Participating Addendum NVP-2026-CLOUD-01
for
Cloud & Software Solutions
between
the State of Alaska
and 22nd Century Technologies, Inc.

This Participating Addendum is entered into by the **State of Alaska** ("Participating Entity") and the following Contractor (each a "Party" and collectively the "Parties") for the purpose of participating in NASPO ValuePoint Master Agreement Number #**LS4976** executed by Contractor and the State of **UTAH** ("Lead State") for **Cloud & Software Solutions,** ("Master Agreement"):

22nd Century Technologies, INC. ("Contractor")
8251 Greensboro Dr., Ste 900
McLean, VA 22102

I. PARTICIPATING ADDENDUM CONTACTS.

Contractor's contact for this Participating Addendum is:
Reddy Bollineni
Director
cooperative@tscti.com
888-998-7284

Participating Entity's contact for this Participating Addendum is:
Brian Sonesen
Contracting Officer
Brian.Sonesen@alaska.gov
907-465-1067

II. TERM. This Participating Addendum is effective as of the date of the last signature below or **September 16, 2026** whichever is later, and will terminate upon termination of the Master Agreement, as amended, unless the Participating Addendum is terminated sooner in accordance with the terms set forth herein.

III. PARTICIPATION AND USAGE. This Participating Addendum may be used by all state agencies, political subdivisions, federally recognized tribes, and other entities authorized to use statewide contracts in the State of Alaska. Issues of interpretation and eligibility for participation are solely within the authority of the State Chief Procurement Official. If Contractor becomes aware that an entity's use of this Participating Addendum is not authorized, Contractor will notify NASPO ValuePoint to initiate outreach to the appropriate parties.

IV. GOVERNING LAW. The construction and effect of this Participating Addendum and any Orders placed hereunder will be governed by, and construed in accordance with, Participating Entity's laws.

V. DEFINITIONS.

a. "Confidential Information" means any and all information that is normally considered confidential in nature, and includes, but is not limited to, all State Records not subject to disclosure under the Alaska Public Records Act, AS 40.25.110- AS 40.25.295 ("APRA").

b. "Contract" means this Participating Addendum, including all attached Exhibits, all documents incorporated by reference, all referenced statutes, rules and cited authorities, and any future modifications thereto.

c. "Information Technology" means:

i. Any technology, services, or equipment which require the use of computers, networks, software, and related systems to create, store, process, transmit, and manage information, and any related Work or Deliverable(s);

ii. The creation, use, processing, disclosure, transmission, or disposal of State Records, including any data or code, in electronic form;

iii. or Other existing or emerging technology, equipment, or related services that may require knowledge and expertise in information technology.

d. "Metadata" means (i) any Data that is created from Purchasing Entity Data which results in an anonymized output that does not identify a Purchasing Entity or its individual Data in any manner, and (ii) product usage data, diagnostics data, and performance information that the Contractor collects or otherwise generates from the Purchasing Entity's use of the services. These outputs shall be generated only for lawful business purposes such as product/service improvement, training, developing algorithms for machine learning, industry benchmarking, and analytics.

e. "Order" means any delivery order, purchase order, contract, agreement or other binding document used by a Purchasing Entity to order the goods and services described in this Participating Addendum from the Contractor, and shall include any modification to such a document.

f. "Work Product" means the tangible results of the Work, whether finished or unfinished, including drafts when specifically and expressly contracted for by the State or any Purchasing Entity as a custom deliverable to be performed by the Contractor or any Subcontractor. Work Product includes, but is not limited to, documents, text, software (including source code), research, reports, proposals, specifications, plans, notes, studies, data, images, photographs, negatives, pictures, drawings, designs, models, surveys, maps, materials, ideas, concepts, know-how, and any other results of the Work specifically created or developed by the Contractor or any Subcontractor for the State or any Purchasing Entity. "Work Product" does not include any material that was developed prior to the Effective Date that is used, without modification, in the performance of the Work.

VI. SCOPE. Except as otherwise stated herein, this Participating Addendum incorporates the scope, pricing, terms, and conditions of the Master Agreement and the rights and obligations set forth therein as applied to Contractor and Participating Entity and Purchasing Entities.

a. **Products.** All products available through the Master Agreement may be offered and sold by Contractor to Purchasing Entities.

b. **Services.** All services available through the Master Agreement may be offered and sold by Contractor to Purchasing Entities.

c. **Contractor Partners**. All subcontractors, dealers, distributors, resellers, and other partners identified on Contractor's NASPO ValuePoint webpage as authorized to provide Products and Services to Participating Entity may provide Products and Services to users of this Participating Addendum. Contractor will ensure that the participation of Contractor's subcontractors, dealers, distributors, resellers, and other partners is in accordance with the terms and conditions set forth in the Master Agreement and in this Participating Addendum.

Any amendment to the Master Agreement shall be deemed incorporated into this Participating Addendum unless the amendment is rejected by Participating Entity in writing to Contractor within ninety (90) calendar days of the amendment's effective date and is documented thereafter via written amendment hereto.

Any conflict between this Participating Addendum and the Master Agreement will be resolved in favor of the Participating Addendum. The terms of this Participating Addendum, including those modifying or adding to the terms of the Master Agreement, apply only to the Parties and shall have no effect on Contractor's participating addenda with other participating entities or Contractor's Master Agreement with the Lead State.

VII. ORDERS.

a. Any quote issued by the Contractor, any Subcontractor, or any Third-Party Provider pursuant to this Participating Addendum shall remain firm and valid for a minimum of thirty (30) calendar days from the date the quote is provided to the applicable Purchasing Entity.
b. Any quote provided by the Contractor, Subcontractor, or any Third-Party Provider made under this Participating Addendum must include any additional required terms and conditions, including End User License Agreements. Any such additional terms not included with the quote shall be void.
c. Each Purchasing Entity may complete an Order in accordance with its own rules and policies, as available to Contractor, using the appropriate documentation for that organization to issue an Order.
d. Contractor shall communicate directly with each Purchasing Entity related to that Purchasing Entity's Orders.
e. Contractor shall ensure that all Orders it accepts have the proper information contained in them for Contractor to be able to comply with all reporting requirements of this Participating Addendum.
f. Purchasing Entity may request, and Contractor shall timely provide, documentation necessary to verify compliance with applicable laws and contractual obligations governing

each Order under this Participating Addendum. The Contractor shall provide or assist the Purchasing Entity in obtaining the requested documentation from any Subcontractors or Third-Party Providers.

g. If Contractor provides for Ordering through an internet-based portal or electronic catalog, Contractor shall maintain all of Contractor's necessary hardware, software, backup-capacity and network connections required to operate that internet-based portal or electronic catalog.

h. Contractor's internet-based portal and electronic catalogs shall clearly designate that they are part of this Participating Addendum and shall have a link to the State's designated web location, as determined by the State. Contractor shall ensure that all Environmentally Preferable Products are clearly listed on internet-based portal and electronic catalogs.

i. If Contractor provides an internet-based portal or electronic catalog, Contractor shall also provide paper catalogs or catalogs on other digital media upon request by a Purchasing Entity.

VIII. PAYMENTS.

a. Contractor shall allow the State and Purchasing Entities to use a procurement card or other credit card to make payments under any Order, in addition to any other payment procedure available to the State or Purchasing Entity.

b. The State shall not pay any amount to Contractor under this Participating Addendum unless the State issues an Order, at which time it shall pay Contractor in accordance with that Order. The State shall not be responsible for payment under any Order that is issued by a Purchasing Entity that is not the State, and the Contractor shall seek no payment or other compensation from the State for any Work performed under any Order issued by a Purchasing Entity that is not the State.

IX. THIRD PARTY TERMS AND CONDITIONS.

Notwithstanding anything to the contrary herein, the State and Purchasing Entities shall not be subject to any provision incorporated in any terms and conditions appearing on Contractor's, Subcontractor's, or Third-Party Provider's website, any provision incorporated into any click-through or online agreements, or any provisions incorporated into any other document or agreement issued pursuant to any Order placed under this Participating Addendum that (i) requires a Purchasing Entity to indemnify or hold harmless Contractor or any other party, (ii) is in violation of State law as, regulations, rules, fiscal rules, policies, or other State, or Purchasing Entity requirements as deemed solely by the State or the applicable Purchasing Entity or (iii) is contrary to any of the provisions incorporated into this Participating Addendum. In no event shall any terms and conditions on Contractor's, Subcontractor's, or Third Party Provider's website, any provision incorporated into any click-through or online agreements, or any provisions incorporated into any other document or agreement issued pursuant to any Order placed under this Participating Addendum diminish any security, privacy, or compliance obligations set forth in this Participating Addendum and/or Attachments.

X. PERFORMANCE OUTSIDE OF THE UNITED STATES.

a. Contractor shall request written approval from the applicable Purchasing Entity, prior to the Effective Date of any Order placed under this Participating addendum, for Contractor to perform, or subcontract to perform, Services outside the United States, including accessing State Records or the State' Information Technology. The Purchasing Entity may approve or deny such request within the Purchasing Entity's sole discretion, whether or not services outside the United States are prohibited or restricted by any Exhibit attached to this Contract. Any notice provided to the Purchasing Entity by Contractor regarding performance outside the United States shall be deemed ineffective if the Purchasing Entity has not granted prior written approval for such performance.

b. Notwithstanding anything to the contrary in this Contract, Contractor shall not access or process Federal Tax Information ("FTI") or Criminal Justice Information ("CJI"), or the State's Information Technology that connects to such information, from outside the United States, including accessing or processing by Contractor's employees, agents, or Subcontractors.

c. Notwithstanding the foregoing or anything in this Contract to the contrary, the Purchasing Entity may be required to select the geographic region where the Purchasing Entity Data will be stored under an applicable Order.

XI. PARTICIPATING ENTITY REPORTING REQUIREMENTS AND ADMINISTRATIVE FEE.

a. **Required Reports:** Contractor must submit quarterly reports to doa.oppm.vendorreport@alaska.gov and "Cc" the Contracting Officer assigned by the State to manage this contract. The contractor shall provide the State of Alaska with an electronic usage report (Excel format) which will list the following information at the minimum: Purchasing Entity, description of items purchased, date of purchase, contract price, retail price, and the extended price for each transaction. These reports are due 30 days after the end of the quarter (the State of Alaska operates on a fiscal calendar of July 1- June 30).

First Quarter: July 1 through September 30
Second Quarter: October 1 through December 31
Third Quarter: January 1 through March 31
Fourth Quarter: April 1 through June 30

b. **Administrative Fee:** Effective upon final signature, the Contractor shall submit payment via check (or ACH), payable to the State of Alaska, remitted to the Department of Administration, Office of Procurement and Property Management, for the calculated amount equal to **1.5%** of the net sales for the quarterly period.

i. Contractor must include the PA Number on the check. The check must also reference the applicable fiscal quarter/year (or date span) to ensure proper receipt and accounting. Those checks submitted to the State without this information may be returned to Contractor for additional identifying information.

ii. Administrative fee checks shall be submitted to:

State of Alaska
Department of Administration
ATTN: Office of Procurement and Property Management
PO Box 110214
Juneau, AK 99811-0214

iii. The administrative fee shall not be included as an adjustment to Contractor's Master Agreement pricing and shall not be invoiced or charged to the Participating Entity.

iv. Payment of the administrative fee is due irrespective of payment status on any orders from a Purchasing Entity.

v. Administrative fee checks are due for each quarter as follows:

Reporting Period	Due Date
State Fiscal Quarter 1 (Jul 1 - Sept 30):	Nov 15
State Fiscal Quarter 2 (Oct 1 - Dec 31):	Feb 15
State Fiscal Quarter 3 (Jan 1 - Mar 31):	May 15
State Fiscal Quarter 4 (Apr 1 - Jun 30):	Aug 15

vi. If the contractor decides to make payment via ACH, this information can be obtained via email upon request from the Participating Entity contact.

c. Any quarter with zero sales must be reported as zero sales. This may be done electronically via email to the State of Alaska as described in Section VII.a of this participating addendum.

XII. FEDERAL FUNDING REQUIREMENTS. Orders funded with federal funds may have additional contractual requirements or certifications that must be satisfied at the time the Order is placed or upon delivery. When applicable, a Purchasing Entity will identify in the Order any alternative or additional requirements related to the use of federal funds. By accepting the Order, Contractor agrees to comply with the requirements set forth therein.

XIII. SOC 1 TYPE II ANNUAL REPORT. If any Order placed by a Purchasing Entity requires Contractor to perform Work for any of the State's Information Technology systems that impact the State's Comprehensive Annual Financial Report as determined by the State of Alaska Division of Finance, Contractor, on an annual basis, shall deliver to the Purchasing Entity, at Contractor's sole cost and expense, Contractor's System and Organization Controls 1 Type II Report ("SOC 1 Type II Report") for each fiscal year prepared by a qualified independent audit firm with respect to the Statement on

Standards for Attestation Engagements, Reporting on Controls at a Service Organization (SSAE) as promulgated by the Auditing Standards Board of the American Institute of Certified Public Accountants, as amended, from time to time.

XIV. RIGHTS IN WORK PRODUCT.

a. **Work Product** This section shall only apply as expressly agreed upon by an ordering Purchasing Entity and the Contractor.

b. **Copyrights** To the extent that the Work Product (or any portion of the Work Product) would not be considered works made for hire under applicable law, Contractor hereby assigns to the State, the entire right, title, and interest in and to copyrights in all Work Product and all works based upon, derived from, or incorporating the Work Product; all copyright applications, registrations, extensions, or renewals relating to all Work Product and all works based upon, derived from, or incorporating the Work Product; and all moral rights or similar rights with respect to the Work Product throughout the world. To the extent that Contractor cannot make any of the assignments required by this section, Contractor hereby grants to the State a perpetual irrevocable, royalty-free license to use, modify, copy, publish, display, perform, transfer, distribute, sell, and create derivative works of the Work Product and all works based upon, derived from, or incorporating the Work Product by all means and methods and in any format now known or invented in the future. The State may assign and license its rights under this license.

c. **Patents** In addition, Contractor grants to the State (and to recipients of Work Product distributed by or on behalf of the State) a perpetual, worldwide, no-charge, royalty free, irrevocable patent license to make, have made, use, distribute, sell, offer for sale, import, transfer, and otherwise utilize, operate, modify and propagate the contents of the Work Product. Such license applies only to those patent claims licensable by Contractor that are necessarily infringed by the Work Product alone, or by the combination of the Work Product with anything else used by the State.

d. **Assignments and Assistance** Whether or not Contractor is under contract with the State at the time, but only when specifically required by the State or any Purchasing Entity, Contractor shall execute applications, assignments, and other documents, and shall render all other reasonable assistance requested by the State, to enable the State to secure patents, copyrights, licenses and other intellectual property rights related to the Work Product. To the extent that Work Product would fall under the definition of "works made for hire" under 17 U.S.C.S. §101, the Parties intend the Work Product to be a work made for hire. Contractor assigns to the State and its successors and assigns, the entire right, title, and interest in and to all causes of action, either in law or in equity, for past, present, or future infringement of intellectual property rights related to the Work Product and all works based on, derived from, or incorporating the Work Product.

e. **Exclusive Property of the State** Except to the extent specifically provided elsewhere in this Contract, all State Records, documents, text, software (including source code), research, reports, proposals, specifications, plans, notes, studies, data, images, photographs, negatives, pictures, drawings, designs, models, surveys, maps, materials, ideas, concepts, know-how, and information provided by or on behalf of the State to Contractor are the exclusive property of the State (collectively, "State Materials"). Contractor shall not use,

willingly allow, cause or permit Work Product or State Materials to be used for any purpose other than the performance of Contractor's obligations in this Contract without the prior written consent of the State. Upon termination of this Contract for any reason, Contractor shall provide all Work Product and State Materials to the State in a form and manner as mutually agreed upon between the State and Contractor.

f. **Exclusive Property of Contractor.** Contractor retains the exclusive rights, title, and ownership to any and all pre-existing materials owned or licensed to Contractor including, but not limited to, all pre-existing software, licensed products, associated source code, machine code, text images, audio and/or video, and third-party materials, delivered by Contractor under the Contract, whether incorporated in a Deliverable or necessary to use a Deliverable (collectively, "Contractor Property"). Contractor Property shall be licensed to the State as set forth in this Contract or a State approved license agreement: (i) entered into as exhibits to this Contract; (ii) obtained by the State from the applicable third-party vendor; or (iii) in the case of open source software, the license terms set forth in the applicable open source license agreement.

g. **Use of Metadata.** Metadata may specifically be used to improve the Service being offered to a Purchasing Entity or the State under an applicable Order and all use of Metadata shall survive any termination or expiration of this Contract or any applicable Order.

XV. INFORMATION TECHNOLOGY STANDARDS.

RESERVED.

The State intends to finalize a policy for implementing a GovRAMP program requirement for orders placed under this Participating Addendum by Executive Branch agencies only. Once the policy is finalized, the State will request an amendment to this Participating Addendum. The requirements of the GovRAMP policy will apply only to orders placed by Executive Branch agencies after the effective date of the Amendment.

XVI. DISPUTES. If the Contractor has a claim arising in connection with the contract that it cannot resolve with the State by mutual agreement, it shall pursue the claim, if at all, in accordance with the provisions of AS 36.30.620 AS 36.30.632.

XVII. DEFAULT. In case of default by the Contractor, for any reason whatsoever, the Purchasing Entity may procure the goods or services from another source and hold the Contractor responsible for any resulting excess cost and may seek other remedies under law or equity.

XVIII. CONTRACT DISCLOSURE. Except as otherwise protected by law, this contract and any amendment is a public record subject to disclosure under, for example, the Alaska Public Records Act. The contractor does not assert that any information in the contract is protected under federal or State of Alaska law.

XIX. NO ADDITIONAL WORK OR MATERIAL. No claim for additional supplies or services, not specifically provided in this contract, performed or furnished by the Contractor, will be allowed, nor may the Contractor do any work or furnish any material not covered by the contract unless the work or material is ordered in writing by the Procurement Officer.

XX. **INDEPENDENT CONTRACTOR:** The Contractor and any agents and employees of the Contractor act in an independent capacity and are not officers or employees or agents of the State in the performance of this contract.

XXI. **PAYMENT OF TAXES:** As a condition of performance of this contract, the Contractor shall pay all federal, State, and local taxes incurred by the Contractor and shall require their payment by any subcontractor or any other persons in the performance of this contract. Satisfactory performance of this paragraph is a condition precedent to payment by the State under this contract.

XXII. **COMPLIANCE:** In the performance of this contract, the Contractor must comply with all applicable federal, state, and borough regulations, codes, and laws, and be liable for all required insurance, licenses, permits and bonds.

XXIII. **CONFLICTING PROVISIONS:** Unless specifically amended and approved by the State of Alaska, Department of Law, the terms of this contract supersede any provisions the Contractor may seek to add. The Contractor may not add additional or different terms to this contract; AS 45.02.207(b)(1). The Contractor specifically acknowledges and agrees that, among other things, provisions in any documents it sees to append hereto that purport to (1) waive the State of Alaska's sovereign immunity, (2) impose indemnification obligations on the State of Alaska, or (3) seek to limit liability of the Contractor for acts of Contractor negligence, are expressly superseded by this contract and are void.

XXIV. **OFFICIALS NOT TO BENEFIT:** Contractor must comply with all applicable federal or State laws regulating ethical conduct of public officers and employees.

XXV. **CONTRACT PRICES:** Contract prices for commodities must be in U.S. funds and include applicable federal duty, brokerage fees, packaging, and transportation cost to the FOB point so that upon transfer of title the commodity can be utilized without further cost. Prices for services must be in U.S. funds and include applicable federal duty, brokerage fee, packaging, and transportation cost so that the services can be provided without further cost.

XXVI. **CONTRACT FUNDING:** Contractors are advised that funds are available for the initial purchase and/or the first term of the contract. Payment and performance obligations for succeeding purchases and/or additional terms of the contract are subject to the availability and appropriation of funds.

XXVII. **FORCE MAJEURE:** The parties to this contract are not liable for the consequences of any failure to perform, or default in performing, any of their obligations under this Agreement, if that failure or default is caused by any unforeseeable Force Majeure, beyond the control of, and without the fault or negligence of, the respective party. For the purposes of this Agreement, Force Majeure will mean war (whether declared or not); revolution; invasion; insurrection; riot; civil commotion; sabotage; military or usurped power; lightning; explosion; fire; storm; drought; flood; earthquake; epidemic; quarantine; strikes; acts or restraints of governmental authorities affecting the project or directly or indirectly prohibiting or restricting the furnishing or use of materials or labor required; inability to secure materials, machinery, equipment or labor because of priority, allocation or other regulations of any governmental authorities.

XXVIII. **SEVERABILITY:** If any provision of the contract is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected; and, the rights and obligations of the parties will be construed and enforced as if the contract did not contain the particular provision held to be invalid.

XXIX. **CONTINUING OBLIGATION OF CONTRACTOR:** Notwithstanding the expiration date of this contract, the Contractor is obligated to fulfill its responsibilities until warranty, guarantee, maintenance and parts availability requirements have completely expired. Contractor shall complete and deliver to Purchasing Entities all Work not cancelled by the termination notice, and may incur obligations as necessary to do so within this Participating Addendum's terms. At the reasonable request of the State, Contractor shall assign to the appropriate Purchasing Entity all of Contractor's rights, title, and interest in and to such terminated orders or subcontracts. Upon termination, Contractor shall take timely, reasonable and necessary action to protect and preserve property in the possession of Contractor in which the appropriate Purchasing Entity has an interest. At the State or Purchasing Entity's request, Contractor shall return materials owned by the Purchasing Entity that Contractor possesses at the time of any termination. Contractor shall deliver all completed Work Product to the appropriate Purchasing Entity at the State or Purchasing Entity's request.

XXX. **TERMINATION:** The Purchasing Entity, by written notice, may terminate this contract, in whole or in part, when it is in the best interest of the Purchasing Entity. In the absence of a breach of contract by the Contractor, the Purchasing Entity is liable only for payment in accordance with the payment provisions of this contract for services rendered before the effective date of termination.
The Purchasing Entity may also, by written notice, terminate this contract under Administrative Order 352 if the contractor supports or participates in a boycott of the State of Israel.

XXXI. **ATTACHMENTS.** This Participating Addendum includes the following attachments:

a. **Appendix B3**
b.

XXXII. **NOTICE.** Any notice required herein shall be sent to the following:

For Contractor:

Reddy Bollineni
Director
cooperative@tscti.com
888-998-7284

For Participating Entity:

Brian Sonesen
Contracting Officer
Brian.Sonesen@alaska.gov
907-465-1067

XXXIII. **SUBMISSION OF PARTICIPATING ADDENDUM TO NASPO VALUEPOINT.** Upon execution, Contractor shall promptly email a copy of this Participating Addendum and any amendments hereto to NASPO ValuePoint at pa@naspovaluepoint.org. The Parties acknowledge and agree that the Participating Addendum, as amended, may be published on the NASPO ValuePoint website.

XXXIV. **BUSINESS LICENSE:**

a. Contractor shall within 30-days of signature provide a copy of the Alaska Business License and shall maintain a valid business license during the term of the Master Agreement and any renewals or extensions granted by the Lead State.

b. Contractor shall be responsible for ensuring that any quote provided to a Participating Entity for solutions other than Commercial Off The Shelf (COTS) software or licenses includes the provisioning entity's valid and active Alaska Business License. Any services, customized solutions, maintenance, support, or warranty/repair services shall require the provisioning Contractor or Contractor's partner to maintain an Alaskan Business License, regardless of whether the services are performed within the State of Alaska.

XXXV. INSURANCE. Each insurance policy required by this contract and Participating Addendum, including a Subcontractor's policy, shall include the Purchasing Entity as an additional insured (with the exception of the Workers' Compensation) and waive their rights of subrogation against the Purchasing Entity. Neither the "waiver of subrogation" or "additional insured" requirements apply to Professional Liability policies for errors and omissions.

The Contractor shall provide the Purchasing Entity certificate(s) of insurance necessary for the Purchasing Entity to ensure compliance with the insurance provisions of this Addendum. The Contractor must keep the required insurance in effect during the full term of the contract including all renewals or extensions. Current certificates of insurance must be provided to the state prior to the expiration date of any required coverage; to include providing certificates of insurance for Subcontractors as applicable.

Upon request, Contractor shall provide a copy of the policy or policies or shall allow the Purchasing Entity to inspect a copy of the policy or policies. Failure of the Contractor to provide and keep in force such insurance shall be regarded as material default, entitling the Purchasing Entity to exercise any or all the remedies provided in the contract for a default by the Contractor.

The procuring of such required insurance shall not be construed to limit the Contractor's liability hereunder nor to fulfill the indemnification provisions and requirements of the solicitation or subsequent contract. Notwithstanding said policy or policies of insurance, the Contractor shall be obligated for the full and total amount of any damage, injury, or loss caused by negligence or neglect connected with this contract.

The higher coverage limit(s) will be applicable in the event there is a discrepancy between the master agreement and State of Alaska insurance requirements as determined by the Division of Risk Management.

SIGNATURES FOLLOW ON NEXT PAGE

SIGNATURE

The undersigned for each Party represents and warrants that this Participating Addendum is a valid and legal agreement binding on the Party and enforceable in accordance with the Participating Addendum's terms and that the undersigned is duly authorized and has legal capacity to execute and deliver this Participating Addendum and bind the Party hereto.

IN WITNESS WHEREOF, the Parties have executed this Participating Addendum.

CONTRACTOR: 22nd Century Technologies, Inc.	**PARTICIPATING ENTITY: State of Alaska**
Isha Sharma	
Signature	**Signature**
Isha Sharma	Brian Sonesen
Printed Name	**Printed Name**
Contracts Manager	Contracting Officer
Title	**Title**
09/28/2026	September 29, 2026
Date	**Date**

State of Alaska
Department of Administration
Office of Procurement and Property Management
Effective Date: 8.27.26
Form: APP-3

APPENDIX B3 - INDEMNITY AND INSURANCE

Article 1. Indemnification

The contractor shall indemnify, hold harmless, and defend the State of Alaska from and against any claim of, or liability for error, omission or negligent act of the contractor under this agreement. The contractor shall not be required to indemnify the State of Alaska for a claim for, or liability for, the independent negligence of the State of Alaska. If there is a claim of, or liability for, the joint negligent error or omission of the contractor and the independent negligence of the State of Alaska, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. "Contractor" and "State of Alaska", as used within this and the following article, include the employees, agents, and other contractors who are directly responsible, respectively, to each. The term "independent negligence" is negligence other than in the State of Alaska's selection, administration, monitoring, or controlling of the contractor and in approving or accepting the contractor's work.

Article 2. Insurance

Without limiting the contractor's indemnification, it is agreed that the contractor shall purchase at its own expense and maintain in force at all times during the performance of services under this agreement the following policies of insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the contractor's policy contains higher limits, the State of Alaska shall be entitled to coverage to the extent of such higher limits.

Certificates of Insurance must be furnished to the contracting officer prior to beginning work and must provide for a notice of cancellation, non-renewal, or material change of conditions in accordance with policy provisions. If the insurer does not notify the State of Alaska on policy cancellation it shall be the contractor's responsibility to notify the State of Alaska of such cancellation.

Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach of this contract and may be grounds for termination of the contract. All insurance policies shall comply with and be issued by insurers licensed to transact the business of insurance under AS 21. All policies for general liability shall be primary and non-contributing with any insurance that may be carried by the State of Alaska.

The contractor shall require and verify that all subcontractors maintain insurance meeting all requirements stated herein, and contractor shall ensure that the State is an additional insured on insurance required from subcontractors.

Policies written on a "claims-made" basis must have a two-year tail of coverage, or an unbroken continuation of coverage for two years from the completion of the contract requirements.

2.1 Workers' Compensation Insurance: The contractor shall provide and maintain, for all employees engaged in work under this contract, coverage as required by AS 23.30.045, and Employers Liability with limits of at least $1,000,000. Also, where applicable, the contractor shall provide and maintain any other statutory obligations including but not limited to Federal U.S.L. & H. and Jones Act requirements. The policy must waive subrogation against the State of Alaska.

2.2 Commercial General Liability Insurance including:

$2,000,000 General Aggregate
$2,000,000 Products/Completed Operations
$1,000,000 Personal & Advertising Injury
$1,000,000 Each Occurrence
$ 5,000 Medical Payments

The policy must name the State of Alaska as an "additional insured" and the actual policy endorsement shall accompany each Certificate of Insurance. The policy shall be endorsed to waive all rights of subrogation against the State of Alaska by reason of any payment made for claims under this coverage. This policy endorsement shall accompany each Certificate of Insurance

2.3 Commercial Automobile Liability Insurance: covering all vehicles used by the contractor in the performance of services under this agreement with minimum coverage limits of $1,000,000 combined single limit per claim, to include: owned, hired, and non-owned. The policy must name the State of Alaska as an "additional insured' and the actual policy endorsement shall accompany each Certificate of Insurance. The policy shall be endorsed to waive all rights of subrogation against the State of Alaska by reason of any payment made for claims under this coverage. This policy endorsement shall accompany each Certificate of Insurance.

PROCUREMENT OFFICER: CONTACT RISK MANAGEMENT FOR DETERMINATION OF POLICY LIMITS:

2.4 Cyber/Privacy Liability Insurance with limits not less than **$5,000,000**. The Cyber Coverage shall include, but not be limited to, first-party coverage (data restoration, business interruption, forensic investigation, and crisis management), third-party coverage (regulatory fines, legal defense costs, and media liability), cyber extortion/ransomware (ransom payments and negotiation services), data theft, and privacy and notification (HIPAA violations, breach notification expenses, credit monitoring, and compliance with state and federal laws). Contractor shall maintain continuous coverage for the duration of the agreement and for 2 years following termination.

PROCUREMENT OFFICER: REMOVE IF NOT PROFESSIONAL IT-RELATED SERVICES:

2.5 Professional Liability Insurance: covering all errors, omissions or negligent acts in the performance of professional services under this agreement. Limits required per the following schedule:

Contract Amount	**Minimum Required Limits**
Under $100,00.00	$300,000.00 per Claim / Annual Aggregate
$100,000.00 to $499,999.00	$500,000.00 per Claim / Annual Aggregate
$500,000.00 to $999,999.00	$1,000,000.00 per Claim / Annual Aggregate
$1,000,000.00 and over	**Refer to Risk Management**