNDER 27 CFR 478.51.** See "WARNINGS" and "NOTICES" on reverse.

| | | | |
|---|---|--------------------|-----------------------------|
| Direct ATF Correspondence To | ATF - Chief, FFLC 244 Needy Road Martinsburg, WV 25405-9431 | License Number | 9-33-059-01-2D-00935 |
| Chief, Federal Firearms Licensing Center (FFLC) | | Expiration Date | April 1, 2022 |
| Name | <i>Tracy Robertson</i> PROFORCE LAW ENFORCEMENT | | |

Premises Address (Changes? Notify the FFLC at least 30 days before the move.)

**655 BERRY STREET SUITE F, G, H
BREA, CA 92821-**

Type of License

01-DEALER IN FIREARMS OTHER THAN DESTRUCTIVE DEVICES

Purchasing Certification Statement

The licensee named above shall use a copy of this license to assist a transferor of firearms to verify the identity and the licensed status of the licensee as provided by 27 CFR Part 478. The signature on each copy must be an original signature. A faxed, scanned or e-mailed copy of the license with a signature intended to be an original signature is acceptable. The signature must be that of the Federal Firearms Licensee (FFL) or a responsible person of the FFL. I certify that this is a true copy of a license issued to the licensee named above to engage in the business specified above under "Type of License."

Mailing Address (Changes? Notify the FFLC of any changes.)

**PROFORCE MARKETING INC
PROFORCE LAW ENFORCEMENT
2625 STEARMAN RD STE A
PRESCOTT, AZ 86301-**

[Signature]
Licensee Responsible Person Signature

VP OF SALES
Position Title

MARIL SALAZAR
Printed Name

6/14/2019
Date

COPY

Previous Edition is Obsolete PROFORCE MARKETING LICENSING BERRY STREET SUITE F, G, H 92821-9-33-059-01-2D-00935 (04/11) 2022-01-DEALER IN FIREARMS OTHER THAN DESTRUCTIVE DEVICES

ATF Form 8 (5310-11)
Revised October 2011

Federal Firearms License (FFL) Customer Service Information

Federal Firearms Licensing Center (FFLC)
244 Needy Road
Martinsburg, WV 25405-9431

Toll-free Telephone Number: (866) 662-2750
Toll-free Fax Number: (866) 257-2749
E-mail: NI.Ca@atf.gov

ATF Homepage: www.atf.gov
FFL eZ Check: www.atfonline.gov/fflzcheck

Change of Address (27 CFR 478.52). Licensees may during the term of their current license remove their business or activity to a new location at which they intend regularly to carry on such business or activity by filing an Application for an Amended Federal Firearms License, ATF Form 5300.38, in duplicate, not less than 30 days prior to such removal with the Chief, Federal Firearms Licensing Center. The application must be executed under the penalties of perjury and penalties imposed by 18 U.S.C. 924. The application shall be accompanied by the licensee's original license. The license will be valid for the remainder of the term of the original license. (The Chief, FFLC, shall, if the applicant is not qualified, refer the application for amended license to the Director of Industry Operations for denial in accordance with § 478.71.)

Right of Succession (27 CFR 478.56). (a) Certain persons other than the licensee may secure the right to carry on the same firearms or ammunition business at the same address shown on, and for the remainder of the term of, a current license. Such persons are: (1) The surviving spouse or child, or executor, administrator, or other legal representative of a deceased licensee; and (2) A receiver or trustee in bankruptcy, or an assignee for benefit of creditors. (b) In order to secure the right provided by this section, the person or persons continuing the business shall furnish the license for that business for endorsement of such succession to the Chief, FFLC, within 30 days from the date on which the successor begins to carry on the business.

(Continued on reverse side)

Cut Here ✂

| | |
|---|---|
| Federal Firearms License (FFL) Information Card | |
| License Name: | PROFORCE MARKETING INC |
| Business Name: | PROFORCE LAW ENFORCEMENT |
| License Number: | 9-33-059-01-2D-00935 |
| License Type: | 01-DEALER IN FIREARMS OTHER THAN DESTRUCTIVE DEVICES |
| Expiration: | April 1, 2022 |
| Please Note: Not Valid for the Sale or Other Disposition of Firearms. | |

FFL Newsletter - Electronic Version Available

Sign-Up Today!

FFLs interested in receiving the electronic version of the FFL Newsletter, along with occasional additional information, should submit name, FFL number, and e-mail address to: FIPB@atf.gov.

The electronic FFL Newsletter will enable ATF to communicate information to licensees on a periodic basis.

U.S. Department of Justice
Bureau of Alcohol, Tobacco, Firearms and Explosives

Federal Firearms License
(18 U.S.C. Chapter 44)

In accordance with the provisions of Title I, Gun Control Act of 1968, and the regulations issued thereunder (27 CFR Part 478), you are licensed to engage in the business specified in this license, within the limitations of Chapter 44, Title 18, United States Code, and the regulations issued thereunder, until the expiration date shown. **THIS LICENSE IS NOT TRANSFERABLE UNDER 27 CFR 478.11. See "WARNINGS" and "NOTICES" on reverse.**

| | |
|--|---|
| Direct ATF Correspondence To A TF - Chief, FFLC 244 Needy Road Martinsburg, WV 25405-9431 | License Number 9-33-059-01-2D-00935 |
| Chief, Federal Firearms Licensing Center (FFLC) <i>Tracy Robertson</i> | Expiration Date April 1, 2022 |
| Name PROFORCE LAW ENFORCEMENT | |

Premises Address (Changes? Notify the FFLC at least 30 days before the move.)

**655 BERRY STREET SUITE F, G, H
BREA, CA 92821-**

Type of License

01-DEALER IN FIREARMS OTHER THAN DESTRUCTIVE DEVICES

Purchasing Certification Statement

The licensee named above shall use a copy of this license to assist a transferor of firearms to verify the identity and the licensed status of the licensee as provided by 27 CFR Part 478. The signature on each copy must be an original signature. A faxed, scanned or e-mailed copy of the license with a signature intended to be an original signature is acceptable. The signature must be that of the Federal Firearms Licensee (FFL) or a responsible person of the FFL. I certify that this is a true copy of a license issued to the licensee named above to engage in the business specified above under "Type of License."

Marketing Address (Changes? Notify the FFLC of any changes.)

**PROFORCE MARKETING INC
PROFORCE LAW ENFORCEMENT
2625 STEARMAN RD STE A
PRESCOTT, AZ 86301-**

[Signature]

Licensee Responsible Person Signature
MARIL SALAZAR
Printed Name

VP OF SALES

Position Title
6/14/2019
Date

COPY

Previous Edition is Obsolete

PROFORCE MARKETING INC 655 BERRY STREET SUITE F, G, H BREA CA 92821-0001 (01-2D-00935) 01-2022-01-DEALER IN FIREARMS OTHER THAN DESTRUCTIVE DEVICES

ATF Form 8 (031011)
Revised October 2011

Federal Firearms License (FFL) Customer Service Information

Federal Firearms Licensing Center (FFLC)
244 Needy Road
Martinsburg, WV 25405-9431

Toll-free Telephone Number: (866) 662-2750
Toll-free Fax Number: (866) 257-2749
E-mail: NI.Cu@atf.gov

ATF Homepage: www.atf.gov
FFL e-Check: www.atfonline.gov/fflcheck

Change of Address (27 CFR 478.52). Licensees may during the term of their current license remove their business or activity to a new location at which they intend regularly to carry on such business or activity by filing an Application for an Amended Federal Firearms License, ATF Form 5300.38, in duplicate, not less than 30 days prior to such removal with the Chief, Federal Firearms Licensing Center. The application must be executed under the penalties of perjury and penalties imposed by 18 U.S.C. 924. The application shall be accompanied by the licensee's original license. The license will be valid for the remainder of the term of the original license. (The Chief, FFLC, shall, if the applicant is not qualified, refer the application for amended license to the Director of Industry Operations for denial in accordance with § 478.71.)

Right of Succession (27 CFR 478.56). (a) Certain persons other than the licensee may secure the right to carry on the same firearms or ammunition business at the same address shown on, and for the remainder of the term of, a current license. Such persons are: (1) The surviving spouse or child, or executor, administrator, or other legal representative of a deceased licensee; and (2) A receiver or trustee in bankruptcy, or an assignee for benefit of creditors. (b) In order to secure the right provided by this section, the person or persons continuing the business shall furnish the license for that business for endorsement of such succession to the Chief, FFLC, within 30 days from the date on which the successor begins to carry on the business.

Cut Here ✂

(Continued on reverse side)

| Federal Firearms License (FFL) Information Card | |
|---|---|
| License Name: | PROFORCE MARKETING INC |
| Business Name: | PROFORCE LAW ENFORCEMENT |
| License Number: | 9-33-059-01-2D-00935 |
| License Type: | 01-DEALER IN FIREARMS OTHER THAN DESTRUCTIVE DEVICES |
| Expiration: | April 1, 2022 |

FFL Newsletter - Electronic Version Available

Sign-Up Today!

FFLs interested in receiving the electronic version of the FFL Newsletter, along with occasional additional information, should submit name, FFL number, and e-mail address to: FIPB@atf.gov.

The electronic FFL Newsletter will enable ATF to communicate information to licensees on a periodic basis.

U.S. Department of Justice
Bureau of Alcohol, Tobacco, Firearms and Explosives

2020 Special Tax Stamp

OMB No. 1140-0090 (05/31/2017)

Name and Principal Business Address

PROFORCE MARKETING INC
PROFORCE LAW ENFORCEMENT/PLE WHOLESAL
2625 STEARMAN RD STE A
PRESCOTT, AZ 86301

| | |
|------------------------------------|--------|
| Tax Statement (Annual Tax Rate) | 500.00 |
| Initial Tax \$ | 500.00 |
| Additions \$ | .00 |
| Total Tax PAID \$ | 500.00 |

**TAX
2020
YEAR**

**THIS IS NOT A BILL.
DO NOT PAY THE AMOUNT NOTED.**

Actual Physical Business Address (See Number 2 below)

PROFORCE MARKETING INC
PROFORCE LAW ENFORCEMENT/PLE WHOLESAL
2625 STEARMAN RD STE A
PRESCOTT, AZ 83601

Type of Operation Conducted
(63) NFA FIREARMS DEALER

0002

Number of Locations

1 OF 1

This is a receipt of payment of Special (Occupational) Tax (SOT) under the National
Firearms Act. (27 CFR 479.36)

If You Have Any Questions, Refer To The Information Below

Date of This Receipt

MAY 13, 2019

Dates of Special Tax Period

07/01/2019 TO 06/30/2020

Employer Identification Number

86-1022874

Control Number

2019128-N53-034

If you have any questions, you may contact the Bureau of Alcohol, Tobacco, Firearms and Explosives as follows:

CALL: (304) 616-4500
FAX: (304) 616-4501

OR

WRITE: National Firearms Act Branch, Bureau of ATF
244 Needy Road
Suite 1120
Martinsburg, WV 25405

- If you write, include in the letter your employer identification number, control number from above, your telephone number, and the best time for us to call if we need more information.
- If you filed ATF Form 5630.7, Special Tax Registration and Return (NFA Firearms), for the first time, or have renewed your special tax stamp on ATF Form 5630.5R, Special Tax "Renewal" Registration and Return, and ATF Form 5630.5RC, Special Tax Location Registration Listing(s), showing multiple locations, you should have received a stamp for each location. Each stamp is printed with your principal business address and the actual physical address of the business location for which the stamp was issued. Forward the stamp to that location. Be sure that each location keeps the stamp on its business premises so that it is available for inspection. Photocopies are not acceptable evidence of tax payment.
- If any of the preprinted information is incorrect, please write to the above address listing the correct information and return this Special Tax Stamp with your letter.
- If there is a change in ownership of your business or business structure, such as a sole owner incorporating, the new owner is required to file ATF Form 5630.7, Special Tax Registration and Return (NFA Firearms), and obtain a new Special Tax Stamp (except as provided in 27 CFR 194.166 - 194.169 or 27 CFR 179.42 - 179.45) before engaging in the business.
- If you have a change in control, contact ATF. You must notify the Bureau of Alcohol, Tobacco, Firearms and Explosives of any change of address, location, or trade name and receive approval before the change is made, by filing ATF Form 5630.7. If a Federal firearms licensee discontinues business and retains NFA firearms, the retention may be in violation of law. The licensee should check with State and local authorities.
- This is a Special Tax Stamp and Receipt for Payment of Federal Tax. This does not authorize anyone to begin or continue a business contrary to Federal, State or local laws, nor does it exempt anyone from penalties or punishment for violating such laws.
- THIS RECEIPT IS NOT TRANSFERABLE.

PROFORCE MARKETING INC 86-1022874

ARIZONA DEPARTMENT OF REVENUE
ATTN: Customer Care and Outreach
PO BOX 29032
Phoenix, AZ 85038-9032



ARIZONA DEPARTMENT OF REVENUE
TRANSACTION PRIVILEGE TAX LICENSE
NOT TRANSFERABLE

The licensee listed below is licensed to conduct business upon the condition that taxes are paid to Arizona Department of Revenue as required under provisions of A.R.S. Title 42, Chapter 6, Article 1.

2020

ISSUED TO: PROFORCE MARKETING INCORPORATED
2825 STEARMAN ROAD
PRESCOTT AZ 86301

ALL communications and reports MUST REFER to this LICENSE NO.

LICENSE: 20091928
START DATE: 09/29/2005
ISSUED: 12/20/2019
EXPIRES: 12/31/2020

LOCATION: CODE 004
PROFORCE MARKETING INCORPORATED
2825 STEARMAN RD
STE A
PRESCOTT, AZ 86301
1900057573777

BUSINESS CODE
017 - RETAIL
029 - USE TAX
017 - RETAIL
029 - USE TAX

REGION
YAV - YAVAPAI
YAV - YAVAPAI
PR - PRESCOTT
PR - PRESCOTT

JURISDICTION
COUNTY
COUNTY
CITY
CITY

00452029290009449231100452

This License is issued to the business named above for the address shown. Licenses, by law, cannot be transferred from one person to another, nor can they be transferred from one location to another. Arizona law requires licensees to notify the Department of Revenue if there is a change in business name, trade name, location, mailing address, or ownership. In addition, when the business ceases to operate or the business location changes and a new license is issued, this license must be returned to the Arizona Department of Revenue. According to R15-5-2201, license must be displayed in a conspicuous place.

LICENSE: 20091928

BUSINESS CODE

017 - RETAIL
017 - RETAIL
029 - USE TAX
017 - RETAIL
029 - USE TAX

REGION

YAX - YAVAPAI-PRESCOTT
(YAVAPAI)
YMB - COCOPAH (YUMA)
MAR - MARICOPA
YAV - YAVAPAI
YAV - YAVAPAI

JURISDICTION

RESERVATION
RESERVATION
COUNTY
COUNTY
COUNTY



00153033350000P6449230400163

Form **W-9**
(Rev. October 2018)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

Go to www.irs.gov/FormW9 for instructions and the latest information.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.
PROFORCE MARKETING, INC

2 Business name/disregarded entity name, if different from above
PROFORCE LAW ENFORCEMENT

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.

Individual/sole proprietor or single-member LLC C Corporation S Corporation Partnership Trust/estate

Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____
 Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

Other (see instructions) ▶ _____

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 5):
 Exempt payee code (if any) _____
 Exemption from FATCA reporting code (if any) _____
(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.) See instructions.
2625 STEARMAN ROAD STE A

6 City, state, and ZIP code
PRESCOTT, ARIZONA 86301

7 List account number(s) here (optional)

Requester's name and address (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Social security number

| | | | | | | | | | | |
|--|--|--|---|--|--|--|---|--|--|--|
| | | | - | | | | - | | | |
|--|--|--|---|--|--|--|---|--|--|--|

or

Employer identification number

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 8 | 6 | - | 1 | 0 | 2 | 2 | 8 | 7 | 4 |
|---|---|---|---|---|---|---|---|---|---|

Note: If this account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here Signature of U.S. person ▶ *Kimi Wilson* Date ▶ *1/28/2020*

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
 - Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
 - Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
 - Form 1099-S (proceeds from real estate transactions)
 - Form 1099-K (merchant card and third party network transactions)
 - Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
 - Form 1099-C (canceled debt)
 - Form 1099-A (acquisition or abandonment of secured property)
- Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.
- If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding*, later.



Request for Proposal

Solicitation No. **BPM002192**

Description:

Firearms (Weapons Lethal, Less-Lethal, accessories, consumables)

Arizona Department of Administration

State Procurement Office

100 N 15th Ave., Suite 402
Phoenix, AZ 85007

Attachment 3-A Method Proposal (Method of Approach)

The Offeror shall provide a narrative response to each question that demonstrates their understanding of the Scope of Work requirements and describes your company's overall method of approach for providing the service stated in this solicitation. If there is a question that is not applicable to the services required by the Scope of Work, you may mark it N/A.

Question 1: Please describe your order taking method(s)

Offeror Response:

An order is placed immediately upon receipt of a purchase order or signed quote from the agency. Internal sales representatives maintain communication with the manufacturer and agency through completed delivery.

Question 2: Please describe the delivery and warranty start period

Offeror Response:

Delivery times are contingent upon the manufacturer and specific product(s). Estimated ship times are listed on the price sheets. The warranty period begins when the product arrives at the agency's ship to destination.

Question 3: Please describe your ability to resolve out of normal performance ie: Manufacturer upgrade, improvement, enhancement or modification

The distributor will use delivery methods that are designed to assure that each product is in suitable condition when it arrives at the location designated by the agency. Any damages as it relates to shipping should be documented (pictures, date, and time) and reported within 14 business days back to the original shipper and distributor. The manufacturer's full warranty will be available with respect to each product, and the warranty will become effective when the product is received at the end user's location. If manufacturer defects or warranty issues arise, in addition to filing any warranty claim mandated by the manufacturer, the agency should notify distributor of defects or other issues. Distributor will take a leadership role in communication with the manufacturer to understand the issue, determine the best course of action, and facilitate a prompt resolution in accordance with the manufacturer warranty. In addition, if factory upgrades or improvements are implemented by the manufacturer and identified to the distributor as a recall or safety notice, distributor will again take the lead to notify the agency/department of the upgrade and determine the best course of action, and facilitate a prompt resolution in accordance with the manufacturer warranty.

Question 4: Please describe your method for communicating and maintaining the most comprehensive material and equipment for State Agencies throughout a Contract life cycle.

Offeror Response:

Proforce Law Enforcement representatives remain in continuous communication with all of the offered manufacturers and receives regular updates regarding new products and/or any relevant product changes.

End of Attachment 3-A



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Attachment 3-B Key Personnel Proposal

Answer all questions thoroughly in the spaces provided. **Complete this form in full for each one of the key personnel proposed to be involved in carrying out the Work.** Insert or attach a separate resume if desired, but any attached resumes are supplemental to this form and do not substitute for this form. If there are more than three (3) Key Personnel, please utilize the same form for each additional Personnel.

| | | | | |
|----------|---|--|---|---------|
| 1 | Name: | Dan Rooney | How long with company? | 7 years |
| | Current position in company: | Senior Vice President | How long in position? | 3 years |
| | Position for the Services: | Contract Manager | How much of time will be dedicated to the Services? | 10 % |
| | What primary functions will be assigned? | Managing and monitoring the AZ Procurement site. | | |
| | Describe person's experience in performing services like those that are to be assigned: | Spent 7 years supervising the Contract Specialist and reviewing offers before submittal. | | |
| | List person's job-related training and education: | AZ.gov supplier training. Bachelor's degree in Business Administration/Arizona State University. | | |
| | Resume: | See above. | | |



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| | | | | |
|----------|---|--|---|---------|
| 2 | Name: | Mark Salazar | How long with company? | 9 years |
| | Current position in company: | VP of Sales | How long in position? | 2 years |
| | Position for the Services: | VP of Sales | How much of time will be dedicated to the Services? | 25 % |
| | What primary functions will be assigned? | Fulfilling purchase orders and replying to any requests for additional information. | | |
| | Describe person's experience in performing services like those that are to be assigned: | Managing contracts, bids and sales processing for all territories including the State of Arizona. | | |
| | List person's job-related training and education: | Responding to and fulfilling bid requests and contract offers for the past two years. Addressing the needs of all contracted agencies as needed to ensure contract compliance and efficient processing of sales. | | |
| | Resume: | See above. | | |



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| | | | | |
|----------|---|--|---|----------|
| 3 | Name: | Karen Berggren | How long with company? | < 1 year |
| | Current position in company: | Contract Specialist | How long in position? | < 1 year |
| | Position for the Services: | Contract Specialist | How much of time will be dedicated to the Services? | 35 % |
| | What primary functions will be assigned? | Managing compliance with contract terms and pricing schedules; providing required reports. | | |
| | Describe person's experience in performing services like those that are to be assigned: | Negotiating contracts and managing contract compliance for government agencies for over 10 years. | | |
| | List person's job-related training and education: | Contracts based coursework and contract management in government industries for over 10 years. Juris Doctor, Pace University Law School (2008) and admitted to practice law in New York for over 10 years. Former Contracts Attorney, US Army. | | |
| | Resume: | See above. | | |

End of Attachment 3-B



Request for Proposal

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Firearms (Weapons Lethal, Less-Lethal, accessories, consumables)

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Attachment 3-C Proposed Subcontractors

Check "NO" if you WILL NOT subcontract any portion of the Work and will therefore be carrying out all of the Work with your own personnel.

NO, the Offeror will not subcontract any portion of the Work.

If you WILL subcontract any portion of the Work, check "YES" below and list name of persons or companies you propose to use as subcontractors.

1. Fill in the information for every significant subcontractor – indicate the type of work the subcontractor will perform under the Contract, and their approximate percentage of the total Contract work.
2. Provide copies of relevant certifications each one possesses in the Attachment Supplements section.
3. Provide description of quality assurance methods and quality control measures that you will use to ensure that Subcontractor work meets the Contract requirements.
4. State may demand additional information about proposed subcontractors as a precondition of award.

YES, the Offeror will use the Subcontractors listed below:

| | Name and contact information | Small Business | Work to be performed | % |
|-----|------------------------------|----------------|----------------------|---|
| 1. | Name | select | | |
| 2. | Name | select | | |
| 3. | Name | select | | |
| 4. | Name | select | | |
| 5. | Name | select | | |
| 6. | Name | select | | |
| 7. | Name | select | | |
| 8. | Name | select | | |
| 9. | Name | select | | |
| 10. | Name | select | | |

End of Attachment 3-C



Request for Proposal

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Attachment 3-D Boycott of Israel Disclosure

Please note that if any of the following apply to this Solicitation, Contract, or Contractor, then the Offeror shall select the "Exempt Solicitation, Contract, or Contractor" option below:

- The Solicitation or Contract has an estimated value of less than \$100,000;
- Contractor is a sole proprietorship;
- Contractor has fewer than ten (10) employees; OR
- Contractor is a non-profit organization.

Pursuant to A.R.S. §35-393.01, public entities are prohibited from entering into contracts "unless the contract includes a written certification that the company is not currently engaged in, and agrees for the duration of the contract to not engage in, a boycott of goods or services from Israel."

Under A.R.S. §35-393:

1. "Boycott" means engaging in a refusal to deal, terminating business activities or performing other actions that are intended to limit commercial relations with entities doing business in Israel or in territories controlled by Israel, if those actions are taken either:

(a) Based in part on the fact that the entity does business in Israel or in territories controlled by Israel.

(b) In a manner that discriminates on the basis of nationality, national origin or religion and that is not based on a valid business reason.

2. "Company" means an organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company or other entity or business association, including a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate, that engages in for-profit activity and that has ten or more full-time employees.

...

5. "Public entity" means this State, a political subdivision of this State or an agency, board, commission or department of this State or a political subdivision of this State.

The certification below does not include boycotts prohibited by 50 United States Code Section 4842 or a regulation issued pursuant to that section. See A.R.S. §35-393.03.

In compliance with A.R.S. §§35-393 *et seq.*, all offerors must select one of the following:

- The Company submitting this Offer **does not** participate in, and agrees not to participate in during the term of the contract, a boycott of Israel in accordance with A.R.S. §§35-393 *et seq.* I understand that my entire response will become public record in accordance with A.A.C. R2-7-C317.
- The Company submitting this Offer **does** participate in a boycott of Israel as described in A.R.S. §§35-393 *et seq.*



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Exempt Solicitation, Contract, or Contractor.

Indicate which of the following statements applies to this Contract:

- Solicitation or Contract has an estimated value of less than \$100,000;
- Contractor is a sole proprietorship;
- Contractor has fewer than ten (10) employees; and/or
- Contractor is a non-profit organization.

Proforce Law Enforcement

Company Name

2625 Stearman Rd., Ste. A

Address

Prescott, AZ 86301

City State Zip

Signature of Person Authorized to Sign

DAN ROONCE
Printed Name

SR. VICE PRESIDENT
Title

End of Attachment 3-D



Request for Proposal

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Attachment 4 Pricing Sheet

Pricing must be shown in the EXCEL sheet(s) titled as shown below:

1. The following EXCEL document(s) has/have been provided for Offeror's completion and submission - titled as follows:

See Attachment 4 Pricing (included as a separate part as a .xlsx file)

You must complete at least one (1) Optional Line Item or all Required Line Items in the Items (F) tab in APP in order for your Offer to be considered.

If Awarded there will be an additional workbook required for APP import.

End of Attachment 4



Request for Proposal

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Attachment 5-A Confidential Information Designation

All materials submitted as part of a response to a solicitation are subject to Arizona public records law and will be disclosed if there is an appropriate public records request at the time of or after the award of the contract. Recognizing there may be materials included in a solicitation response that are proprietary or a trade secret, a process is set out in A.A.C. R2-7-103 (copy attached) that will allow qualifying materials to be designated as confidential and excluded from disclosure. For purposes of this process the definition of "trade secret" will be the same as that set out in A.A.C. R2-7-101(52).

Complete this form return it with your Offer **along with the appropriate supporting information** to assist State in making its determination as to whether any of the materials submitted as part of your Offer should be designated confidential because the material is proprietary or a trade secret and therefore not subject to disclosure.

STATE WILL NOT CONSIDER ANY MATERIAL IN YOUR OFFER "CONFIDENTIAL" UNLESS DESIGNATED ON THIS FORM.

Check one of the following – if neither is checked, State will assume that as equivalent to "DOES NOT":

| | |
|----------------------------------|---|
| <input checked="" type="radio"/> | This response DOES NOT contain proprietary or trade secret information. I understand that my entire response will become public record in accordance with A.A.C. R2-7-C317. |
| <input type="checkbox"/> | This response DOES contain trade secret information because it contains information that: <ol style="list-style-type: none"> 1. Is a formula, pattern, compilation, program, device, method, technique or process, AND 2. Derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; AND 3. Is the subject of efforts by myself or my organization that are reasonable under the circumstances to maintain its secrecy. |

NOTE: Failure to attach an explanation may result in a determination that the information does not meet the statutory trade secret definition. All information that does not meet the definition of trade secret as defined by A.A.C. R2-7-101(52) will become public in accordance with A.A.C. R2-7-C317. State may make its own determination on materials in accordance with A.A.C. R2-7-103.

If State agrees with Offeror's designation of trade secret or confidentiality and the determination is challenged, the undersigned hereby agrees to cooperate and support the defense of the determination with all interested parties, including legal counsel or other necessary assistance.

By submitting this response, Offeror agrees that the entire Offer, including confidential, trade secret and proprietary information may be shared with an evaluation committee and technical advisors during the evaluation process. Offeror agrees to indemnify and hold State, its agents and employees, harmless from any claims or causes of action relating to State's withholding of information based upon reliance on the above representations, including the payment of all costs and attorney fees incurred by State in defending such an action.

| | | | | |
|---------------------------------|-------|-------|--------------------------------|--|
| Proforce Law Enforcement | | | | |
| Offeror Company Name | | | Signature of Authorized Person | |
| 2625 Stearman Rd. Ste. A | | | Dan Rooney | |
| Address | | | Printed Name | |
| Prescott | AZ | 86301 | Senior Vice President | |
| City | State | Zip | Title | |

End of Attachment 5-A



Request for Proposal

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Copy of A.A.C. R2-7-103 [Confidential Information] as was current at time of Solicitation issuance

PROVIDED FOR REFERENCE ONLY

- A. *If a person wants to assert that a person's offer, specification, or protest contains a trade secret or other proprietary information, a person shall include with the submission a statement supporting this assertion. A person shall clearly designate any trade secret and other proprietary information, using the term "confidential". Contract terms and conditions, pricing, and information generally available to the public are not considered confidential information under this Section.*
- B. *Until a final determination is made under subsection (C), an agency chief procurement officer shall not disclose information designated as confidential under subsection (A) except to those individuals deemed by an agency chief procurement officer to have a legitimate state interest.*
- C. *Upon receipt of a submission, an agency chief procurement officer shall make one of the following written determinations:*
- 1. The designated information is confidential and the agency chief procurement officer shall not disclose the information except to those individuals deemed by the agency chief procurement officer to have a legitimate state interest;*
 - 2. The designated information is not confidential; or*
 - 3. Additional information is required before a final confidentiality determination can be made.*
- D. *If an agency chief procurement officer determines that information submitted is not confidential, a person who made the submission shall be notified in writing. The notice shall include a time period for requesting a review of the determination by the state procurement administrator.*
- E. *An agency chief procurement officer may release information designated as confidential under subsection (A) if:*
- 1. A request for review is not received by the state procurement administrator within the time period specified in the notice; or*
 - 2. The state procurement administrator, after review, makes a written determination that the designated information is not confidential.*



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Attachment 5-B Conformance Statements

STATE WILL NOT CONSIDER ANY EXCEPTIONS UNLESS DESIGNATED ON THIS FORM.

READ PARAGRAPH 6.8 OF THE INSTRUCTIONS TO OFFERORS BEFORE TAKING ANY EXCEPTIONS – TAKING EXCEPTIONS CAN BE GROUNDS FOR STATE REJECTING OR DOWN-GRADING YOUR OFFER IN EVALUATION.

CONFORMANCE TO THE INSTRUCTIONS: (PART 3 OF THE SOLICITATION)

Check one of the following – if neither is checked, State will assume that as equivalent to "YES":

- YES – Offeror acknowledges that it has read and understands the Instructions to Offerors in Section 3-A of the Solicitation Documents and attests that its Offer complies with both.
- NO – Offeror acknowledges that it has read and understands the Instructions to Offerors in Section 3-A of the Solicitation Documents, and attests that its Offer complies with both EXCEPT FOR the exceptions listed in **Attachment 5-B Supplement 1**.

CONFORMANCE TO THE SCOPE AND PRICING DOCUMENTS: (PART 2 OF THE SOLICITATION)

Check one of the following – if neither is checked, State will assume that as equivalent to "YES":

- YES – Offeror acknowledges that it has read and understands the Scope Document and the Pricing Document in Part 2 of the Solicitation Documents and attests that its Offer complies with both.
- NO – Offeror acknowledges that it has read and understands the Scope Document and the Pricing Document in Part 2 of the Solicitation Documents and attests that its Offer complies with both EXCEPT FOR the exceptions listed in **Attachment 5-B Supplement 2**.

CONFORMANCE TO THE CONTRACT TERMS AND CONDITIONS: (PART 2 OF THE SOLICITATION)

Check one of the following – if neither is checked, State will assume that as equivalent to "YES":

- YES – Offeror acknowledges that it has read and understands the Special Terms and Conditions and the Uniform Terms and Conditions, along with their respective Exhibits and Appendices, in Part 2 of the Solicitation Documents and attests that its Offer complies with both.
- NO – Offeror acknowledges that it has read and understand the Special Terms and Conditions and the Uniform Terms and Conditions, along with their respective Exhibits and Appendices in Part 2 of the Solicitation Documents and attests that its Offer complies with both EXCEPT FOR the exceptions listed in **Attachment 5-B Supplement 3**.



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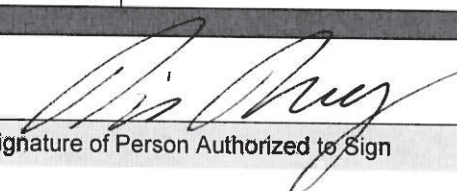
ATTACHMENT 5-B Supplement No. 1:

Exceptions to Instructions

| Article / Paragraph or Exhibit Reference | Proposed Changes / Alternate Language | Rationale for Proposed Change |
|--|---------------------------------------|-------------------------------|
| Section 3-A: Instructions to Offerors | | |
| x | None | x |
| x | x | x |
| x | x | x |

Proforce Law Enforcement

Company Name


Signature of Person Authorized to Sign



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ATTACHMENT 5-B Supplement No. 2:

Exceptions to Scope of Work and Pricing

| Article / Paragraph or Exhibit Reference | Proposed Changes / Alternate Language | Rationale for Proposed Change |
|--|--|---|
| Section 2-A: Scope of Work | | |
| x | None | x |
| x | x | x |
| x | x | x |
| x | x | x |
| x | x | x |
| Section 2-B: Pricing Document | | |
| 4-3 | Shipping cost may apply to Defense Technology items if \$2,750 minimum is not met. | Shipping fees are incurred by the manufacturer when the \$2,750 minimum is not met. |
| 4-3 | Axon items may not be sold to the following agencies: City of Phoenix, County of Maricopa, Arizona Department of Public Safety, City of Tucson, County of Pima, City of Mesa. | Per the manufacturer contract. |
| 4-3 | All pricing provided in Attachment 4, in regards to firearms and ammunition, applies to those agencies having a valid Dept. of Treasury, Exemption Certificate, OMB No. 1513-0128. | See section 4221(a)(4) of the IRS Code. |

Proforce Law Enforcement

Company Name

Signature of Person Authorized to Sign



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ATTACHMENT 5-B Supplement No. 3:

Exceptions to Contract Terms & Conditions

| Article/ Paragraph or Exhibit Reference | Proposed Changes / Alternate Language | Rationale for Proposed Change |
|--|---------------------------------------|-------------------------------|
| Section 2-C: Special Terms & Conditions | | |
| x | None. | x |
| x | x | x |
| x | x | x |
| x | x | x |
| x | x | x |

| Article/ Paragraph or Appendix Reference | Proposed Changes / Alternate Language | Rationale for Proposed Change |
|--|---------------------------------------|-------------------------------|
| Section 2-D: Uniform Terms & Conditions | | |
| x | None. | x |
| x | x | x |
| x | x | x |

Proforce Law Enforcement

Company Name


Signature of Person Authorized to Sign

End of Attachment 5-B



Request for Proposal

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Attachment 5-C Letter of Insurability

See Attached CGL and Business Automobile Liability Certificates with required endorsements. Total 9 pages.

End of Attachment 5-C



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
3/23/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

| | |
|--|---|
| PRODUCER Brown & Brown Insurance of AZ, Inc 2800 North Central Avenue, Suite 1600 Phoenix AZ 85004 | CONTACT NAME: Kelsey Newman PHONE (A/C, No, Ext): 602-664-7027 FAX (A/C, No): E-MAIL ADDRESS: knewman@bbphoenix.com |
| INSURED Proforce Marketing INC. 2625 Stearman Rd. Ste A Prescott AZ 86301 | INSURER(S) AFFORDING COVERAGE INSURER A : Nationwide Agribusiness Ins Co NAIC # 28223 INSURER B : INSURER C : INSURER D : INSURER E : INSURER F : |

COVERAGES **CERTIFICATE NUMBER:** 1993971109 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR LTR | TYPE OF INSURANCE | ADDL INSD | SUBR WVD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS |
|----------|--|-----------|----------|---------------|-------------------------|-------------------------|--|
| | COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER: | | | | | | EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$ |
| A | AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS ONLY | Y | Y | 3008538718 | 12/1/2019 | 12/1/2020 | COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ |
| | UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$ | | | | | | EACH OCCURRENCE \$ AGGREGATE \$ \$ |
| | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below | | | N/A | | | PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$ |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 Additional Insured & Waiver of Subrogation applies to Commercial Auto Liability, as per attached form AC 70 04 03 16, on a blanket basis as per written contract. 30 Day Notice of Cancellation applies.

| | |
|---|--|
| CERTIFICATE HOLDER Arizona Department of Administration State Procurement Office 100 N. 15th Ave, Suite 402 Phoenix AZ 85007 | CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE |
|---|--|

COMMERCIAL AUTO
AC 70 04 03 16

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS AUTO PROTECTION - PLUS

This endorsement modifies insurance provided under the following:
BUSINESS AUTO COVERAGE FORM

SUMMARY OF COVERAGES

- A. Effect of This Endorsement
- B. Temporary Substitute Autos – Physical Damage Coverage
- C. Employees as Insureds – Nonowned Autos
- D. Additional Insured by Contract, Permit or Agreement
- E. Prejudgment Interest Coverage
- F. Personal Effects and Property of Others Extension
- G. Expanded Towing Coverage
- H. Expanded Transportation Expense
- I. Extra Expense – Stolen Autos
- J. Emergency Lockout
- K. Transfer Of Rights Of Recovery Against Others To Us
- L. Section IV – Business Auto Conditions - Notice of Knowledge of Occurrence

AC 70 04 03 16

A. EFFECT OF THIS ENDORSEMENT

Coverage provided under this policy is modified by the provisions of this endorsement. If there is any conflict between the provisions of this endorsement and the provision(s) of any state-specific endorsement also attached to this policy, then the provision(s) of the state-specific endorsement shall apply instead of the provisions of this endorsement that are in conflict, but only to the extent of the conflict, and only to the extent necessary to bring such provisions into conformance with the state requirement(s) contained in the provision(s) of the state-specific endorsement.

B. TEMPORARY SUBSTITUTE AUTOS - PHYSICAL DAMAGE COVERAGE

The following is added to paragraph C. Certain Trailers, Mobile Equipment And Temporary Substitute Autos of the - COVERED AUTOS SECTION:

If Physical Damage Coverage is provided by this Coverage Form, the following types of vehicles are also covered "autos" for Physical Damage Coverage:

Any "auto" you do not own while used with the permission of its owner as a temporary substitute for a covered "auto" you own that is out of service because of its:

- a. Breakdown;
- b. Repair;
- c. Servicing;
- d. "Loss"; or
- e. Destruction

The coverage that applies is the same as the coverage provided for the vehicle being replaced.

C. EMPLOYEES AS INSUREDS - NONOWNED AUTOS

The following is added to paragraph A.1. Who Is An Insured of SECTION II - COVERED AUTOS LIABILITY COVERAGE:

- d. Any "employee" of yours is an "insured" while using a covered "auto" you don't own, hire or borrow in your business or your personal affairs.

D. ADDITIONAL INSURED BY CONTRACT, PERMIT OR AGREEMENT

The following is added to A.1. Who Is An Insured of SECTION II - COVERED AUTOS LIABILITY COVERAGE:

Any person or organization that you are required to name as an additional insured in a written contract or agreement that is executed

or signed by you prior to a "bodily injury" or "property damage" occurrence is an "insured" for Covered Autos Liability Coverage. However, with respect to covered "autos", such person or organization is an insured only to the extent that person or organization qualifies as an "insured" under A.1. Who is an Insured of SECTION II - COVERED AUTOS LIABILITY COVERAGE .

If specifically required by the written contract or agreement referenced in the paragraph above, any coverage provided by this endorsement to an additional insured shall be primary and any other valid and collectible insurance available to the additional insured shall be non-contributory with this insurance. If the written contract does not require this coverage to be primary and the additional insured's coverage to be non-contributory, then this insurance will be excess over any other valid and collectible insurance available to the additional insured.

E. PREJUDGMENT INTEREST COVERAGE

The following paragraph is added to SECTION II - COVERED AUTOS LIABILITY COVERAGE, Supplementary Payments under item:

- (7) Prejudgment interest awarded against the "insured" on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

F. PERSONAL EFFECTS AND PROPERTY OF OTHERS EXTENSION

1. The Care, Custody or Control Exclusion of the SECTION II - COVERED AUTOS LIABILITY COVERAGE, does not apply to "property damage" to property, other than your property, up to an amount not exceeding \$250 in any one "accident". Coverage is excess over any other valid and collectible insurance.

2. The following paragraph is added to. Coverage Extensions of SECTION III - PHYSICAL DAMAGE COVERAGE:

- c. We will pay up to \$500 for your property that is lost or damaged as a result of a covered "loss", without applying a deductible. Coverage is excess over any other valid and collectible insurance.

G. EXPANDED TOWING COVERAGE

1. We will pay up to:
 - a. \$100 for a covered "auto" you own of the private passenger type, or

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- b. \$250 for a covered "auto" you own that is not of the private passenger type, for towing and labor costs incurred each time the covered "auto" is disabled. However, the labor must be performed at the place of disablement.
- 2. This coverage applies only for an "auto" covered on this policy for Comprehensive or Specified Causes of Loss Coverage and Collision Coverages.
- 3. Payment applies in addition to the otherwise applicable amount of each coverage you have on a covered "auto".

H. EXPANDED TRANSPORTATION EXPENSE

Paragraph A.4.a. of SECTION III - PHYSICAL DAMAGE COVERAGE SECTION is replaced by the following:

We will pay up to \$50 per day to a maximum of \$1000 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type. We will only pay for those covered "autos" for which you carry Comprehensive or Specified Causes of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the policy's expiration, when the covered "auto" is returned to use or we pay for its "loss"

I. EXTRA EXPENSE - STOLEN AUTOS

The following paragraph is added to Coverage Extensions of SECTION III - PHYSICAL DAMAGE COVERAGE:

- c. We will pay for up to \$5,000 for the expense of returning a stolen covered "auto" to you. We will pay only for those covered "autos" for which you carry Comprehensive or Specified Causes of Loss Coverage

J. EMERGENCY LOCKOUT - PRIVATE PASSENGER VEHICLES

We will reimburse you up to \$75 for reasonable expense incurred for the services of a locksmith to gain entry into your covered "auto" of the private passenger type subject to these provisions:

- 1. Your door key or key entry pad has been lost, stolen or locked in your covered "auto" and you are unable to enter such "auto", or
- 2. Your key or key entry pad has been lost

- or stolen and you have changed the lock to prevent an unauthorized entry; and
- 3. Original copies of receipts for services of a locksmith must be provided before reimbursement is payable.

K. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

The following is added to the Transfer Of Rights Of Recovery Against Others To Us Condition:

We waive any right of recovery we may have against any person or organization to the extent required of you by a written contract executed prior to any "accident" because of payments we make for damages under this coverage form.

L. NOTICE OF AND KNOWLEDGE OF OCCURRENCE

SECTION IV - BUSINESS AUTO CONDITIONS, Paragraph A is amended as follows:

6. NOTICE OF AND KNOWLEDGE OF OCCURRENCE

- a. Your obligation in the Duties in the Event of Accident, Claim, Suit or Loss Condition relative to notification requirements applies only when the "accident" or "loss" is known to:
 - (1) You, if you are an individual;
 - (2) A partner, if you are a partnership;
 - (3) A member, if you are a limited liability company; or
 - (4) An executive officer or insurance manager, if you are a corporation.
- b. Your obligation in the Duties in the Event of Accident, Claim, Suit or Loss Condition relative to providing us with documents concerning a claim or "suit" will not be considered breached unless the breach occurs after such claim or "suit" is known to:
 - (1) You, if you are an individual;
 - (2) A partner, if you are a partnership;
 - (3) A member, if you are a limited liability company; or
 - (4) An executive officer or insurance manager, if you are a corporation.

COMMERCIAL AUTO
AC 70 07 03 16

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS AUTO EXTENSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

A. EFFECT OF THIS ENDORSEMENT

Coverage provided under this policy is modified by the provisions of this endorsement. If there is any conflict between the provisions of this endorsement and the provision(s) of any state-specific endorsement also attached to this policy, then the provision(s) of the state-specific endorsement shall apply instead of the provisions of this endorsement that are in conflict, but only to the extent of the conflict, and only to the extent necessary to bring such provisions into conformance with the state requirement(s) contained in the provision(s) of the state-specific endorsement.

B. CHANGES FOR TRAILERS AND FARM EQUIPMENT

1. Under SECTION I - COVERED AUTOS, the following are added to Paragraph C. Certain Trailers, Mobile Equipment and Temporary Substitute Autos:
 4. "Trailers" designed to be towed by a private passenger type "auto" or a pickup, panel truck or van if not used for business purposes, other than farming or ranching.
 5. Farm wagons or farm implements while being towed by a covered "auto".

C. CHANGES FOR ADDITIONAL NEWLY ACQUIRED VEHICLES

1. Paragraph B.2 of SECTION I - COVERED AUTOS is replaced by the following:
 2. If Symbol 7 is entered next to coverage in Item Two of the Declarations, an "auto" you acquire will be a covered "auto" for that coverage only if:
 - a. We already cover at least one "auto" you own for that coverage or it replaces an "auto" you previously owned that had that coverage; and
 - b. You tell us within 30 days after you acquire it that you want us to cover it for that coverage.

The most we will pay for Physical Damage Coverage for "loss" under this Coverage Extension is \$100,000 per "auto", subject to the largest deductible applicable to any "auto" for that Coverage.

D. AUTOS HIRED OR RENTED BY EMPLOYEES

If hired or rented "autos" are covered "autos" on this policy, the following provisions apply:

A. Changes In Covered Autos Liability Coverage

The following is added to the Who Is An Insured Provision in SECTION II – COVERED AUTOS LIABILITY COVERAGE:

An "employee" of yours is an "insured" while operating an "auto" hired or rented under a contract or agreement in that "employee's" name, with your permission, while performing duties related to the conduct of your business.

B. General Conditions

Paragraph 5.b. of the Other Insurance Condition in the Business Auto Coverage Form is replaced by the following:

For Hired Auto Physical Damage Coverage, the following are deemed to be covered "autos" you own:

1. Any covered "auto" you lease, hire, rent or borrow; and
2. Any covered "auto" hired or rented by your "employee" under a contract in that individual "employee's" name, with your permission, while performing duties related to the conduct of your business.

However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

E. EMERGENCY LOCKOUT - PRIVATE PASSENGER VEHICLES

Added in SECTION II – COVERED AUTOS LIABILITY COVERAGE, A.2 Coverage Extensions:

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Page 1 of 4

ACP BA 30-0-8538718

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We will reimburse you up to \$50 for reasonable expense incurred for the services of a locksmith to gain entry into your covered "auto" of the private passenger type subject to these provisions:

1. Your door key or key entry pad has been lost, stolen or locked in your covered "auto" and you are unable to enter such "auto", or
2. Your key or key entry pad has been lost or stolen and you have changed the lock to prevent an unauthorized entry; and
3. Original copies of receipts for services of a locksmith must be provided before reimbursement is payable.

F. REPLACED EXCLUSIONS

In SECTION II – COVERED AUTOS LIABILITY COVERAGE B.1. Expected or Intended Injury is replaced by the following:

"Bodily injury" or "property damage" which is expected or intended by the "insured". This exclusion applies even if the resulting "bodily injury" or "property damage":

- a. is of a different kind, quality or degree than initially expected or intended; or
- b. is sustained by a different person, entity, real property, or personal property than that initially expected or intended.

G. ADDITIONAL EXCLUSIONS

The following exclusions are added to SECTION II – COVERED AUTOS LIABILITY COVERAGE, B. Exclusions:

Damage to Named Insured's Property

Any claim or "suit" for "property damage" by you or on your behalf against any other person or entity that is also a Named Insured under this policy.

Abuse or Molestation

"Bodily injury" or "property damage" arising out of:

- a. The actual or threatened abuse or molestation by anyone or any person while in the care, custody or control of any "insured", or
- b. The negligent:
 - 1) Employment;
 - 2) Investigation;
 - 3) Supervision;
 - 4) Reporting to the proper authorities, or failure to so report; or
 - 5) Retention;

of a person for whom any "insured" is or ever was legally responsible and whose conduct would be excluded by Paragraph a. above.

Abuse means an act which is committed with the intent to cause harm.

Explosives

"Bodily injury" or "property damage" caused by the explosion of explosives you make, sell or transport.

Rolling Stores

If a covered "auto" is a rolling store, "bodily injury" or "property damage" resulting from the handling, use or condition of any item the "insured" makes, sells or distributes if the injury or damage occurs after the "insured" has given up possession of the item.

Wrong Delivery of Liquid Products

"Bodily injury" or "property damage" resulting from the delivery of any liquid into the wrong receptacle or to the wrong address, or from the delivery of one liquid for another, if the "bodily injury" or "property damage" occurs after the delivery has been completed.

Delivery is considered completed even if further service or maintenance work, or correction, repair or replacement is required because of wrong delivery.

Professional Services

"Bodily injury":

- a. Resulting from the providing or the failure to provide any medical or other professional services.
- b. Resulting from food or drink furnished with these services.
- c. "Bodily injury" or "property damage" resulting from the handling of corpses.

H. ACCIDENTAL AIRBAG DISCHARGE COVERAGE

Under Paragraph B.3.a. of SECTION III – PHYSICAL DAMAGE COVERAGE the following is added:

Mechanical breakdown does not include the accidental discharge of an airbag.

I. PHYSICAL DAMAGE LIMIT OF INSURANCE

Under SECTION III – PHYSICAL DAMAGE COVERAGE, Paragraph C., Limit of Insurance is replaced by the following:

C. Limit Of Insurance

1. The most we will pay for "loss" in any one "accident" is the lesser of:
 - a. The actual cash value of the damaged or stolen property as of the time of the "loss", or
 - b. The cost of repairing or replacing the damaged or stolen property.

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2.\$1,000 is the most we will pay for "loss" in any one "accident" to all electronic equipment that reproduces, receives or transmits audio, visual or data signals which, at the time of "loss", is:

- a. Permanently installed in or upon the covered "auto" in a housing, opening or other location that is not normally used by the "auto" manufacturer for the installation of such equipment.
- b. Removable from a permanently installed housing unit as described in Paragraph 2.a. above or is an integral part of that equipment; or
- c. An integral part of such equipment.

3. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total "loss".

4. The cost of repairing or replacing may:

- a. Be based on an estimate which includes parts furnished by the original equipment manufacturer or other sources including non-original equipment manufacturers and
- b. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the net improvement.

5. If we offer to pay the actual cash value of the damaged or stolen property, we will value auto advertising wraps, paint customization, and similar business related advertising modifications, in addition to the actual cash value of the property. Auto advertising wraps, paint customization, and similar business related advertising modifications will be valued at the cost to replace them with an adjustment made for depreciation and physical condition.

J. GLASS REPAIR –WAIVER OF DEDUCTIBLE

Under Paragraph D. Deductible of SECTION III – PHYSICAL DAMAGE COVERAGE, the following is added:

No deductible applies to glass damage if the glass is repaired rather than replaced.

K. MOTOR HOME OR RECREATIONAL VEHICLE CONTENTS NOT COVERED

1. For a covered "auto" that is a motor home the following exclusions are added to the SECTION III – PHYSICAL DAMAGE COVERAGE

2. Motor Home Contents

This insurance does not apply to:

- a. "Loss" to the covered "auto's" contents, except equipment usual to trucks or private passenger "autos".
- b. "Loss" to TV antennas, awnings or cabanas.
- c. "Loss" to equipment designed to create added living facilities.

However, these exclusions do not apply if coverage has been added to the policy elsewhere by endorsement.

L. AMENDED DUTIES IN EVENT OF ACCIDENT, CLAIM, SUIT, OR LOSS

The requirement in Loss Condition 2.a. Duties In the Event Of Accident, Claim, Suit Or Loss – of Section IV - BUSINESS AUTO CONDITIONS SECTION

that you must notify us of an "accident", "claim", "suit", or "loss" applies only when the "accident", "claim", "suit", or "loss" is known to:

1. You, if you are an individual
2. A partner, if you are a partnership;
3. An executive officer or the employee designated by you to give such notice if you are a corporation; or
4. A member, if you are a limited liability company.

M. UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS

Section IV - BUSINESS AUTO CONDITIONS SECTION is amended by the addition of the following:

If you unintentionally fail to disclose any hazards existing at the inception date of your policy, we will not deny coverage under this Coverage Form because of such failure. However, this provision does not affect our right to collect additional premium or exercise our right of cancellation or nonrenewal.

N. LIBERALIZATION

Paragraph 3 of the General Conditions is replaced by the following:

If we adopt any revision that would broaden the coverage under this policy without additional premium within 60 days prior to or during the policy period, the broadened coverage will immediately apply to this policy.

AC 70 07 03 16

O. SECTION V – DEFINITIONS of the BUSINESS AUTO COVERAGE FORM is amended as follows:

The definition of "bodily injury" is replaced by the following:

"Bodily Injury" means bodily injury, sickness or disease sustained by any person, including mental anguish and death resulting from any of these.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
03/24/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).


| | | | |
|--|--|--|---------------------|
| PRODUCER Joseph Chiarello & Co., Inc. 25 DeForest Avenue Suite 208 Summit NJ 07901 | | CONTACT NAME: Maria Marques PHONE (A/C, No, Ext): (800) 526-2199 FAX (A/C, No): (908) 473-0110 E-MAIL ADDRESS: mrm@clnsco.com | |
| | | INSURER(S) AFFORDING COVERAGE | |
| | | INSURER A: Granite State Ins Co | NAIC # 23809 |
| INSURED | | INSURER B: National Union Fire Insurance Co | 19445 |
| Proforce Marketing Inc, DBA: Proforce Law Enforcement 2625 Stearman Road Suite A Prescott AZ 86301-4914 | | INSURER C: | |
| | | INSURER D: | |
| | | INSURER E: | |
| | | INSURER F: | |

COVERAGES **CERTIFICATE NUMBER:** CL1912514965 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR LTR | TYPE OF INSURANCE | ADDSUBR INSD WVD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS |
|--|--|------------------|---------------|-------------------------|-------------------------|--|
| A | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY | Y | 02LX808383741 | 12/01/2019 | 12/01/2020 | EACH OCCURRENCE \$ 1,000,000 |
| | <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR | | | | | DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 |
| | | | | | | MED EXP (Any one person) \$ 10,000 |
| | | | | | | PERSONAL & ADV INJURY \$ 1,000,000 |
| GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER: | | | | | | GENERAL AGGREGATE \$ 2,000,000 |
| AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS NON-OWNED <input type="checkbox"/> AUTOS ONLY | | | | | | PRODUCTS - COMP/OP AGG \$ 2,000,000 |
| | | | | | | Employee Benefits \$ 1,000,000 |
| B | <input checked="" type="checkbox"/> UMBRELLA LIAB | Y | 29UD808383751 | 12/01/2019 | 12/01/2020 | COMBINED SINGLE LIMIT (Ea accident) \$ |
| | <input type="checkbox"/> EXCESS LIAB | | | | | BODILY INJURY (Per person) \$ |
| | <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000 | | | | | BODILY INJURY (Per accident) \$ |
| | | | | | | PROPERTY DAMAGE (Per accident) \$ |
| B | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY | N/A | WC024181304 | 12/01/2019 | 12/01/2020 | PER STATUTE |
| | ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) | | | | | OTH-ER |
| | If yes, describe under DESCRIPTION OF OPERATIONS below | | | | | E.L. EACH ACCIDENT \$ 1,000,000 |
| | | | | | | E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 |
| | | | | | | E.L. DISEASE - POLICY LIMIT \$ 1,000,000 |
| A | | | WC024181305 | 12/01/2019 | 12/01/2020 | |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 Additional insured includes the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.

| | |
|--|--|
| CERTIFICATE HOLDER | CANCELLATION |
| Arizona Department of Administration State Procurement Office 100 N 15th Ave, Suite 402 Phoenix AZ 85007 | SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE  |



Request for Proposal

Solicitation No. **BPM002192**

Description:

Firearms (Weapons Lethal, Less-Lethal, accessories, consumables)

Arizona Department of Administration

State Procurement Office

100 N 15th Ave., Suite 402
Phoenix, AZ 85007

Attachment 5-D

RESERVED.

End of Attachment 5-D



Request for Proposal

Solicitation No. **BPM002192**

Description:

Firearms (Weapons Lethal, Less-Lethal, accessories, consumables)

Arizona Department of Administration

State Procurement Office

100 N 15th Ave., Suite 402
Phoenix, AZ 85007

Attachment 5-E Offer Checklist

STATE MAY DETERMINE YOUR PROPOSAL IS NON-RESPONSIVE IF YOU DO NOT SUBMIT ALL ATTACHMENTS.

| | DOCUMENT | SUBMITTED |
|-----|---|---|
| 1. | Attachment 1: Offer and Acceptance Form | <input checked="" type="checkbox"/> YES <input type="checkbox"/> no |
| 2. | Attachment 2-A: Experience and Capacity Questionnaire | <input checked="" type="checkbox"/> YES <input type="checkbox"/> no |
| 3. | Attachment 2-B: Organization Profile | <input checked="" type="checkbox"/> YES <input type="checkbox"/> no |
| 4. | Attachment 3-A: Method Proposal | <input checked="" type="checkbox"/> YES <input type="checkbox"/> no |
| 5. | Attachment 3-B: Key Personnel Proposal | <input checked="" type="checkbox"/> YES <input type="checkbox"/> no |
| 6. | Attachment 3-C: Proposed Subcontractors | <input checked="" type="checkbox"/> YES <input type="checkbox"/> no |
| 7. | Attachment 3-E: Israel Boycott Disclosure | <input checked="" type="checkbox"/> YES <input type="checkbox"/> no |
| 8. | Attachment 4: Pricing Sheets | <input checked="" type="checkbox"/> YES <input type="checkbox"/> no |
| 9. | Attachment 5-A: Confidential Information Designation | <input checked="" type="checkbox"/> YES <input type="checkbox"/> no |
| 10. | Attachment 5-B: Conformance Statements | <input checked="" type="checkbox"/> YES <input type="checkbox"/> no |
| 11. | Attachment 5-C: Letter of Insurability | <input checked="" type="checkbox"/> YES <input type="checkbox"/> no |
| 12. | Attachment 5-D: Reserved | <input type="checkbox"/> YES <input checked="" type="checkbox"/> no |

End of Attachment 5-E

End of Part 3

PROFORCE LAW ENFORCEMENT

2825 Stearman Drive, Ste A, Prescott, AZ 86301
Tel: 928-776-7192 Fax: 928-445-3468
email: sales@proforceonline.com www.proforceonline.com

| | | |
|-----------|-----------|------|
| O R D E R | QUOTE# | PAGE |
| | 700330 | 1 |
| Q U O T E | SHIP DATE | |
| | A.S.A.P. | |

SOLD
TO

CITY OF GLENDALE
FINANCE - POLICE ADMIN
6835 N 57TH DRIVE
GLENDALE AZ 85301

SHIP
TO

GLENDALE POLICE DEPARTMENT
11550 W GLENDALE AVE
GLENDALE AZ 85307

| JOB # | ORD. DATE | CUST.# | LOC. | SALESMAN | SHIP VIA | FRT. |
|-------|-----------|--------|------|----------------|-----------------|------|
| N/A | 09/25/24 | 037204 | A | CHRIS BRAZZILL | FX G-FOB ORIGIN | |

| QTY. ORDER | ITEM NO./DESC. | UNIT PRICE | UOM DISC. | NET PRICE |
|---|--|------------|--------------|-----------|
| 30 | 3228929290 FNM LE FN303 MK2 LAUNCHER MK1 BBL | 1,818.19 | EA .00 | 54,545.70 |
| 30 | 48199 FNM LE FN303 3PT TAC SLNG W/REDUCR | 102.28 | EA .00 | 3,068.40 |
| 30 | 48210 FNM LE FN303 EQUIP CASE | 255.69 | EA .00 | 7,670.70 |
| 3 | 48048554 FNM LE FN303 PROJ CLEAR 150RD | 397.73 | EA .00 | 1,193.19 |
| 3 | 48048600 FNM LE FN303 PROJ PAVA 150RD | 545.46 | EA .00 | 1,636.38 |
| 30 | HS515GM-LEM HLS LE 515GM MCR RED DOT QD MT 2/65MOA | 250.90 | EA .00 | 7,527.00 |
| <p>IMPORTANT: To order from this quotation, please sign below.</p> <p>Printed Name: _____</p> <p>-</p> <p>Date: _____ P.O.: _____</p> | | | | |

COMMENT

TERMS

PROFORCE LAW ENFORCEMENT

2825 Stearman Drive, Ste A, Prescott, AZ 86301
Tel: 928-776-7192 Fax: 928-445-3468
email: sales@proforceonline.com www.proforceonline.com

| | | |
|-----------|-----------|------|
| O R D E R | QUOTE# | PAGE |
| | 700330 | 2 |
| Q U O T E | SHIP DATE | |
| | A.S.A.P. | |

SOLD
TO

CITY OF GLENDALE
FINANCE - POLICE ADMIN
6835 N 57TH DRIVE
GLENDALE AZ 85301

SHIP
TO

GLENDALE POLICE DEPARTMENT
11550 W GLENDALE AVE
GLENDALE AZ 85307

| JOB # | ORD. DATE | CUST.# | LOC. | SALESMAN | SHIP VIA | FRT. |
|-------|-----------|--------|------|----------------|-----------------|------|
| N/A | 09/25/24 | 037204 | A | CHRIS BRAZZILL | FX G-FOB ORIGIN | |

| QTY. ORDER | ITEM NO./DESC. | UNIT PRICE | UOM DISC. | NET PRICE |
|---------------|-----------------------|------------|--------------|-----------|
| | - Signature: _____ | | | |

| | | |
|--|---|--|
| <p>COMMENT FOR CLIFFORD THRASHER BY RYAN TERMS DUE NET 30 DAYS</p> | <p>SALES AMOUNT</p> <p>8.350% SALES TAX SUB TOTAL</p> | <p>75,641.37</p> <p>6,316.05 81,957.42</p> |
|--|---|--|

PROFORCE LAW ENFORCEMENT

2825 Stearman Drive, Ste A, Prescott, AZ 86301
Tel: 928-776-7192 Fax: 928-445-3468
email: sales@proforceonline.com www.proforceonline.com

O R D E R

Q U O T E

QUOTE# PAGE

700334 1

SHIP DATE

A.S.A.P.

SOLD
TO

CITY OF GLENDALE
FINANCE - POLICE ADMIN
6835 N 57TH DRIVE
GLENDALE AZ 85301

SHIP
TO

GLENDALE POLICE DEPARTMENT
11550 W GLENDALE AVE
GLENDALE AZ 85307

| JOB # | ORD. DATE | CUST.# | LOC. | SALESMAN | SHIP VIA | FRT. |
|-------|-----------|--------|------|----------------|-----------------|------|
| N/A | 09/25/24 | 037204 | A | CHRIS BRAZZILL | FX G-FOB ORIGIN | |

| QTY. ORDER | ITEM NO./DESC. | UNIT PRICE | UOM DISC. | NET PRICE |
|--|--|------------|--------------|-----------|
| 20 | 200759 AIM DUTY RDS RED DOT REFLX SGT 2MOA 39MM 1-PC TORSION NUT MNT | 452.28 | EA .00 | 9,045.60 |
| 20 | VMX-3T VTX VMX 3X MAGNIFIER W/FLP MNT | 135.22 | EA .00 | 2,704.40 |
| <p>IMPORTANT: To order from this quotation, please sign below.</p> <p>Printed Name: _____</p> <p>-</p> <p>Date: _____ P.O.: _____</p> <p>-</p> <p>Signature: _____</p> | | | | |

| | | |
|--|------------------|-----------|
| <p>COMMENT FOR CLIFFORD THRASHER</p> <p>BY RYAN</p> <p>TERMS DUE NET 30 DAYS</p> | SALES AMOUNT | 11,750.00 |
| | 8.350% SALES TAX | 981.13 |
| | SUB TOTAL | 12,731.13 |