



ELECTRONIC TRACKING SYSTEMS[®]
A SPECTRUM MANAGEMENT COMPANY

**CITY CLERK
ORIGINAL**

**C-8371
02/20/2013**

November 26, 2012

Debby Black
Acting Chief of Police
Glendale Police Department
6835 N. 57th Drive
Glendale, AZ 85301

RE: Memorandum of Understanding – Fighting Pharmacy Crime

Dear Chief Black:

This memorandum, and its Attachments, is intended to memorialize the understandings and agreement between Electronic Tracking Systems (ETS) and the Glendale Police Department (GPD) as they relate to the implementation of ETS TracPac Services[™] in the fight against controlled substance criminal activity

Reference is made to our 1995 City Agreement under which terms and conditions we will relate, except as they may be modified or adjusted by the attached "Protocol for the Use of ETS TracPac Servicessm" attached hereto (the "Protocol"), all of which are made a part hereof by reference.

ETS is actively participating and undertaking this endeavor, and the facilitation role on the civilian side, based upon the protections that will be afforded to ETS, its Associates, Purdue Pharma, L L P. and its associates, and to participating law enforcement agencies and their personnel, in an OxyContin Bottle Tracker Agreement which has been executed by the U.S Attorney's Office in the District of Arizona

Unless otherwise specifically agreed, ETS will look solely to Purdue and/or other civilian participants for remuneration for its Services in this matter. Any additional costs incurred by GPD for its efforts in this Program and for which it seeks reimbursement should be identified in advance, at least by category, so that ETS and its other civilian partners can agree to it and allocate responsibility between them.

The devices used for the program will be TracPac-Plus tracking devices. The TracPac-Plus is encased in the base of a six-pack of 80 mg. OxyContin bottles that were filled by the manufacturer with items that do not contain an active pharmaceutical ingredient and that would be harmless if consumed orally.

Acting Chief Debby Black
November 26, 2012
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ETS looks forward to working with GPD in the fight against pharmaceutical crime. Please sign in the space provided below and return the original to me so that the program may proceed.

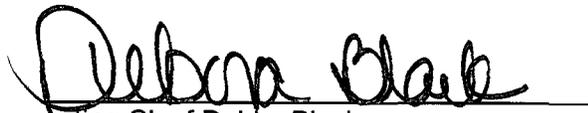
Regards,



Jon J. Gergen
President and CEO

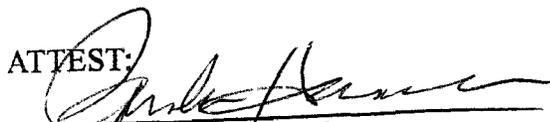
Attachments

Agreed to by the Glendale Police Department


Acting Chief Debby Black

Date. 2-18-13

ATTEST:


City Clerk

Approved as to form:


Craig Tindall
City Attorney

Protocol for the Use of ETS TracPac ServicesSM In the Fight Against Pharmacy Crime

Many controlled pharmaceutical medicines are often targets for criminal activities in pharmacies. Electronic Tracking Services, L.L.C. (“ETS”) has developed a specific TracPac Service that aids law enforcement and potential “victim pharmacies” in their effort to identify, arrest and incarcerate those individuals who perpetrate these illegal activities, and assists in reducing economic losses and damage to the community resulting from the distribution of stolen controlled substances.

This protocol exists between ETS and Purdue Pharma L.P. (“Purdue”). It defines the procedures which will be followed whenever a TracPac device is deployed into a pharmacy environment. Any deviations from this protocol must first be approved in writing by Purdue, ETS and the supporting Law Enforcement Agency (LEA).

Program Overview

TracPac devices will be deployed into pharmacies in jurisdictions where law enforcement support has been sought and received by ETS or Purdue. ETS and the supporting law enforcement agency will complete a Memorandum of Understanding (MOU) between themselves which further clarifies responsibilities between these entities. Purdue Pharma will contact the US Attorney’s Office which has jurisdiction for the area where the requesting law enforcement agency is located. Purdue must obtain signed approval from the US Attorney’s Office to deploy the TracPac devices in their jurisdiction. This signature must appear on the OxyContin® Bottle Tracker Agreement. Once signed, Purdue Pharma will provide bottles (“dummy bottles”) bearing labels for the prescription medicine OxyContin ® to ETS so that they can be equipped with the proper tracking devices. Once properly equipped, ETS will ship the pharmaceutical tracking devices to its field personnel for installation into pre-determined pharmacies. Upon conclusion of any deployment, the TracPac devices and bottles will be returned to ETS for subsequent re-deployment at another location.

Law Enforcement Responsibilities:

- Agree to enter into an MOU with ETS regarding deployment of the TracPac Service.
- Name a “liaison” officer for this particular TracPac Service with whom ETS can coordinate so as to ensure that all aspects of the protocol are followed.
- Evaluate the need to make any changes to its (agency’s) ETS Standard Operating Procedures so as to ensure that events are properly responded to. Communicate any changes to ETS.
- Provide detailed information to ETS of any false activations or actual criminal activity within twenty-four hours of said activity.
- Ensure that all dummy bottles used in pharmaceutical tracking devices that come into its possession in any manner are either properly catalogued into evidence or returned to ETS if not required for evidentiary purposes.

- Law Enforcement will not use these dummy bottles for any other purpose and will not provide them to any other agency or individual for any reason except by Order of a Court of competent jurisdiction.
- Assist ETS with determining locations (pharmacies) that are viable candidates for participation in this TracPac Service.

Pharmacy Responsibilities:

- Contact law enforcement and ETS with any concerns regarding the deployment of these devices, including:
 - Notification if the TracPac-Pharma or TracPac-Plus-Pharma has been off its magnetic plate
 - Changes to storage locations for controlled substances that would require that the tracking device be moved
 - Local information, as learned, concerning trends in pharmaceutical crimes
- When appropriate, assist ETS with determining locations (pharmacies) that are viable candidates for participation in this TracPac Service.

Purdue Responsibilities:

- Purdue will be responsible for obtaining the proper signatories to the OxyContin® Bottle Tracker Agreement. Purdue will provide ETS with a copy of this document.
- Purdue will, upon request by a police agency, ship the specified number of OxyContin® “dummy” bottles to ETS.
- These bottles will be filled with tablets which do not resemble authentic OxyContin® and which do not contain any active pharmaceutical ingredient. The items in the dummy bottles will resemble, in weight and sound, authentic OxyContin® tablets. These bottles will be marked with a sequential number and tagged with a radio frequency identification device (“RFID”) containing a unique electronic product code (“EPC”). Purdue will provide ETS with a list of the EPCs that correspond to the dummy bottles.
- Purdue will retain records indicating when each of the numbered bottles, and EPC, was sent to ETS.
- Consult with ETS and the supporting LEA to target the appropriate pharmacies where the dummy bottles should be deployed. This includes supplying data from RxPATROL as well as other information Purdue is aware of.

ETS Responsibilities:

- Procure a signed MOU from LEA or City/County.
- Collaborate with the LEA to determine which pharmacies should be encouraged to participate in this TracPac Service.
- When contacted directly by a pharmacy regarding participation in this TracPac Service, coordinate with local law enforcement.
- Upon receipt of the dummy bottles from Purdue:
 - Confirm receipt to Purdue via predetermined email address.
 - Log items into ETS’ parts inventory system utilizing manufacturer’s numbers.

- Secure said items in locked parts inventory room.
- Packaging
 - ETS will utilize a TracPac or TracPac-Plus (transmitting device).
 - The device will be suitably disguised.
 - The disguised device will be secured in a base underneath six dummy bottles.
 - The six bottles will then be “shrink wrapped” utilizing doubled 100 gauge U Line Shrink Tubing.
 - The finished goods (TracPac-Pharma or TracPac-Plus-Pharma) will be affixed, right side up, to an ETS magnetic plate.
- Record keeping and inventory at ETS corporate office.
 - Each tracking device will have a unique Manufacturer Serial Number (MSN).
 - The six numbered bottles that become part of an ETS pharmaceutical tag will be assigned a “Host ID” number.
 - These MSN and Host ID numbers, which when jointly entered into ETS’ accounting and inventory system as one unit, become from an inventory control standpoint, a TracPac or TracPac-Plus-Pharma.
 - Pharmaceutical tracking devices are then placed in finished goods both in the accounting system and ETS’ secured physical inventory of tracking equipment.
 - All dummy bottles and pharmaceutical tracking devices will be processed by ETS in accordance with its policies and procedures for currency tracking devices.
- Orders and installation
 - ETS will receive orders for pharmaceutical tracking devices via its field organization personnel in accordance with ETS procedures for other TracPac Services.
 - Electronic and paper records of each device shipped to the field will be retained including shipment dates and all serial numbers. This information will be supplied to Purdue as agreed between the parties.
 - The pharmaceutical tracking devices will be moved into the inventory of the specific ETS field associate responsible for the ETS System in which that agency participates.
 - The pharmaceutical tracking devices will be shipped via courier to the appropriate ETS associate. Air waybill numbers will be maintained by ETS and provided to Purdue if requested.
 - Pursuant to either a law enforcement or customer request, devices will be installed according to standard ETS procedures, in the pharmacy.
 - ETS associates, and only ETS associates, will perform the installation/de-installation/replacement of these devices.
 - Installation will require customization depending on the design of the cabinet and where and how the actual pharmaceuticals being protected are stored.
 - Installation location is critical both to the ability of the pharmacy staff to successfully pass the device during a robbery, as well as to avoid false activations during normal pharmacy operations.
 - All installations will include placement of the pharmaceutical tracking device onto a concealed magnetic plate.

- Training of designated pharmacy personnel in the handling of the tracking device will be performed by ETS personnel at the time of installation and, subsequent to installation, upon receiving notification of personnel changes at the pharmacy.
- The installation and training will be documented on an ETS Service Acknowledgement (SA) form as per normal operating procedures with ETS' TracPac Services.
- A copy of the SA, which has been signed by the pharmacy manager or his/her designee, will be left with this individual for future reference use by either law enforcement, other regulatory personnel, or ETS.
- The original SA form will be transmitted to ETS' corporate office.
 - If a new customer location (pharmacy), a new customer account will be established in ETS' accounting system
 - The pharmaceutical tracking device in question is moved from the ETS associate's inventory account to the customer location account including, but not limited to, the following information:
 - MSN Number
 - Host ID Number
 - Name/Address/Contact Number of Customer
 - Date of Installation
 - Service/Replacement Month
- The ETS pharmaceutical tracking device will be replaced at least once a year to ensure that the battery life is sufficient to allow for a reasonable "track."
 - Frequent false activations may necessitate earlier replacement if ETS determines it is required (along with additional pharmacy staff training).
 - The SA procedure and chain of custody procedures outlined above are followed every time an existing tracking device is replaced.
- Upon receiving notification of a robbery or burglary from the LEA "liaison," ETS will, as per its Standard Operating Procedures, issue an internal Incident Report. Except by Order of a Court of competent jurisdiction, the parties agree that this report will not be made public.
- ETS will replace any pharmaceutical tracking devices taken in a robbery or burglary with a replacement tracking device and will report, as per standard reporting procedures, the required information to Purdue and the participating law enforcement agency. ETS' accounting system will be updated with the new serial numbers.
- ETS will provide Purdue and all law enforcement agencies, the numbers of each of the bottles that were stolen, the transmitter number (MSN) and the status of same (in evidence, not recovered by law enforcement following an event, or returned to ETS for reworking and return to inventory).
- ETS will provide Purdue, the LEA "liaison" officer, Communications and any other relevant regulatory agency's representative with a current list of

all pharmacies that are installed with ETS pharmaceutical tracking devices. This list will be revised when there are any changes to the participating pharmacy stores.

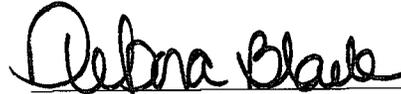
- Whenever any law enforcement agency terminates their participation in this program, ETS will remove the tracking devices and return them to its corporate office for storage as per this Protocol.
- Whenever any pharmacy terminates their participation in this program, the ETS associate in that jurisdiction will obtain the pharmaceutical tracking device and return it to its facility in Carrollton, TX. ETS will notify Purdue whenever this occurs.

AGREED TO:



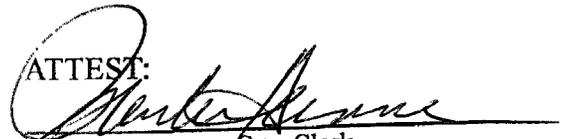
Jon J. Gergen
President and CEO
Electronic Tracking Systems, L.L.C.

Date: November 26, 2012



Debby Black
Acting Chief of Police
Glendale Police Department

Date: 2-18-13

ATTEST:


City Clerk

Approved as to form:



Craig Tindall
City Attorney

PRONET TRACKING SYSTEMS

"PTS"

ProNet Tracking Systems
600 Data Drive, Suite 100
Plano, Texas 75075
Attn: Vice President and General Counsel

"User"

Name GLENDALE POLICE DEPT.
Street 6835 N 57TH DRIVE
City GLENDALE State AZ Zip Code 85301-3218
Attention: Sgt. PRESTON BECKER

The parties above agree to the following terms and conditions for the use of PTS' Electronic Tracking System elements by User:

PTS' Obligations - PTS agrees to provide the following:

- Delivery of the Tracking System elements in good operating condition for use in the Tracking System.
 - Installation training (including special tools and templates) of designated police personnel; installation inspection; and alignment of the mobile tracking unit.
 - Installation and alignment of all fixed site equipment.
 - Installation of area wide monitor (AWM), including mapping of geographic area of coverage and coordination of telephone interface.
 - Training of designated police personnel as instructors in the operation of all Tracking System elements.
 - Participation in an annual review of the Tracking System operations.
- Payment of costs associated with the installation of phone lines required from the remote detectors to the communications center and associated monthly lease rate through June 30, 1996.

User's Obligations - User agrees to provide the following:

- Installation of mobile tracking units.
- Assistance in the selection of fixed site (remote detector) locations and in obtaining permission for their use.
Effective July 1, 1996, payment of monthly lease rate for the phone lines required from the remote detectors to the communications center.
- Electrical power for Tracking System elements located at all User's facilities.
- Designation of police personnel to be trained by PTS as instructors; and training by User of police patrol officers in sufficient number to provide optimum utilization of the Tracking System.
- Maintenance of a current inventory of all Tracking System elements at all times.
- Maintenance of all Tracking System elements as described in the Trouble Shooting Guide supplied by PTS.
- Notification of local telephone company for repair of phone lines when indicated by the AWM.
- Payment for the repair or replacement, whichever is less, for Tracking

System elements that are damaged or lost, normal wear and tear excepted, in accordance with the following:

AWM	\$ 7,550.00
Receiver	1,075.00
Pocket Detector	200.00
Stake-out Tag	115.00
Training Kit	6,215.00
Installation Kit	200.00
Aircraft Installation Kit	275.00
Hand Held Tracker	2,200.00
Display	275.00
Alignment Beacon	375.00
Vehicle Antennas	100.00
Interconnect Cable	55.00

General

- Either party may terminate this Agreement upon 120 days notice to the other party.
- Title to the Tracking System elements will remain with PTS. Upon expiration or termination of this Agreement, User will return the Tracking System elements to PTS in good working condition, reasonable wear and tear excepted.
- User will not disclose the terms of this Agreement or the nature or operation of the Tracking System elements to any person without the prior written consent of PTS, except that User may disclose such information to those employees of User with a legitimate need to know. In addition, User will require all such employees to keep the nature of this Agreement and the Tracking System elements strictly confidential.
- USER WILL BE SOLELY RESPONSIBLE FOR ALL CONSEQUENCES ARISING FROM ITS USE AND OPERATION OF THE ELECTRONIC TRACKING SYSTEM. PTS WILL NOT BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL, EXEMPLARY OR OTHER INDIRECT DAMAGES, NOR FOR ANY FAILURE OR DELAY IN PTS' PERFORMANCE IF SUCH DELAY IS DUE IN WHOLE OR IN PART TO ANY CAUSE BEYOND PTS' CONTROL.
- PTS' WARRANTY OBLIGATIONS SHALL BE LIMITED TO PROVIDING TRACKING SYSTEM ELEMENTS AS SPECIFIED ABOVE. THIS WARRANTY IS IN LIEU OF ALL OTHER EXPRESS, IMPLIED OR STATUTORY WARRANTIES, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
- This Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and supersedes all such prior written and oral agreements between the parties.

The parties acknowledge that they have read the terms and conditions listed above, and hereby agree to be bound by such terms and conditions.

User

By: *D.A. Dobrotka*

Name: D. A. Dobrotka

Title: Police Chief

Date: 7/21/95

PTS

By: *Mark Solls*

Name: Mark Solls

Title: Vice President and General Counsel

Date: _____

Rev.1.0 7/95

- Participation in an annual review of the Tracking Systems operation.